CORRESPONDENCE
IN LIEU OF
DIRECTORS’ MEETING
MONDAY, NOVEMBER 28, 2005

I. MAYOR

*1. NEWS RELEASE - RE: Pedestrian Bridge Named In Honor Of Bereuter - (See Release)

*2. NEWS RELEASE - RE: Mayor Presents October Award Of Excellence - (See Release)

*3. NEWS ADVISORY - RE: Mayor Coleen Seng will have a news conference at 2:30 p.m., November 16th - The Mayor will accept a grant from EPA officials to be used in assessing the need for environmental cleanup at the 48th & “O” Street redevelopment area -(See Advisory)

*4. NEWS RELEASE - RE: City’s Snow Removal Fund at $4 Million-Changes made in residential parking ban procedure -(See Release)

*5. NEWS ADVISORY - RE: Snow Operation Reports -(See Advisory)

*6. NEWS RELEASE - RE: Seng Accepts EPA Grant To Help With 48th & “O” Redevelopment -(See Release)

*7. NEWS ADVISORY - RE: Mayor Coleen Seng & representatives of the Star City Holiday Festival will discuss this year’s December 3rd parade at a news conference at 10:00 a.m., 11/17/05 -(See Advisory)


**9. NEWS RELEASE - RE: Mayor Announces Plans For Star City Holiday Parade -(See Release)

**10. NEWS ADVISORY - RE: Mayor Seng’s Public Schedule Week of November 19 through 25, 2005-Schedule subject to change -(See Advisory)
**11.** NEWS ADVISORY - RE: Mayor Coleen Seng, City Parks and Rec
Officials and Nebraska Game and Parks Commission Representative at a
news conference - dedicating playground equipment at Mahoney Park at
9:30 a.m., 11/22/05 - (See Advisory)

**12.** NEWS RELEASE - RE: Mayor Dedicates New Mahoney Park Playground
Area - (See Release)

**13.** NEWS ADVISORY - RE: Mayor Coleen Seng will be joined by officials
from the City Public Works & Utilities Dept. at a ribbon-cutting ceremony
at 11:00 a.m., 11/23/05 - will mark the re-opening of 84th Street to through
traffic - (See Advisory)

**14.** Response Letter from Mayor Coleen Seng to Sue Quambusch, Chair, Parks
& Recreation Advisory Board - RE: Co-location of Facilities with New
Schools - (See Letter)

**15.** NEWS RELEASE - RE: 84TH Street Is Open - Four-lane arterial street now
connects Hwy 6 & Hwy 2 - (See Release)

**16.** NEWS RELEASE - RE: Mayor Seng’s Thanksgiving Message - (See
Release)

**17.** NEWS ADVISORY - RE: Mayor Seng’s Public Schedule Week of
November 26 through December 2, 2005 - Schedule subject to change -
(See Advisory)


II. DIRECTORS

COUNTY COMMISSIONERS

**1.** Letter from the County Commissioners - RE: The ‘K’ Street Complex - (See
Letter)

HEALTH

**1.** Physician Advisory from Bruce Dart - RE: Influenza Update - (See
Advisory)
PLANNING

*1. E-Mail communication from Nebraska Association of Private Resources sent to Council Office by Jean Walker - RE: Zoning and Fair Housing - (Council received this E-Mail on 11/14/05)(See E-Mail)

*2. E-Mail from Dan Allison, President, Development Services of Nebraska Governing Board sent to Council Office by Jean Walker - RE: Reasonable accommodations for group homes -(See E-Mail)

**3. Memo from Marvin Krout - RE: Large Retail Buildings and Neighborhood Centers - (See Memo)

PLANNING COMMISSION FINAL ACTION ....

*1. Preliminary Plat No. 05016 - Apple’s Way (South 66th Street and Highway 2) Resolution No. PC-00960.

*2. Special Permit No. 05049 (Southwest of the intersection of South 56th Street and N Street) Resolution No. PC-00963.

*3. Preliminary Plat No. 05014 - Hamann Meadows (Northwest of South 76th Street and Pioneers Blvd.) Resolution No. PC-00962.

*4. Special Permit No. 1583B (South 17th & Garfield Streets - Parking Lot) Resolution No. PC-00961.

**5. Preliminary Plat #05015-Harrison Heights Addition (91st & Leighton Avenue) Resolution No. PC-00964.

STARTRAN

*1. E-Mail Information from Scott Tharnish requested by Council Member Dan Marvin - RE: StarTran Ridership - (See E-Mail)
WOMEN’S COMMISSION

*1. NEWS RELEASE - RE: Women’s Commission Seeks Board Appointments - Lincoln/Lancaster Women’s Commission has two vacancies on Advisory Board -(See Release)

III. CITY CLERK

IV. COUNCIL

A. COUNCIL REQUESTS/CORRESPONDENCE

ROBIN ESCHLIMAN

1. Request to Lynn Johnson, Parks & Recreation Director - RE: Center lanes being painted on bike trails (RFI#2 - 11/09/05)

PATTE NEWMAN


V. MISCELLANEOUS -

*1. Faxed MEDIA RELEASE from Lori Seibel, Executive Director, Community Health Endowment of Lincoln - RE: Medicare Part D Forums - Additional Medicare Forum Scheduled Due to High Demand -(See Release)

*2. E-Mail from Curt Thege - RE: Wal-Mart -(See E-Mail)

*3. E-Mail from Rick Goodman - RE: Prairie Home Development & Wal-Mart - (See E-Mail)

*5. Letter from Margaret Bartle - RE: Saw the film “Wal-Mart, the High Cost of Low Price” and my doubts about the value of this business have been confirmed -(See Letter)

**6. E-Mail from Russell Miller - RE: Stormwater planning -Salt Creek levees -(See E-Mail)

**7. Letter from Larry Reznicek - RE: Opposed to Wal-Mart - (See Letter)

**8. Material from Jane Raybould - RE: Wal-Mart Impact on Health Insurance and Police Departments (Council copies of Material placed in file folders on 11/21/05) (See Material)


**11. E-Mail from Bonnie Filipi - RE: Wal-Mart in Lincoln -(See E-Mail)

**12. E-Mail from Sue Cover, Havelock Furniture & Tam Spence, Vickeridge - RE: Wal-Mart - (See E-Mail)

VI. ADJOURNMENT

*HELD OVER FROM NOVEMBER 21, 2005.
ALL HELD OVER UNTIL DECEMBER 5, 2005.
FOR IMMEDIATE RELEASE: November 17, 2004
FOR MORE INFORMATION: Deb Johnson, Parade Executive Director, 434-6901

MAYOR ANNOUNCES PLANS FOR STAR CITY HOLIDAY PARADE

Mayor Coleen J. Seng today announced plans for the 21st annual Star City Holiday Parade. The parade will include five giant balloons, new floats and parade mascot Major Drummond, with Santa and Mrs. Claus making their appearance at the end of the parade. The parade – produced by Updowntowners, Inc. and the City of Lincoln and presented by First National Bank – is set for 11 a.m. Saturday, December 3rd in downtown Lincoln. The parade theme this year is “Unwrap the Joy.”

“The Star City Holiday Parade is one of the traditions that makes Lincoln a special community,” said Mayor Seng. “This parade takes a great deal of commitment, work and community support, but seeing the smiles of children makes it all worthwhile. As the largest parade of its kind in a five-state area, the Lincoln parade has become a regional event that draws tens of thousands of visitors to the Capital City.” Mayor Seng will ride in a horse-drawn carriage with three former Lincoln Mayors.

“We are pleased to be the presenting sponsor once again for this year’s Star City Holiday Parade,” said Richard L. Herink, President of First National Bank. “Each year the parade gets bigger and better. The enjoyment it brings to children and their families makes it a joy to be a part of. It helps get the holiday season started in Lincoln in a very special way.”

Deb Johnson, Executive Director of Updowntowners, Inc., said the parade attracts 85,000 people to downtown Lincoln.

“While the festival is in its 21st year, we are pleased to announce that we have many new and exciting surprises for our community,” said Johnson. “The parade will feature new brightly colored push floats, including Lincoln Federal Savings Bank’s giant piggy bank, Star City Sweets and the Mouse family: Mary, Chris and Eve. We also have several new entries from the community, including the Mayor’s Committee for International Friendship. All of the entries will help us ‘Unwrap the Joy’ of the holiday season!”

Other major sponsors include Alltel, Union Bank and Trust, U.S. Cellular and Saint Elizabeth Regional Medical Center.

- more -
Star City Holiday Parade
November 17, 2005
Page Two

The parade also includes unique vehicles, animal and equestrian units, walking units, costumed characters and executive clowns. Twenty bands will march through downtown, including the UNL Cornhusker Marching Band; the 43rd Army Band; bands from all six Lincoln public high schools, Pius X and Parkview Christian; and bands from Beatrice, Lawrence-Nelson, Alma, Papillion-LaVista South, Grand Island Central Catholic, Bancroft-Rosalie, Palmyra, Deshler, Pawnee City and York.

A panel of band professionals will judge the bands in competition. All other judging will be done by a panel of children ages 8 through 14.

Keep Lincoln & Lancaster County Beautiful is promoting the parade as litter-free event, and volunteers will be along the parade route to help collect trash and educate the public on the proper disposal of trash.

While the parade is free to the public, production costs are significant. Parade organizers will have volunteers collecting donations during the parade and will have a donation bucket at the information booth.

The parade will again be televised live statewide by KOLN-KGIN-TV.

The parade Web site at www.starcityholidayfestival.org includes information on all the events, plus a parade route map and parking map.
Mayor Seng’s Public Schedule
Week of November 19 through 25, 2005
Schedule subject to change

Saturday, November 19
• National Adoption Day, remarks and proclamation - 9:30 a.m., Hall of Justice lobby, 575 S. 10th St.
• “Great Neighborhoods,” remarks and certificate presentation - 11:45 a.m., “F” Street Rec Center, 13th and “F” streets, 2nd floor classroom
• Footprinter Law Enforcement Awards Dinner, remarks, plaque presentations - 6 p.m., Knoll’s restaurant, 2201 Old Cheney Road

Tuesday, November 22
• KLIN 1400AM “Call-in” show with Dwight Lane - 8:10 a.m., 4343 “O” St.
• News conference - 9:30 a.m., Mahoney Park, 70th and Fremont
• Juvenile Justice proclamation signing - 4 p.m., Mayor’s Office

Wednesday, November 23
• News conference - 11 a.m., topic and location to be announced
DATE: November 21, 2005
FOR MORE INFORMATION: Dave Norris, Citizen Information Center, 441-7547

Mayor Coleen J. Seng will be joined by City Parks and Rec officials and a representative from the Nebraska Game and Parks Commission at a news conference at 9:30 a.m. Tuesday, November 22 at Mahoney Park, 70th and Fremont.

The Mayor and her guests will be dedicating the new playground equipment at the park.
FOR IMMEDIATE RELEASE: November 22, 2005
FOR MORE INFORMATION: J.J. Yost, Parks and Recreation, 441-7847
Dave Norris, Citizen Information Center, 441-7547

MAYOR DEDICATES NEW MAHONEY PARK PLAYGROUND AREA

Mayor Coleen J. Seng, along with officials from Lincoln Parks and Rec and the Nebraska Game and Parks Commission, today dedicated the new 100 percent handicapped accessible playground area at Mahoney Park in northeast Lincoln. The new $105,000 playground equipment was funded equally by a Land and Water Conservation Grant through the Nebraska Game and Parks Commission and Lincoln Parks and Recreation Department keno funds.

“This is the latest effort in our continuing commitment to upgrade playground areas in city parks,” said Mayor Seng. “We are grateful for the financial support we’ve received from the State Game and Parks Commission to assist in this effort to modernize the playgrounds.”

Neal Bedlan, Federal Aid Administrator for the Nebraska Game and Parks Commission also attended today’s playground dedication. The acquisition of the 227-acre Mahoney Park in 1970 was also assisted by funds from the Land Water Conservation Fund.

“It is a great privilege and honor to be able to partner with the National Parks Service to provide financial assistance to this worthy project,” Bedlan said. “Over the past 40 years, the City of Lincoln has received a total of almost 2 million dollars from the Land and Water Conservation Fund grant program to assist with projects such as the Holmes lake trail, this Mahoney Park playground enhancement and many other park development projects.”

The new playground surface is cushioned with recycled rubber tiles for added safety protection from potential falls and for full accessibility. The original Mahoney Park playground equipment was installed in 1971.

“This large playground includes a composite play structure with multiple platforms and numerous ground-based pieces that provide outdoor recreation opportunities for families with pre-school and elementary school-aged children,” said J.J. Yost, Planning and Construction Manager for Lincoln Parks and Rec. “We have again upgraded playground facilities at a Lincoln community park while always focusing first on the safety of our children.”

The new playground is larger and designed to be attractive, safe and encouraging to physical activity. It was relocated in the immediate vicinity of the existing tennis courts, softball fields and sand volleyball courts.

-more-
Mayor Seng also invited citizens to join her for music, hot cocoa and holiday festivities at the “Lighting of the Gardens” event at the Sunken Gardens from 5 to 7 p.m. Friday, December 9. Over 1,000 white luminaries will help light up the terraced walls of Sunken Gardens. The Mayor will speak and flip-the-switch on the holiday lights at 5:30 p.m. This will be the first time that holiday lights have been on display in the 75-year history of the Sunken Gardens.
Mayor Coleen J. Seng will be joined by officials from the City Public Works and Utilities Department at a ribbon-cutting ceremony at 11 a.m. Wednesday, November 23 at the intersection of 84th Street and Foxtail Street (about 1/4 mile south of 84th and Old Cheney at the entrance to Lincoln Christian School).

The ceremony will mark the re-opening of 84th Street to through traffic.

*Media access is available from the south on 84th Street off of Highway 2. Parking is recommended to the east of 84th Street on Foxtail Street.*
October 31, 2005

Sue Quambusch, Chair
Parks and Recreation Advisory Board
2740 A Street
Lincoln, NE 68502

Dear Sue:

Thank you for your thoughtful letter expressing the board’s support of co-locating recreational opportunities with elementary and middle schools. I have long advocated the co-location of public facilities where it can be shown to be a viable opportunity. As you may recall I supported creation of the teen center at Park Middle School.

I also have followed closely the Lincoln Public Schools’ community process resulting in the recommendations that have been the subject of public discussion recently. I will be meeting soon with LPS administrators to discuss our options for coordinated facilities and what our next steps might be.

Thanks again for writing.

Sincerely,

Coleen J. Seng
Mayor of Lincoln

cc: Susan Gourley
Ken Svoboda
Kathy Danek

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October 25, 2005

Mayor Coleen J. Seng  
City of Lincoln  
555 South 10th Street, Suite 208  
Lincoln, Nebraska 68508

RE: Co-location of Facilities with New Schools

Dear Mayor Seng;

The Parks and Recreation Advisory Board have been watching with interest the work of the Lincoln Public Schools Student Housing Task Force. The Lincoln Journal Star reported on October 17 that the Task Force is recommending construction of four new elementary schools, two new middle schools, and renovation of four existing middle schools over the next decade among other projects. As you know, Lincoln has a successful history of co-locating recreation centers with elementary and middle schools. Most recently the Parks and Recreation Department has come to understand the value of having dedicated space within Park Middle School to support social, educational, recreational programs for teens.

The Lincoln City/ Lancaster County Comprehensive Plan states the community’s intent to co-locate schools with parks. In addition, the Comprehensive Plan states the intent to construct community space within schools in the form of smaller “recreation activity centers” at some schools, and “community recreation centers” at other schools. These spaces support before-and-after school programs as well as a variety of other community activities. A joint recreation facility planning study completed in August 2004 indicated the need for community recreation centers with schools in two locations – one in northwest Lincoln and the second in southeast Lincoln. Recreation activity centers would be co-located with all other new elementary and middle schools.

As you know, staff representing Lincoln Public Schools (LPS), the Lincoln YMCA, the Planning Department, the Public Works and Utilities Department, and the Parks and Recreation Department have been meeting monthly to coordinate planning efforts. We applaud these efforts to co-locate community facilities, and to maximize utilization of public investment in schools, parks, trails, and recreation facilities.

It seems likely that Lincoln Public Schools will be approaching the community with one or more bond issues to construct new school space and to renovate existing schools. The Parks and Recreation Advisory Board is particularly concerned that purposeful discussions be occurring between LPS and City administrations and elected officials regarding coordinated efforts to fund construction of community space within schools. Four elementary schools and two middle schools were constructed in our community during the past decade without integration of
community space. These were missed opportunities. The Board is encouraging development of a coordinated funding strategy to assure that joint facilities can be constructed to best serve our community’s students and residents.

Our community has benefited from co-location of park and recreation facilities with schools in the past. We have the opportunity to again make wise investments of community resources in school/park facilities. The Parks and Recreation Advisory Board urges moving forward in a coordinated manner.

Sincerely,

Sue Quambusch
Chair, Parks and Recreation Advisory Board

Cc: Dr. Susan Gourley, Lincoln Public Schools
    Ken Svoboda, Chair of the Lincoln City Council
    Kathy Danek, President of the Board of Education
OFFICE OF THE MAYOR  
555 South 10th Street, Lincoln, NE 68508, 441-7511, fax 441-7120

FOR IMMEDIATE RELEASE: November 23, 2005  
FOR MORE INFORMATION: Karl Fredrickson, Public Works and Utilities, 441-7548  
Daye Norris, Citizen Information Center, 441-7547

84TH STREET IS OPEN

Four-lane arterial street now connects Highway 6 and Highway 2

Mayor Coleen J. Seng today officially opened the new widened 84th Street with a ribbon-cutting ceremony near the intersection of 84th Street and Old Cheney Road. The ceremony marked the completion of the last major section of a 10-mile project to extend and improve the City’s water delivery system and build a new four-lane north-south arterial street connecting two major highways in east Lincoln.

The project represents a $40.7 million investment in the Lincoln water and street infrastructure. The nine-year project was built in three phases. The prime contractors for the project were Constructors Inc. Dobson Brothers Construction Company, Pavers Inc. and Western Plains Construction Company. Project Consultants included Olsson Associates, The Schenmer Associates and Garber & Work. Funding partners included the Federal Highway Administration and the Nebraska Department of Roads.

“This project was all about Lincoln’s future,” Mayor Seng said. “When this project began, much of 84th Street was a rural blacktop road at the edge of the City. Today it is a major urban arterial street ready to serve the bustling growth occurring all around it. The road and water system improvements will benefit our City for years to come. It is great to finish this street.”

The most time-consuming part of the project was building a new 48-inch underground water main that extends more than seven miles. The project also required more than 350,000 square yards of new concrete street paving, the relocation of all major utilities and the installation of 11 sets of new traffic signals.

- more -
Although the street is open to traffic, some work still is being completed. After Thanksgiving, the private contractor will continue installing sidewalks, landscaping and other miscellaneous items, which may cause occasional partial lane closures along 84th Street and Old Cheney Road. The area will be seeded to grass next spring.

With the opening of 84th Street, drivers will be able to travel a convenient arterial street all the way from Highway 2 to Highway 6 in east Lincoln.

Combining the street construction and water main construction projects saved motorists from additional disruptions that would have resulted from building the projects separately, said City Public Works and Utilities Director Karl Fredrickson.

"I want to thank our citizens for their patience during this major undertaking," Fredrickson said. "This project provides much-needed infrastructure improvements to serve our growing community."

The 84th Street project also demonstrates the need for the RUTS (Rural to Urban Transition Streets) proposal, Fredrickson said. "If RUTS had been in place nine years ago, the traffic would never have been stopped for construction. We could have added lanes and underground infrastructure without totally closing the road."

The new water line along 84th Street is essential for continued growth in south and east Lincoln, said Nick McElvain, Lincoln Water System Water Operations Support Manager. "This work enhances water delivery to the City and provides for continued growth," he said. "The new water main will improve water pressure to new neighborhoods near 84th Street, enhance water delivery in new development areas and improve reliability for all our customers."

Mayor Seng said 80th Street between Nob Hill Road and Dougan Drive also opened to through traffic today.
FOR IMMEDIATE RELEASE: November 23, 2004
FOR MORE INFORMATION: Diane Gonzolas, Citizen Information Center, 441-7831

MAJOR SENG’S THANKSGIVING MESSAGE

“The residents of Lincoln have much to be thankful for this on this Thanksgiving Day. Lincoln is growing. We have at least 1,300 more jobs than a year ago. We have great schools, low crime and outstanding parks. We just opened 84th Street, and we recently celebrated the reopening of Holmes Lake. We’re moving forward on plans for 48th and “O” streets, a new Harris Overpass and a potential new arena. Every day, we are showing that Lincoln is truly the community of opportunity.

“As we gather with family and friends to celebrate Thanksgiving, I hope you will remember our brave soldiers who are away from home on this holiday. Remember too the homeless and needy in our community who need our support.

“As Mayor, I am thankful for the many people in Lincoln who work every day to make this community a great place to live. Happy Thanksgiving from my family to yours.”

- 30 -
Date: November 23, 2005
Contact: Diane Gonzolas, Citizen Information Center, 441-783

Mayor Seng’s Public Schedule
Week of November 26 through December 2, 2005
Schedule subject to change

Tuesday, November 29
• Human Services Federation Day event, proclamation - 8:30 a.m., CEDARS Northbridge Community Center, 1533 North 27th Street
• Lincoln Manufacturing Council, remarks - 10:30 a.m., Lincoln Chamber of Commerce, 1135 “M” Street
• KFOR - 12:30 p.m., 3800 Cornhusker Highway

Wednesday, November 30
• Lincoln Police Department recruit graduation - 7 p.m., Holiday Inn Downtown, 141 North 9th Street

Thursday, December 1
• University Place Art Center reception - 7:30 p.m., 2601 North 48th Street

Friday, December 2
• Goodwill store grand opening - 10 a.m., 1731 “O” Street
• Leadership Lincoln’s “Lincoln On Board” unveiling - 11 a.m., Russ’s Market, 70th and Van Dorn
BUDGET

House overcomes budget reconciliation impasse — for now. After spending the better part of two weeks courting the Republican moderates they need for final passage, the House leadership barely approved budget reconciliation legislation (HR 4241) on the House floor early this morning. The bill would make $49.5 billion in cuts to the growth of mandatory spending programs over the next five years. The measure was approved along a strict party line vote, with all Democrats and a handful of moderate Republicans voting against it. The Senate passed a version of the bill (S 1932) earlier this month that would make $35 billion in cuts to the growth of mandatory spending over five years.

After dispensing with HR 4241, the House is expected to turn its attention to the second part of the reconciliation process, legislation (HR 4297) that would produce $56.6 billion in tax cuts over five years, mostly by extending tax cuts from 2001 and 2002 that are set to expire and providing a one-year fix to the alternative minimum tax (AMT) problem. The Senate spent much of this week debating its $59.6 billion version of the tax bill (S 2020) and appeared poised to pass it as this report was being written.

In a concession to moderates, neither bill includes extension of lower tax rates on capital gains and dividends that are set to expire at the end of 2008. Including those would have brought the price tag for the tax measure closer to $70 billion over five years. Many moderates argued that a $70 billion level would have increased the deficit by $20 billion over five years something they argued is unwise in a time of war, natural disaster and record deficits.

The budget and tax bills will now go to a House-Senate Conference Committee, where conferees will have to strike a difficult balance that meets the demands of the moderate House Republicans without alienating House conservatives. In addition, they will have to decide whether the final package authorizes drilling in the Arctic National Wildlife Refuge (ANWR). The Senate bill includes drilling authorization but the House bill does not in an attempt to win moderate Republican votes. Many Republican House moderates have said they will not vote for a conference report that authorizes drilling. However, an equal number of their conservative counterparts have indicated they will oppose a conference report that does not authorize drilling.

HOUSING AND CD

FY 2006 HUD budget includes 9 percent cut for CDBG. A House-Senate conference committee finalized the FY 2006 appropriations bill with jurisdiction over the Department of Housing and Urban Development this week. Final passage was achieved by the House today and Senate approval is expected today or tomorrow.

Funding levels for most major HUD programs were generally close to their FY 2005 levels, with the exception of the Community Development Block Grant (CDBG) program. Formula grants would be funded at $3.748 billion in FY 2006, a decrease of $368 million, or about 9 percent, from FY 2005 levels. This is the second consecutive year that CDBG formula grants have been reduced by Congress. Other funding levels, with comparison to FY 2005 funding, are as follows:

- $1.75 billion for HOME (-$39m)
- $1.34 billion for Homeless grants
The House approved the FY 2006 Department of Transportation appropriations bill today, and the Senate could follow suit today or possibly tomorrow, clearing it for the President’s signature.

Senate panel approves transit security grants. In a related item, the Senate Banking Committee approved legislation this week that would authorize $3.5 billion in grants over the next three years to public transit agencies for security improvements. Bill sponsors pointed out that since the September 11 attacks, funding for aviation security has far outpaced transit security funding; and in FY 2006, transit security has received $150 million while aviation security programs total more than $4.6 billion.

The Banking Committee bill would authorize $2.4 billion from FY 2007 for communications and security equipment, as well as $534 million for training, public awareness campaigns, and security procedures, and $130 million for research and development. While the Banking Committee measure was approved easily, the idea of increased transit security has been met with resistance to date. The House has not considered any similar legislation, and attempts earlier this year on the Senate floor to increase transit security in FY 2006 were defeated on procedural points.

HUMAN SERVICES
House turns back Labor-HHS-Education conference report. In a rare setback that took the leadership by surprise, the House defeated the conference report for the FY 2006 appropriations bill for the Department of Labor, Health and Human Services (HHS) and Education (HR 3010). Twenty-two Republicans joined all Democrats to reject the bill by a vote of 209-224. The vote came despite the leadership holding the vote open for close to an hour as they attempted to twist arms.

The Labor-HHS-Education measure is the largest of the non-defense annual

EMINENT DOMAIN
Conference approves curbs on eminent domain as part of FY 2006 appropriations bill. The House-Senate conference committee on the FY 2006 appropriations bill with jurisdiction over the Departments of Transportation, Treasury, and Housing and Urban Development settled on language this week that would prevent funds from the bill from being used to support economic development projects that seek to use eminent domain that would primarily benefit private entities.

The action is another in a series of steps that Congress has taken to respond to the recent Supreme Court decision Kelo v. New London, which upheld local government ability to use condemnation laws for economic development purposes. This particular language would only apply to FY 2006 funds from the agencies included in the bill. It exempts “public use” projects from the prohibitions and seeks to define the term to include the following projects:

“…mass transit, railroad, seaport or highway project as well as utility projects which benefit or serve the general public (including energy-related, communications-related, water-related, and wastewater-related infrastructure), or other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields…”

The legislation also includes language requiring the General Accountability Office to conduct a study on the nationwide use of eminent domain, including procedures used and the results accomplished on a state-by-state basis, as well as the impact on individual property owners and affected communities. Local government organizations, which were active in negotiations over the language, hope progress will slow on more comprehensive eminent domain legislation until the results of the study are released. GAO must submit the study to Congress within 12 months of the enactment of the bill.

TRANSPORTATION
House and Senate conferees reach agreement on the FY 2006 Transportation Appropriations bill. Conferes wrapped up negotiations and filed a conference report early Friday morning that would fund highway and transit programs at the levels authorized in the recently approved surface transportation reauthorization bill (SAFETEA-LU).

Those levels include $36.8 billion for the federal highway program and about $8.6 billion for transit programs, increases of $2.4 billion and $1 billion, respectively. In addition, the bill provides $1.3 billion for Amtrak, an increase of $100 million over current levels, and $3.4 billion for the Airport Improvement Program at the Federal Aviation Administration, a decrease of $72 million from FY 2005.

Negotiators late in the process reclassified about $450 million from the SAFETEA-LU bill that would have funded construction of two Alaska bridges, including the contentious project dubbed the “bridge to nowhere.” Feeling the heat of bad publicity and pressure from conservatives, bill sponsors assigned the funds to Alaska’s general pool for transportation projects, so the funds stay in the state, but are not specifically allotted to the bridges, although, state officials, of course, could choose to do so.

The House approved the FY 2006 Department of Transportation appropriations bill today, and the Senate could follow suit today or possibly tomorrow, clearing it for the President’s signature.

WASHINGTON

(+$100m)

• $20.66 billion for Section 8 renewals (+$590m)

• $2.463 billion for Public Housing Capital grants (-$116m)

• $3.6 billion for Public Housing Operating grants (+$1.16b)

• $289 million for Housing for Persons with AIDS (+$8m)

• $100 million for HOPE VI (-$43m)

• $742 million for Section 202 elderly assistance (+$1m)

• $239 million for Section 811 disabled assistance (+1m)

• $10 million for Brownfields (-$14m)

Note: Funding levels include non-defense discretionary, mandatory, and off-budget spending.
appropriations bill and is also usually the most controversial because of disagreements over cultural issues such as abortion and over-spending on health, welfare and education programs. The conference report for the bill would have cut total funding for programs under its jurisdiction by $16.3 billion from FY 2005. In addition, it did not include any earmarks for specific member projects and did not include emergency funding for additional home heating assistance that was requested by Northeast and Midwest members.

In the face of the defeat, the House leadership says that they will try to fund programs covered by the bill in a year-long continuing resolution that cuts funding by $1.4 billion from FY 2005 levels. The defeated appropriations bill was $163 million less than FY 2005, so this route would result in substantial cuts.

It is not clear at this time how that move would specifically affect programs of interest to local governments. They may also attach the rejected conference report to the Defense Appropriations conference report, which will probably be the last appropriations bill finalized. That would put members opposed to the Labor-HHS-Education measure in the position of having to vote against funding for the military in a time of war.

**HOMELAND SECURITY**

Conferees drop proposal to rewrite first responder grant distribution formula as time runs out. Efforts to include changes to the formulas used to distribute federal Homeland Security funds through the pending Patriot Act reauthorization bill (HR 3199) were dropped this week, as negotiators were unable to come to closure on the issue.

One of the proposals being discussed was to include language similar to that included in HR 1554, which passed the House in May and would allow more funds to be distributed based upon risk, decreasing the state minimum to 0.25 percent, the distributing the remaining funds according to threat. Meanwhile, Senator Susan Collins (R-ME), has been urging support for her alternative distribution formula (S 21), that would have given each state a minimum of 0.55 percent of total funding, with more populous states being eligible to receive up to 3 percent of the funding according to a sliding scale. Remaining funds would have been distributed according to risk. Language regarding the operation and eligibility for the Urban Area Security Initiative (UASI) was also stalling negotiations.

See July 15 *Washington Report* for details.

**GRANT OPPORTUNITIES**

**Department of Justice:** The Office of Violence Against Women is accepting applications for the FY 2006 Grants to Encourage Arrest Policies and Enforcement of Protection Orders. The program seeks to prioritize victims’ safety throughout the entire process of holding offenders accountable. Grants support community efforts to establish Coordinated Community Response in the treatment of domestic violence as a serious criminal act. The maximum award is $400,000 over a twenty-four month project period. Letters of intent are due by December 7, 2005 followed by the application deadline January 11, 2006. The RFP can be viewed at: http://www.usdoj.gov/ovw/fy06arrestsolicitationpostingversion.pdf.
In June of 2005 the Lancaster County Board of Commissioners sent a letter to Mayor Coleen Seng regarding the potential sale of the K Street Complex. The letter raised a number of legal and financial concerns, and stressed the importance of the City and County working together to make sure the proposed sale is in the best interests of the taxpayers. The County Board believes many of these concerns have not been adequately answered. As the City addresses the sale of this property the Board respectfully requests the following questions be carefully considered by the Council:

- Is it economically feasible to convert the K Street Complex to housing?
- What is the highest and best use for the building?
- Will the City and County taxpayers be made whole if the building is sold?
- Regardless of its present use, should the property be retained for future needs of the City and County?

When the K Street power plant was declared surplus in 1987, it was hoped the property could be sold to a private developer and converted to housing. However, an architectural review of the property showed it was not economically feasible to do so. Instead, it was determined the best solution for utilization of the abandoned power plant was to develop it into a records storage facility for government documents. Based on this information, a substantial public investment was made in converting the building into a state of the art records center.

If it was not previously feasible to convert an abandoned, surplus building to housing, why is it now feasible to convert an active facility to such use? If the highest and best use of the property is for records storage, does it make economic sense to discontinue this use in favor of another use of questionable feasibility? These questions must be answered to adequately address the more important issue of whether the taxpayers will be made whole.

The best way to make the taxpayers whole is to construct a replacement facility in close proximity to the existing records center. Conservative estimates indicate the cost of a replacement facility could exceed $10,000,000. Given this cost it is unrealistic to expect that a replacement facility will be constructed.

Alternatively it has been suggested the cost of renting replacement space would be offset by the increased tax revenue from placing the building back on the tax rolls. This suggestion raises the fundamental question of whether it is better to rent or own. At the end of a given rental period the City and County will not have an asset to show for their payments. If the records center remains at K Street the bonds will be fully paid in 2018 and local government will have a valuable real estate holding to show for its payments. The argument for renting also ignores the fact that the calculation of a rental rate in the private sector will include the property taxes paid by the landowner. In addition, the...
projected value increase of the K Street property is highly speculative. If the housing project is not economically feasible, the value of the property would be drastically lower than predicted. Ultimately the loss would be absorbed by the taxpayer.

Another concern is the fact the District Energy Corporation (DEC) presently supplies heating and cooling to the property. This raises a number of questions regarding the propriety of using public resources for the benefit of a private developer. If the DEC cannot be used to supply the energy needs for a private housing development, an expensive replacement system will be required. Even if DEC can be used, unanswered questions remain about the cost of converting the energy delivery system to accommodate housing units, thereby casting further doubt on the feasibility of the project. Moreover, removing the K Street Complex from the DEC service network could have a negative impact on the other governmental customers. Again, the taxpayer bears the burden.

Parking is another problem with the proposed sale. Clearly there is not adequate parking with the facility. Will the public parking lot located east of the K Street Building be used to solve this problem? If so, the need to expand the decking will arrive sooner, and once again the taxpayer will be called upon to pay the cost. Moreover, the parking lot was acquired from private land owners, under threat of condemnation, to serve the needs of citizens doing business with the City and County. Under these circumstances is it appropriate to use the lot to solve the long-term parking needs of a private housing development?

Finally, is it wise to sell government property which might be needed for other future uses by the City and County? Ironically the City and County are now in the process of purchasing the Courthouse Plaza to accommodate their existing space needs. One of the justifications for the purchase is the proximity of the property to other government services. If the K Street property outlives its usefulness as a records center it would still have enormous value for other public functions. Simply stated it is better to retain ownership of real property to serve future needs than to acquire new property from private owners.

The high cost of acquiring the Courthouse Plaza and the public parking lot mentioned above highlights the importance of retaining ownership of the K Street property. In fact, the City and County paid $41.86 per square foot to acquire the land for this parking lot. Given this information, is the City being offered adequate consideration for the K Street Complex?

In conclusion, the K Street Complex was developed in the spirit of cooperation between the County and City as a long-range solution to the records management needs of local and state government. All the tax payers of Lincoln and Lancaster County have contributed to the success of this project. Selling the property now deprives the County and its taxpayers of the intended benefits from its commitment, and subjects all the citizens of Lincoln and Lancaster County to higher costs for conducting the business of government.

Sincerely,

Larry Hudkins, Chair

Bernie Heier

Deb Schorr

Ray Stevens

Bob Workman

cc: Mayor Coleen Seng
INFLUENZA UPDATE

At this time, Flu activity in the United States, Nebraska and locally is at a low level. Only one lab confirmed case of Influenza has been reported in Nebraska at this time. Weekly Flu-Like illness surveillance is carried out by the Lincoln-Lancaster County Health Department. Surveillance includes 24 local health-care provider practices, local laboratories, schools and nursing homes.

As in past years, Flu vaccine distribution continued to be a problem. Many providers have only recently begun to receive their vaccine. Both Chiron (Fluvirin) and Sanofi-Pasteur (Fluzone) are continuing to ship vaccine supplies and will be doing so into December. The Centers for Disease Control and Prevention (CDC) Director, Dr. Julie Gerberding, on November 10th stated, “…….so far at least 71 million doses of influenza vaccine have been distributed. We expect by the end of November we will have distributed more than 81 million doses of vaccine. That is close to the highest amount of vaccine we've ever had available, and depending on the supplies that emerge in December toward the end of the manufacturing cycle, we might actually end up with the most ever influenza vaccine for the country.”

The Lincoln-Lancaster County Health Department anticipates that sometime the week of November 28th the department will have depleted it’s supply of flu vaccine. The Department will have administered over 7,000 doses of flu vaccine. A news release will be sent out to notify the public when vaccine is no longer available at the Department. Our Flu hotline (441-0358) will continue to provide the public with information about flu shot availability in the community, including the public clinics on December 6th at five local HyVee stores from 4:00 p.m to 7:00 p.m. With the present level of flu activity being low, those wanting to obtain a flu shot still have time to locate and obtain their shot. December is not too late to get a Flu shot.

Flumist (Influenza Virus Vaccine Live, Intranasal) can still be ordered. Flumist is for use in healthy children and adolescents, 5 to 17 years of age, and healthy adults, 18 to 49 years of age. For more information on ordering Flumist is available at http://www.flumist.com/professional/ordering/

PC  Mayor Coleen J. Seng
   Board of Health
   Steven Rademacher, MD, Medical Consultant
   Thomas Stalder, MD, Medical Consultant
   James Nora, MD, Medical Consultant
   Joan Anderson, Executive Director, Lancaster County Medical Society
TO: Patte Newman, City Council
FROM: Marvin Krout, Planning Director
SUBJECT: Large Retail Buildings and Neighborhood Centers
DATE: November 21, 2005
COPIES: Kent Morgan, Greg Czaplewski, Ray Hill, Steve Henrichsen, Planning Department
        Ann Harrell, Mayor's Office
        Planning Commission

REQUEST FOR INFORMATION:
1) Please provide a list of Neighborhood Centers in the 2025 Comprehensive Plan.
2) Provide a list of the largest "big box" retailers in Lincoln and the 2025 Comprehensive
   Plan designation for the center in which each is located.

ANSWER:
See attached pages. Note, the 2025 Comprehensive Plan on pages F 40 - 46 states:

"For the purpose of the Comprehensive Plan, Commerce Centers have been divided into three
separate size categories. The size differences reflect the differing impacts that the centers have on
adjacent land uses and the public infrastructure. The three categories of Commerce Centers are:

1 - Regional Centers
2 - Community Centers
3 - Neighborhood Centers"

Regional Centers
"typically contain one million or more square feet of developed building space. ...Many Regional
Centers are large scale retailing centers that include a mall with several department store anchors and
numerous small shops, as well as adjacent commercial development with stand-alone restaurants and
stores, such as Gateway or SouthPointe Pavilions."

Community Centers
"may vary in size from 300,000 to nearly a million square feet of commercial space. Typically, new
Community Centers will range from 300,000 to 500,000 square feet... tend to be dominated by retailing
and service activities, although they can also serve as campuses for corporate office facilities... One
or two department stores or "big box" retailing operations may serve as anchors to the Community
Center with smaller general merchandise stores located between any anchors or on surrounding site
pads, such as Edgewood Shopping Center at S. 56th and Highway 2.

Neighborhood Centers
"typically range in size from 150,000 to 250,000 square feet of commercial space. Existing centers
may vary in size from 50,000 to 300,000 square feet... Neighborhood centers provide services and
retail goods oriented to the neighborhood level, such as Lenox Village at S. 70th and Pioneers
Boulevard, and Coddington Park Center at West A and Coddington."
<table>
<thead>
<tr>
<th>Location</th>
<th>Major Tenant/ Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. W. 48th &amp; West Adams</td>
<td>Unbuilt (Ashley Heights)</td>
</tr>
<tr>
<td>Coddington &amp; West A St.</td>
<td>Russ's Market</td>
</tr>
<tr>
<td>N. 10th &amp; Belmont</td>
<td>Save-Mart grocery</td>
</tr>
<tr>
<td>S. 14th &amp; Old Cheney Road</td>
<td>Small retail, gas, restaurant, and unbuilt offices</td>
</tr>
<tr>
<td>S. 17th &amp; South Street</td>
<td>Sun Mart grocery</td>
</tr>
<tr>
<td>S. 27th &amp; Capitol Parkway</td>
<td>Ideal Grocery and vicinity</td>
</tr>
<tr>
<td>N. 27th &amp; Vine Street</td>
<td>Small stores</td>
</tr>
<tr>
<td>S. 27th &amp; Highway 2</td>
<td>Shopko &amp; Russ's Market</td>
</tr>
<tr>
<td>S. 33rd &amp; Highway 2</td>
<td>Russ's Market &amp; 84 Lumber</td>
</tr>
<tr>
<td>S. 40th &amp; Yankee Hill Road</td>
<td>Unbuilt on northwest corner (Pine Lake Heights South)</td>
</tr>
<tr>
<td>S. 40th &amp; Rokeby</td>
<td></td>
</tr>
<tr>
<td>N. 48th &amp; Leighton</td>
<td>Unbuilt ½ north of Rokeby (Wilderness Hills)</td>
</tr>
<tr>
<td>S. 48th &amp; Van Dorn</td>
<td>Hy-Vee grocery</td>
</tr>
<tr>
<td>S. 48th &amp; Pioneers Blvd.</td>
<td>Sun Mart grocery and Westlake Hardware</td>
</tr>
<tr>
<td>S. 56th &amp; Pine Lake Road</td>
<td>Former grocery store, renovation underway</td>
</tr>
<tr>
<td>N. 63rd &amp; Havelock Ave.</td>
<td>Unbuilt (Village Gardens and Aspen)</td>
</tr>
<tr>
<td>N. 66th &amp; Holdrege</td>
<td></td>
</tr>
<tr>
<td>S. 70th &amp; Van Dorn</td>
<td>Historic Havelock</td>
</tr>
<tr>
<td>S. 70th &amp; Pioneers Blvd.</td>
<td>Historic Bethany center</td>
</tr>
<tr>
<td>N. 84th &amp; Adams</td>
<td>Russ's Market</td>
</tr>
<tr>
<td>S. 84th &amp; Pioneers Blvd.</td>
<td>(3) Pioneer Woods, Lenox Village &amp; Elizabeth Park</td>
</tr>
<tr>
<td>S. 84th &amp; Old Cheney Road</td>
<td>1/4 to ½ mile north (proposed Prairie Village North)</td>
</tr>
<tr>
<td></td>
<td>Pioneer Greens office park</td>
</tr>
<tr>
<td></td>
<td>Unbuilt (Vintage Heights)</td>
</tr>
</tbody>
</table>
Table 2
Large Discount Retail & Home Improvement Stores & 2025 Comprehensive Plan Designation

<table>
<thead>
<tr>
<th>RETAILER</th>
<th>ADDRESS</th>
<th>SQ. FT.</th>
<th>Comp Plan Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walmart</td>
<td>4700 N. 27th St.</td>
<td>210,050</td>
<td>Regional</td>
</tr>
<tr>
<td>Home Depot</td>
<td>3300 N. 27th St.</td>
<td>198,492</td>
<td>Regional</td>
</tr>
<tr>
<td>Walmart</td>
<td>8700 Andermatt Dr.</td>
<td>197,801</td>
<td>Regional</td>
</tr>
<tr>
<td>Menard's</td>
<td>8900 Andermatt Dr.</td>
<td>185,940</td>
<td>Regional</td>
</tr>
<tr>
<td>Menard's</td>
<td>3500 N. 27th St.</td>
<td>171,759</td>
<td>Regional</td>
</tr>
<tr>
<td>Sam's Club</td>
<td>4900 N. 27th St.</td>
<td>136,846</td>
<td>Regional</td>
</tr>
<tr>
<td>Shopko</td>
<td>6845 S. 27th St.</td>
<td>125,021</td>
<td>Regional</td>
</tr>
<tr>
<td>Shopko</td>
<td>3400 N. 27th St.</td>
<td>120,615</td>
<td>Regional</td>
</tr>
<tr>
<td>Home Depot</td>
<td>6800 S. 70th St.</td>
<td>120,362</td>
<td>Community</td>
</tr>
<tr>
<td>K-Mart (vacant)</td>
<td>5601 S. 59th St.</td>
<td>118,278</td>
<td>Community</td>
</tr>
<tr>
<td>Target</td>
<td>333 N. 48th St.</td>
<td>112,873</td>
<td>Regional</td>
</tr>
<tr>
<td>Shopko</td>
<td>100 S. 66th St.</td>
<td>98,613</td>
<td>Regional</td>
</tr>
<tr>
<td>Target</td>
<td>5330 S. 56th St.</td>
<td>95,303</td>
<td>Community</td>
</tr>
<tr>
<td>Shopko</td>
<td>4200 S. 27th St.</td>
<td>89,974</td>
<td>Neighborhood</td>
</tr>
</tbody>
</table>

Other large “speciality” retailers include

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Address</th>
<th>Square Footage</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dillards</td>
<td>Gateway</td>
<td>156,806</td>
<td>Regional</td>
</tr>
<tr>
<td>J. C. Penny’s</td>
<td>Gateway</td>
<td>125,870</td>
<td>Regional</td>
</tr>
<tr>
<td>Sears</td>
<td>Gateway</td>
<td>124,516</td>
<td>Regional</td>
</tr>
<tr>
<td>Younkers</td>
<td>Gateway</td>
<td>102,225</td>
<td>Regional</td>
</tr>
<tr>
<td>Von Maur’s</td>
<td>27th &amp; Pine Lake</td>
<td>95,691</td>
<td>Regional</td>
</tr>
<tr>
<td>Kohl’s</td>
<td>84th and O Street</td>
<td>85,684</td>
<td>Community</td>
</tr>
</tbody>
</table>

Source: Square footage from County Assessor's parcel information, except for Younkers which is from approved use permit.
PLANNING COMMISSION FINAL ACTION
NOTIFICATION

TO : Mayor Coleen Seng
     Lincoln City Council

FROM : Jean Walker, Planning

DATE : November 18, 2005

RE : Preliminary Plat No. 05015 - Harrison Heights Addition
     (91st & Leighton Avenue)
     Resolution No. PC-00964

The Lincoln City-Lancaster County Planning Commission took the following action at their regular meeting on Wednesday, November 9, 2005:

Motion made by Strand, seconded by Carroll, to approve Preliminary Plat No. 05015, Harrison Heights Addition, with conditions, as amended, requested by Developments Unlimited, Michael Berg, et al., and Mary Jo Swarts, to develop 318 single-family units on approximately 90 acres, including a waiver request to allow sanitary sewer to flow opposite street grades, on property generally located at 91st Street and Leighton Avenue.

Motion for approval, with conditions, as amended, carried 6-1: Esseks, Larson, Carroll, Strand, Sunderman and Carlson voting 'yes'; Pearson voting 'no'; Taylor and Krieser absent.

The Planning Commission action on this preliminary plat is final, unless appealed to the City Council by filing a Letter of Appeal with the City Clerk within 14 days of the date of the action by the Planning Commission.

Attachment

cc: Building & Safety
Rick Peo, City Attorney
Public Works
Mark Palmer, Olsson Associates, 1111 Lincoln Mall, 68508
DaNay Kalkowski, 1111 Lincoln Mall, Suite 350, 68508
Ridge Development, c/o Commercial Investment Properties, 8020 "O" Street, 68510
Developments Unlimited, 8644 Executive Woods Dr., 68512
Michael Berg, 770 168th Road, Pleasant Dale, NE 68423
Mary Jo Swarts, 9209 Leighton Avenue, 68507
Steve Bussey, Sunrise Estates Community Assn., 1001 N. 88th Street, 68505
RESOLUTION NO. PC-00964

WHEREAS, Developments Unlimited LLP, Michael Berg et al, and Mary Jo Swarts have submitted the preliminary plat of Harrison Heights Addition for acceptance and approval together with a request to waive the requirements of the Design Standards for Land Subdivision Regulations in order to allow sanitary sewer to flow opposite street grades on property generally located at 91st Street and Leighton Avenue; and

WHEREAS, the Planning Director has recommended conditional approval of said preliminary plat.

NOW, THEREFORE, BE IT RESOLVED by the Lincoln City-Lancaster County Planning Commission that the preliminary plat of Harrison Heights Addition, generally located at 91st Street and Leighton Avenue as submitted by Developments Unlimited LLP, Michael Berg et al, and Mary Jo Swarts is hereby accepted and approved, subject to the following terms and conditions:

1. Revise the site plan by reducing block lengths to less than 1,000’, or provide pedestrian access easements as required, unless the subdivider’s waiver request is approved by the City Council.

2. Revise the street layout to the satisfaction of the Planning Department to better support future subdivision on adjacent property and property across Leighton Avenue.

3. Provide additional easements as requested by LES.

4. Make revisions as outlined in the Lincoln City/Lancaster County Planning Staff Report prepared by Greg Czaplewski dated October 13, 2005 regarding Preliminary Plat #05015 to the satisfaction of the Public Works and Utilities and Parks and Recreation Departments.
5. The City Council approves associated requests:
   a. Change of Zone #05074
   b. Annexation #05011

6. Final Plats will be approved by the Planning Director after:
   a. The sidewalks, streets, drainage facilities, street lighting, landscape
      screens, street trees, temporary turnarounds and barricades, and street
      name signs have been completed or the subdivider has submitted a bond
      or an escrow of security agreement to guarantee their completion.
   b. The subdivider has signed an agreement that binds the subdivider, its
      successors and assigns:
      i. to complete the street paving of public streets, and temporary
         turnarounds and barricades located at the temporary dead-end of
         the streets shown on the final plat within two (2) years following
         the approval of the final plat.
      ii. to complete the installation of sidewalks along both sides of
          streets as shown on the final plat within four (4) years following
          the approval of the final plat.
      iii. to construct the sidewalk in the pedestrian way easements in
           (unless waived by City Council) at the same time as the adjacent
           streets are paved and to agree that no building permit shall be
           issued for construction on lots adjacent to pedestrian way
           easements until such time as the sidewalk in the pedestrian way
           easement is constructed.
      iv. to complete the public water distribution system to serve this plat
          within two (2) years following the approval of the final plat.
      v. to complete the public wastewater collection system to serve this
          plat within two (2) years following the approval of the final plat.
      vi. to complete the enclosed public drainage facilities shown on the
          approved drainage study to serve this plat within two (2) years
          following the approval of the final plat.
      vii. to complete land preparation including storm water
           detention/retention facilities and open drainageway improvements
           to serve this plat prior to the installation of utilities and
           improvements but not more than two (2) years following the
           approval of the final plat.
      viii. to complete the installation of public street lights along streets
            within this plat within two (2) years following the approval of the
            final plat.
ix. to complete the planting of the street trees along streets within this plat within four (4) years following the approval of the final plat.

x. to complete the planting of the landscape screen within this plat within two (2) years following the approval of the final plat.

xi. to complete the installation of the street name signs within two (2) years following the approval of the final plat.

xii. to complete any other public or private improvement or facility required by Chapter 26.23 (Development Standards) of the Land Subdivision Ordinance in a timely manner which inadvertently may have been omitted from the above list of required improvements.

xiii. to complete the public and private improvements shown on the preliminary plat.

xiv. to retain ownership of or the right of entry to the outlots in order to maintain the outlots and private improvements on a permanent and continuous basis. However, the subdivider may be relieved and discharged of this maintenance obligation upon creating, in writing, a permanent and continuous association of property owners who would be responsible for said permanent and continuous maintenance. The subdivider shall not be relieved of such maintenance obligation until the private improvements have been satisfactorily installed and the documents creating the association have been reviewed and approved by the City Attorney and filed of record with the Register of Deeds.

xv. to properly and continuously maintain and supervise the private facilities which have common use or benefit, and to recognize that there may be additional maintenance issues or costs associated with providing for the proper functioning of storm water detention/retention facilities as they were designed and constructed within the development, and that these are the responsibility of the land owner.

xvi. to perpetually maintain the sidewalks in the pedestrian way easements at their own cost and expense.

xvii. to continuously and regularly maintain the landscape screens.

xviii. to comply with the provisions of the Land Preparation and Grading requirements of the Land Subdivision Ordinance.

xix. to submit to the Director of Public Works a plan showing proposed measures to control sedimentation and erosion and the proposed method to temporarily stabilize all graded land for approval.

xx. to submit to the lot buyers and home builders a copy of the soil analysis.
BE IT FURTHER RESOLVED by the Lincoln City-Lancaster County Planning
Commission that the requirement of Section 3.6 of the Sanitary Sewer Design Standards that
the slope of the sanitary sewer should parallel the slope of the street is hereby waived provided
the sewer depth does not exceed design standards.

DATED: November 9, 2005. ATTEST:

[Signature]
Chair

Approved as to Form & Legality:

[Signature]
Chief Assistant City Attorney
To: Lincoln City Council Members,

Subject: Salt Creek levees

Dear Council Members,

After reading the early November Lincoln Journal-Star op-ed piece by Karl Fredrickson (director of the Lincoln Public Works) and Glenn Johnson (director of the Lower Platte South NRD) I think this letter should be titled “IS THE GLASS HALF FULL OR HALF EMPTY?”.

Their article makes very valid points about the significant things that have been accomplished the last few years and I am happy to say that Lincoln will be the better because of it.

HOWEVER my experience with stormwater and flood related issues is that the real problem is in knowing what questions need to be asked.

QUESTION 1: What size of a rain will it take to overtop Salt Creek levees?  
A major portion of Lincoln’s commercial and industrial area is protected by Salt Creek levees. The tendency is to talk about the 100 year rain but Lincoln’s reality is that the 50-60 year rain will overtop the levee.

QUESTION 2: What happens to the levee if it is overtopped? What can we learn from New Orleans levee failures?  
New Orleans has over 300 miles of levees with many failures. Most of the publicity is being derived from their poor planning and construction (maybe corruption). However their Industrial Canal failed because it was overtopped and the rushing water scoured soil on the levee’s backside away from the levee which resulted in the levee’s concrete wall losing its support and allowing it to shift. (I have many articles from the New Orleans Times-Picayune, www.nola.com. It is over 100 pages and still growing but if anyone would like a pdf file I can provide a copy.)

QUESTION 3: How stable is Lincoln’s levee soil?  
My understanding is the levee was built by dredging soil from Salt Creek. New Orleans levees were built by using a similar technique plus they used concrete or steel pilings. Their soil was not capable of withstanding Katrina’s forces and it shifted. Lincoln’s building code requires that any fill material be a certain type of clay because of its stability features. The Salt Creek levees are not made of clay but will their building material be stable enough the withstand the water forces from a 60 to 100 year rain event?

Thank you,
Russell Miller
member of Mayor’s Floodplain Task Force & Stevens Creek Watershed Study

Local View: City, NRD addressing flood risks, water quality
BY KARL FREDRICKSON and GLENN JOHNSON
Recent hurricanes have provided dramatic examples of the suffering and damage created by floodwaters.

As we count our blessings, two questions surface: Could flooding cause the same kind of loss here? Could these disasters have been prevented?

Because Lincoln was built in a valley, our community has seen significant flooding in the past. The most recent was June 2003 from Antelope Creek near 21st and N streets.

The continuing flood threat was the impetus for the Antelope Valley Project. In a 100-year storm, more
than 1,300 structures and 600 acres of land would be flooded up to six feet deep and a half-mile wide along Antelope Creek. Damage would be in the millions.

Significant flooding has hit close to home this year. In May, Grand Island received more than nine inches of rain in about 12 hours. This is significantly larger than a 100-year storm event, predicted to be 5.5 inches in 12 hours. As reported by the Journal Star, damage from this flooding was estimated at $12 million to $15 million in Hall County.

This week, some Massachusetts residents were evacuated amid fears of a dam break. Southern California storms triggered mudslides and closed roadways. Two days of rain left Las Vegas with swamped roadways and power outages. Earlier this month, parts of northeast Kansas saw up to a foot of rain and flash flooding, while hundreds of people were forced to evacuate and several people died after heavy rains caused flooding in New Hampshire, Pennsylvania and New Jersey. North Dakota and other Midwestern states also saw flooding in June.

While natural disasters can never be entirely prevented, people and property can be protected through good planning and watershed management.

In the case of Hurricane Katrina, experts say the lack of levee maintenance, the loss of delta wetlands and barrier islands along the coast and the channelization of the river worsened the flooding.

Fortunately, we are now taking proactive steps to make communities safer and protect our water resources. Antelope Valley, a joint project of the city, the Lower Platte South Natural Resources District and the University of Nebraska-Lincoln, is just one example.

The city, the NRD and the NRD’s predecessor have partnered to address stormwater issues since the early 1960s. This partnership has made great strides in improving water quality, managing stormwater and reducing flood hazards. Together, the two agencies take a comprehensive approach to maintain the drainage system in Lincoln and its future growth areas:

n Watershed master plans are being developed to accurately identify flood hazards, outline capital projects and provide guidance for sustainable future development.

n To protect developed areas, easements and land are purchased to preserve key floodplain storage areas along stream channels. These areas convey and store flood water, filter pollutants and protect the biological health of the stream.

n The Lincoln-Lancaster County Comprehensive Plan includes a strategy to designate and encourage future urban development outside of the floodplain. The city recently adopted flood standards to ensure that any future development within the floodplain does not adversely impact the flood hazards for other properties.

n The city and the NRD cooperate on education programs, water quality monitoring and enforcement of adopted standards to protect water quality and prevent flood hazards from increasing. This includes a program to prevent erosion from construction sites and keep mud out of the city’s streets, streams and lakes.

n The city and NRD work together to stabilize degrading streams, which can send tons of sediment downstream and threaten public and private infrastructure such as streets, bridges and buildings.

n Flood detention facilities and other projects help to reduce flood hazards to protect existing homes and businesses.

n Wetlands are being built to slow down stormwater runoff and filter pollutants such as oil, chemicals and sediment that would otherwise degrade our streams and lakes.
The city devotes significant resources to improving the storm drain system in our existing neighborhoods by replacing failing systems and increasing the capacity of older systems to minimize local flooding.

The city manages 21 program activities mandated by a stormwater permit from the state to meet the requirements of the Clean Water Act.

The NRD maintains the levee system along Salt Creek to help protect the older areas of Lincoln. The NRD is now building 10 dams in the Stevens Creek watershed to reduce flood damage to existing infrastructure from frequent storms.

The city and NRD are updating several floodplain maps to more accurately reflect current conditions.

While we can't eliminate the flooding threat, the city and NRD work every day to reduce the risk, inform the public and prepare for a quick response to emergencies. By improving stormwater quality, we improve our quality of life. With the support of the community, Lincoln will be a safer and better place to live, work and raise families.

*Karl Fredrickson is director of the Lincoln Public Works and Utilities Department. Glenn Johnson is director of the Lower Platte South Natural Resource District.*
Dear Council Members:

I am writing you to ask you to consider a No Vote to the proposed expansion of Wal-Mart into a third store in our city. As a person who works with the poor, many who shop faithfully at Wal-Mart, I do have some ambivalent feelings about the corporation since it may help so people I know obtain useful goods at good prices.

But not being said I have the following three concerns: 1) Wal-Mart will not fit in with the 84th Street neighborhood well. It will look aesthetically wrong and may also pose traffic flow hazards. 2) I believe Wal-Mart to be situationally corporate designed to make a fiscal attitude on small businesses of HomeDepot and North Omaha. Now, these business need to be efficient and as competitive as they can be. But having witnessed the devastation of the small business owners in rainburg Ne in the late 1980's it has been before my eyes what this corporation has the power to do in terms of a neighborhood, culture, morale and ambience.

Thirdly, I recommend the film Wal-Mart: The High Cost of Low Prices. Now, I attended a viewing explicitly to be confirmed in my attitude that Wal-Mart has many problems and indeed problems in my attitude that Wal-Mart has many problems and indeed problems in my attitude that Wal-Mart is polluting but is probably quite for ideas. I believe the film is polemic but is probably quite accurate in most respects. And it made me see Wal-Mart as not just a bad corporate citizen but a Very Bad Corporate Citizen. Some of the things portrayed and documented in the film would, if done by one human being would be considered criminal behavior.

Wal-Mart won't go away. But please Sincerely consider shutting down Wal-Mart's expansion in Lincoln. They have many things to correct. Things they can amend.

With Regards, Lawrence J. Reynolds
Wal-Mart's Impact on Local Police Costs

Many cities and towns across the country are reporting that big-box retailers are generating large numbers of police calls—far more than local businesses do.

One reason for this is that Wal-Mart and other big chains, as a matter of company-wide policy, involve the police in every incident, no matter how small. While someone caught shoplifting a $3 item from a local store might simply be told by the owner never to come back, that same $3 shoplifting incident at Wal-Mart will cost the city hours of police time in responding to the call, filling out paperwork, and a possible court appearance.

Another factor is that big-box stores seem to attract criminals passing through, particularly those outlets located near a highway interchange and open 24 hours. Perhaps they prefer the anonymity of a supercenter's aisles to the intimate environment of Bob's Hardware on Main Street, where Bob himself greets you from behind the counter.

Below we have culled reports of this problem from around the country. Studies have found that big-box stores can also increase other municipal costs, particularly road maintenance, and eliminate tax revenue from small businesses that are forced to close or downsize. Altogether, these costs may even exceed the tax revenue a big-box store generates. For more on these studies, go to www.HometownAdvantage.org.

Vista, California — A constant stream of arrests at Wal-Mart contributed to a 24 percent rise in the crime rate. (San Diego Union-Tribune, Jun. 5, 2003)

Port Richey, Florida — One in four arrests are made at Wal-Mart, which is straining the local police department. Since the store opened, non-emergency response times have risen significantly, while traffic citations have plummeted. The town hired one additional officer when Wal-Mart arrived and the police chief says they need two more, which would cost the city more than the $75,000 that the store generates in tax revenue. (St. Petersburg Times, May 20, 2002)

Royal Palm Beach, Florida — The arrival of Home Depot, Lowe's, Wal-Mart, and other chains along State Road 7 has resulted in an additional 1,500 police calls each year, forcing the town to hire more officers and build a new police station near the retail strip. (Sun-Sentinel, Feb. 21, 2005)

Beech Grove, Indiana — The town hired an additional police officer at a total cost of $75,000 a year to handle the additional burden of a new Wal-Mart. (The Indianapolis Star, Mar. 17, 2004)

Fishers, Indiana — The town reported over 400 police calls a year from a Wal-Mart supercenter. (The Indianapolis Star, Mar. 17, 2004)

Pineville, North Carolina — The town added some six million square feet of new retail, including a major shopping center, big-box stores, chain restaurants, and gas stations. But
Wal-Mart and Health Care: Condition Critical

David L. West, MPA
Executive Director

The Center for a Changing Workforce
October 26, 2005

Website: www.cfcw.org Phone: (206) 622-0897

CFCW is a nonprofit research and policy analysis organization focusing on issues affecting low-wage and nonstandard workers. CFCW has published research on Professional Employer Organizations (PEOs), health insurance for nonstandard workers, employee classification issues, and the use of nonstandard workers by large public employers. CFCW is located in Seattle, Washington.
Executive Summary

Wal-Mart, the largest corporation and private employer in the U.S. employing over 1.3 million workers, sets a national standard for wages and labor practices.

Since its incorporation in the 1960’s, the company has grown exponentially with now more than 5,000 stores and $285 billion in sales worldwide. But its employment and benefit policies have increasingly come under scrutiny from critics and government officials across the U.S.

A close examination reveals that Wal-Mart’s success has come at a high price—not paid by Wal-Mart stockholders, but by its own employees. And there’s more: employees universally are paying the price of Wal-Mart’s questionable strategies for success because competing companies everywhere are compelled to apply the same practices simply to stay ahead.

In light of criticisms of the company’s health insurance, Wal-Mart has announced a new plan with reduced premiums to assist its least-paid workers. How does the new plan stack up?

Center for a Changing Workforce’s (CFCW) Wal-Mart investigation examined its employee health insurance practices using the company’s own documents and Federal Government filings. The Center has concluded that:

- Wal-Mart actually provides health insurance to far fewer employees than the company claims. Less than 40 percent of its employees were covered in 2003 and 2005—substantially below the average for other large employers and direct competitors;

- The average store employee on Wal-Mart’s Associates Medical Plan is "underinsured," based on national standards. In 2005, a Wal-Mart worker with a family of four would have to pay health care costs equal to 30 percent of their income before receiving most benefits. The company admits: "our coverage is expensive for low-income families."

- Wal-Mart’s latest plan, announced on October 25, is essentially a cosmetic change. The main barrier to coverage is not the monthly premiums, which were reduced, but the huge deductibles of $1,000-$3,000, plus additional deductibles for hospital and pharmacy use;

- For Wal-Mart employees facing medical catastrophes, the company admits that bankruptcy is possible with Wal-Mart insurance: "On the Family Plan, an Associate must spend between 74 and 150 percent of household income on healthcare (approximately $13,000 to $27,000) before insurance takes over completely. Though few Associates reach this level of spending, those who do almost certainly end up declaring personal bankruptcy;"*

- As Wal-Mart has reduced health care coverage for its workers, more are uninsured or forced to apply for Medicaid. Wal-Mart leads the nation among
employers who are subsidized by taxpayers through their employee’s use of Medicaid and similar programs. The company admits:

- Five percent of our Associates are on Medicaid compared to an average for national employers of four percent. Twenty-seven percent of Associates’ children are on such programs, compared to a national average of 22 percent. In total, 46 percent of Associates’ children are either on Medicaid or uninsured.²

- Starting in 2006, Wal-Mart will offer its employees Health Savings Account (HSA) insurance plans. But this new option won’t help Wal-Mart’s low-wage employees. The cheapest family plan has a $6,000 deductible and a $10,200 cap on out-of-pocket expenses. That’s 60 percent of a Wal-Mart worker’s average wage;

- The company is proposing dumping its older and sicker employees by switching all employees to Health Savings Accounts (HSAs) by 2008. The company says this move would eliminate high insurance “utilizers”—employees who would have difficulty paying deductibles ranging from $2,500 to $6,000. The company admits the sickest 20 percent of its workforce would be worse off with HSAs. The company is also proposing adding hard physical work, which some employees may not be able to perform, to store job descriptions, possibly in violation of the Americans with Disabilities Act (ADA).

- Wal-Mart’s waiting periods deny eligibility to over 300,000 employees. Part-time employees are required to work for two years before they qualify for company-provided insurance—far longer than at comparable retail stores. Until they reach eligibility, employees’ only option is to purchase high-profit “limited-benefit” insurance, which covers only $1,000 of health care expenses each year.

- Wal-Mart’s drive to the bottom in health insurance is forcing its competitors to cut health insurance benefits too, raising serious questions about the future of employer-provided health insurance. Between the years 2000 to 2003, the number of Americans without health insurance coverage grew by 5 million, with nearly the entire increase attributed to a decline in employer coverage.

This report recommends direct state and federal action that would:

- Set a standard minimum amount large employers are required to contribute in employee health care costs—or require them to contribute to state Medicaid funds to help cover the cost of the uninsured;

- The NAIC and State insurance departments should track, investigate and even ban the sale of defective insurance policies to low-wage workers through their employers.
Introduction

Wal-Mart, the world's largest retailer, largest corporation and private employer in the United States, employs over 1.3 million workers at more than 3,700 stores nationwide.\(^3\)

Wal-Mart is the biggest employer in 25 states. Adding more than 100 new stores each year—most of them Supercenters—it sets the standard for wages and labor practices everywhere.

Wal-Mart has generated over $58 billion in net income for its shareholders in the past ten years (39 percent of its shares are owned by the Walton family\(^4\)). The company is considered one of the most successful businesses in the nation.\(^5\)

The key to Wal-Mart's success has been its ability to control costs. Crucial to its formula has been controlling the cost of employee health insurance. Wal-Mart contributed $2,200 for each of its workers with employee-only health insurance for the year 2004, according to the company. That's 33 percent less than the national average for all employers ($3,264).

A close examination reveals that Wal-Mart's success has come at a high price—not paid by Wal-Mart stockholders, but by its own employees. And there's more: employees everywhere are paying the high price of Wal-Mart's strategies for success because competing companies are compelled to apply the same practices to compete. As a result, health care costs are shifted to workers, other competing employers and even the tax-paying public.

The questions surrounding health insurance coverage are common to large retail employers—however, Wal-Mart has drawn attention to itself because of its leadership position and its aggressive cost control measures.

Wal-Mart's success strategies raising national concerns

Within three years—from 2000 to 2003—the number of Americans living without health insurance coverage shot up by 5 million. Almost the entire increase is attributed to the drop in employer-sponsored coverage.\(^6\) As private coverage falls off, Medicaid coverage fills the gap, straining public sector budgets nationwide.

This investigation of Wal-Mart's employee health insurance programs uses company documents and filings with the federal government to establish that Wal-Mart is a major contributor to the crisis of health care coverage in America. The company's success has come at a cost too high to pay—it's story a prime example of why the nation's system of health care faces dire problems now and the future.

Wal-Mart's impact on the health insurance system can be measured several ways:

1. Impact on Wal-Mart employees—costs and coverage;
2. Impact on the public sector and taxpayers;

\(^1\) $6,000 for family coverage, according to the company.
3. Impact on other employers.

1. Impact on Wal-Mart employees

The company’s current health insurance practices stand out for three primary reasons:

- Based on company reports, less than 40 percent of Wal-Mart employees were enrolled in the Associates’ Medical Plan in 2003;
- Despite what Wal-Mart claims in numerous TV ads, the Associates’ Medical Plan does not provide either affordable coverage for normal family health care or complete catastrophic coverage;
- Wal-Mart endorses the sales of defective and inadequate “limited-benefit” insurance policies to its employees who aren’t eligible for company-provided insurance;

Wal-Mart’s spending on employee health care has been well below average. According to company testimony given in 2004 company, Wal-Mart spent $3,100 per employee on health insurance. A Harvard Business School study estimated Wal-Mart’s average annual cost at $3,500 in the same year. By comparison, the average spending per employee in the wholesale/retailing sector was $4,800, and for U.S. employers in general, the average was $5,600 per employee.

How many Wal-Mart employees are really covered?

The company contradicts itself in its reporting of the number of workers it insures. It reported covering 537,000 employees in 2003, or 45 percent of its workforce. In January 2004, however, a top Wal-Mart Executive told a state legislative committee that the company provided insurance for 51 percent of its employees, or 612,000 employees. In June 2005, the company website claimed 56 percent of its employees were covered. Most recently, the company website presented yet another figure—44 percent (568,000) of its 1.3 million US employees are covered by company health insurance.

To check their numbers, CFCW examined Wal-Mart’s annual health and welfare benefit trust filings with the U.S. Department of Labor. These filings are a report of spending on health, life and disability insurance by the company and its employees.

CFCW analyzed Wal-Mart’s spending for 2003—the latest year the company’s Form 5500 is available (See Table 1). In 2003, Wal-Mart spent $1.4 billion on health care for 1.2 million employees. Using its January 2004 cost figures, we estimate the company provided coverage to between 407,000 to 460,000 employees in 2003, or 34 to 39 percent of the workforce.

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1 The per employee average is a weighted average of employee-only, spouse and family coverage costs.
2 Form 5500 Annual Return/Report of Employee Benefit Plan (filed with the IRS and the Dept. of Labor).
3 We estimate the company spent less than $20 million on life and disability insurance out of $1.4 billion total health and welfare trust spending—almost all company health and welfare spending is on health insurance.

The Center for a Changing Workforce
Table 1. Wal-Mart Health Insurance Coverage and Cost Estimates – 2003

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Employer Annual Health Insurance Expense</td>
<td>$3,100</td>
<td>$3,500</td>
</tr>
<tr>
<td>Number of US Employees (1/31/04)</td>
<td>1,200,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>2003 Health &amp; Welfare Plan Spending</td>
<td>$1,439,842,708</td>
<td>$1,439,842,708</td>
</tr>
<tr>
<td>Estimate of number of covered employees</td>
<td>459,821</td>
<td>407,270</td>
</tr>
<tr>
<td>Estimate of percentage of employees covered</td>
<td>38.3%</td>
<td>33.9%</td>
</tr>
<tr>
<td>Employee contribution to H&amp;W Plan Spending</td>
<td>41%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: Wal-Mart’s 2003 IRS/DOL Form 5500 Filing

In a recent internal memo, the company reported that health care spending was $1.5 billion in 2004 (Wal-Mart’s FY 2005). Using the company’s most recent per employee health insurance cost figure of $3,500 per year, we estimate the company provided coverage for 428,000 employees in 2004, or 33 percent of the company’s workforce. In its recent internal memo, the company says it spends $2,660 per covered employee.

It appears Wal-Mart is publicly inflating the number of employees it covered in recent years by a wide margin. It is also possible the company has been inflating the amount it reports spending on health care on an average per employee basis, making it hard to determine how many workers are really covered.

How does Wal-Mart compare? Nationally, large employers cover 66 percent of their employees and retail employers cover 46 percent. A competitor to Wal-Mart, Costco, provides coverage to 82 percent of its employees.

Why so few Wal-Mart employees with insurance?

A low rate of coverage is due to several factors. Strict eligibility rules can exclude a large number of employees. High out-of-pocket costs—or limited plan coverage—can serve as a disincentive for a large number of employees (affecting what’s known as the “take-up” rate).

In 2002, Wal-Mart lengthened the eligibility waiting period from 90 days to six months for new full-time employees wishing to enroll for health care insurance. The average waiting period for full-time employees for such “jumbo” firms nationally was 1.4 months. The average for all retail stores is three months. At Costco, the wait is three months (see Table 2).
Table 2. Comparison of Insurance Eligibility Waiting Periods

<table>
<thead>
<tr>
<th>Employer</th>
<th>Full Time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart</td>
<td>6 months</td>
<td>24 months</td>
</tr>
<tr>
<td>Costco</td>
<td>3 months</td>
<td>6 months</td>
</tr>
<tr>
<td>Average - large firms</td>
<td>1.4 months</td>
<td></td>
</tr>
<tr>
<td>Average - Retail</td>
<td>3 months</td>
<td></td>
</tr>
</tbody>
</table>

Source: Company websites and 2005 Kaiser/HRET Employer Survey

The length of Wal-Mart’s waiting periods is critical to note because of the high employee turnover rates in retail employment. An average of 32 percent of workers every year turnover in retail, and one industry analyst estimated Wal-Mart’s employee turnover at more than 50 percent. The company’s extra-long waiting periods mean that a large percentage of the company’s workforce will not be employed long enough to become eligible for insurance. The company has recently acknowledged that approximately 325,000 employees are ineligible for the company’s insurance plans.

Part-time: two years is forever

In 2001, the definition of part-time employment at Wal-Mart was changed from 28 hours or less per week to less than 34 hours per week. Wal-Mart says 74 percent of its employees are full-time. This means there are currently more than 330,000 part-time employees at Wal-Mart. The real number of part-time employees could be higher—the national average is 30 hours per week at discount department stores. At Wal-Mart part-time employees are required to wait 24 months before they are eligible for health insurance. Given the high rates of employee turnover in retail, few part-time workers will be employed long enough to ever get covered. (At Costco, the wait is six months for part-time workers.) The company is also proposing hiring more workers part-time in the future, while admitting that this would further reduce the number of workers eligible for benefits.

Shifting costs to the employee

Recent research reveals that much of the decline in employer-based health coverage is due to the shift of premium costs from employers to their employees. In 2003, employees paid approximately 41 percent of insurance premium costs at Wal-Mart (Table 1) although the company asserts their employees only pay 30 percent. Nationally, large-firm employees pay on average 16 percent of the premium for health insurance and at Costco workers pay about 10 percent of their premium. Unionized grocery workers, whose employers compete with Wal-Mart “Super Center” food stores, typically paid none of their health insurance premiums.

The high cost of participating

Once employees become eligible, they face the high cost of participating in Wal-Mart’s health insurance plan. And those costs are an important reason why many eligible employees simply do not sign up.

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1 Firms with over 500 employees.

The Center for a Changing Workforce
In May 2005, the company reported that full-time workers made on average $9.68 per hour. Full-time workers averaging 34 hours per week would have an average income of $17,114.

On October 24, the company announced a new “inexpensive” plan, with lowered premiums for 2006. This plan will cost $273 in premiums for individual coverage, plus a $1,000 deductible. It’s the fine print in this new “value” plan that provides the catch—the plan adds new separate deductibles of $1,000 per hospital visit, a $300 pharmacy deductible, an emergency room deductible, an ambulance deductible, etc. Preventive health expenses such as pap smears and office visit co-pays do not apply to the basic deductible, making it effectively higher.

Just as alarming is the fact that that same plan has an individual co-insurance maximum of $5,000, which, by itself, is almost 30 percent of a typical employee’s wages. And that’s not all—that $5,000 maximum doesn’t count pharmacy expenses and benefits paid at less than 80 percent, including services provided out-of-network and mental health treatment. It’s important to note that researchers have determined that few individuals below 200 percent of the poverty level can afford to purchase coverage if premiums exceed five percent of income.

In a recent internal memo, the company acknowledges:

...Our coverage is expensive for low-income families...On average, Associates spend 8 percent of their income on healthcare (premiums plus deductibles plus out-of-pocket expenses) for themselves and their families, nearly twice the national average...In 2004, 38 percent of enrolled Associates spent more than 16 percent of the average Wal-Mart income on healthcare.

Faced with high costs, those with the most need for insurance are the ones most likely to sign up. The company admits: “Most troubling, the least healthy, least productive Associates are more satisfied with their benefits...Our workers are sicker than the national population, particularly in obesity-related diseases.” Faced with such high costs, it is reasonable to assume that only those with the highest need for health care coverage are the ones most likely to sign up.

The consequences of an uninsured workforce

Using definitions in a recent national study on the uninsured, Wal-Mart employees covered by the Associates’ Medical Plan are, on average, “underinsured.”

**Wal-Mart employees covered by the Associates’ Medical Plan are, on average, “underinsured.”**

To be covered under the definition of underinsured, individuals must make less than 200 percent of poverty ($19,140) and be spending more than five percent of their income on annual out-of-pocket medical expenses.

Adults enrolled in insurance plans that have high deductibles are less likely to get the health care they need at the time they need it simply because of cost. That means they're likely to be unhealthier. “Thirty-eight percent of adults with deductibles of $1,000...”
or more reported at least one of four cost-related access problems: not filling a prescription, not getting needed specialist care, skipping a recommended test or follow-up, or having a medical problem but not visiting a doctor or clinic. By contrast, 21 percent of adults with no deductible report one of these four access problems.\textsuperscript{30}

Is it really catastrophic coverage?

Wal-Mart characterizes its Associates’ Medical Plan as having catastrophic coverage:

\begin{quote}
The Associates’ Medical Plan offers catastrophic medical plans. Why catastrophic? Catastrophic coverage provides financial protection and peace of mind in the event you become seriously ill or have a severe medical condition.\textsuperscript{31}
\end{quote}

For a large number of Wal-Mart workers in their first year, the coverage is anything but catastrophic—the Associates’ Medical Plan has a maximum cap of $25,000 in the first year for each participant. By definition, this is not catastrophic coverage.

Yet for Wal-Mart employees facing medical catastrophes, the company admits that bankruptcy is likely with Wal-Mart’s insurance coverage:

\begin{quote}
Associates also face significant financial risk when a medical catastrophe occurs. On the Family Plan, an Associate must spend between 74 and 150 percent of household income on healthcare (approximately $13,000 to $27,000) before insurance takes over completely. Though few Associates reach this level of spending, those who do almost certainly end up declaring personal bankruptcy.\textsuperscript{32}
\end{quote}

A recent study concludes that the high deductibles and costly premiums Wal-Mart employees face are linked to medical bill overload and debt.\textsuperscript{33} Half (49 percent) of adults with deductibles of $500 or more have medical bill issues and debt, while 32 percent with deductibles less than $500 face these burdens. Two-thirds of adults paying 10 percent or more of household income on premiums reported medical bill issues or heavy debt.

Medical debt can ultimately lead to bankruptcy—and often does. A recent study by researchers at Harvard Medical School cited unpaid medical expenses as a major cause of personal bankruptcies in the U.S. Twenty-seven percent of all bankruptcies in 2001 were in families that cited having more than $1,000 of uncovered medical bills as the major cause of bankruptcy.\textsuperscript{34}

A Family Oriented Business?

Wal-Mart provides effective incentives to discourage workers from enrolling for health care coverage. Part-time workers who are with the company long enough to qualify for insurance after 24 months, are not allowed to purchase coverage for spouses or children at any cost.
The company also enforces a $100 per-month surcharge to penalize employees who enroll a spouse if the spouse’s employer offers insurance, no matter how expensive or bad the other employer’s coverage.

Newborn charges are considered the baby’s own, subject to the baby’s annual deductible and coinsurance maximums. And Wal-Mart health insurance plans do not cover common preventative health procedures in the first year (after becoming eligible) including pap smears and mammograms. Family and marital counseling is not covered under mental health treatment.

The company’s new “inexpensive” plan will cost $780 in premiums for family coverage, plus a $3,000 deductible. An employee would pay $3,780—or 22 percent of their income—before most medical services would be paid for, not counting new separate deductibles of $1,000 per hospital visit, a $300 pharmacy deductible, and emergency room and ambulance deductibles. The family coinsurance maximum is $10,000, almost 60 percent of typical Wal-Mart wages, and is not a ceiling on out-of-pocket expenses.

Employees on the Associate and Spouse plan pay an average of 13 percent of their income on out-of-pocket health costs, about three times the national average.35

**Selling insurance that’s defective and inadequate**

Wal-Mart also offers an employee-paid “limited benefit” insurance plan for employees not eligible for the company’s regular plan, including a large number of part-time employees. In 2003, Wal-Mart reported almost 10,000 participants in this plan.36 The cost to employees was $4.7 million.

Wal-Mart’s limited benefit plans are sold by a subsidiary of Mega Life and Health Insurance Company. This plan offers low rates, between $38 and $128 per month,1 but it also offers almost no coverage—$1,000 per year coverage per person.

The result is a shockingly bad investment for hard working employees who have no other choice under Wal-Mart’s eligibility rules, providing only $3 of insurance protection for every $1 of premium paid. In contrast, a high deductible major medical policy with a $1 million cap provides $370 of insurance for every dollar of premium.2

Limited benefit plans leave employees exposed to financial catastrophe with any serious injury or illness and no understanding how quickly hospital charges add up—anywhere from $1,000 to $5,000 per day.

Mega Life and Health Insurance has a consumer complaint ratio five times the national average, according to the National Association of Insurance Commissioners (NAIC). Wal-Mart and other employers who provide limited-benefit insurance take advantage of a gray area in insurance regulation. Employer-provided insurance is frequently not regulated under state insurance law.

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1 2006 Premium levels, based on the number of dependents
2 Based on a $2,700 average annual premium for HSA-qualified high deductible health plan (Source KFF Employer Health Benefits 2005 Survey).
While insurers trumpet “rich, upfront benefits,” limited-benefit plans have many of the same problems encountered with other insurance plans, including pre-existing condition exclusions, co-payments and deductibles, co-insurance, and exclusions such as occupational injuries, self-inflicted injuries, routine exams, and mental illness.

One major employer of part-time workers that decided against using limited-benefit insurance is children’s clothing retailer OshKosh B’Gosh. Benefits Director Sharon Jaske says the company discussed the idea, but decided against it after investigating.

**OshKosh B’Gosh Stores:**

"the idea of our part-time workers trying to access the health care system with such poor (limited benefit) insurance was scary."  

Jaske says, “the idea of our part-time workers trying to access the health care system with such poor insurance was scary.”

Wal-Mart also offers AFLAC (American Family Life Assurance Company) voluntary supplemental insurance (VSI). VSI products include disease-specific policies for cancer and critical illnesses and hospitalization insurance, which promise to pay enrollees a fixed amount ($30 per day, for example) during hospitalization. In 2002, Wal-Mart also had 50,975 participants in AFLAC supplemental insurance coverage purchased through agents.

Is VSI a good deal for Wal-Mart employees? Not according to Consumer Federation of America insurance expert Robert Hunter:

“Every analysis has shown that supplemental insurance is a waste of money for employees—it’s like buying toothpaste a squeeze at a time. Each policy only covers a small amount of the total risk that an individual faces. Employees are much better off with regular health and disability insurance. As for AFLAC’s claim that “no insurance is complete without it,” the best advice is: never buy insurance from a “quack.”

Hunter adds, “I have a real fear that some employees are buying VSI instead of regular insurance because it’s cheaper, which is very dangerous.” And in fact, a recent national study found that 15 percent of nonstandard workers, including part-time workers, have only supplemental-type insurance, covering specific medical conditions or limited hospitalization coverage, but not physician services.

**HSA Plans – Even Less Affordable**

In 2006, Wal-Mart will offer a Health Savings Account (HSA) insurance option to its employees. In general, HSA plans offer some first dollar coverage. After that initial coverage, participants must pay a large deductible. Only after the deductible is paid does the insurance finally kick in. For healthy individuals in higher-income brackets who aren’t affected by large deductibles, HSA plans allow accumulation of tax-sheltered savings. For lower-income families and people with chronic illnesses, HSAs have all the disadvantages of typical high deductible insurance plans.

The least expensive Wal-Mart HSA is almost cruel with its family coverage. A family deductible of $6,000 must be met before most individual claims are paid, including any prescription drug costs, at full retail prices. After the deductible has been paid, benefits are still subject to a 20 percent coinsurance up to $10,200, which is 60 percent of the

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company's average wage. This truly is a plan for people who think they will never use the health care system. Unlike many HSAs where employers make the initial contribution for first dollar coverage, Wal-Mart's HSA requires the employee to put up $500 to $1,000 before receiving the company's matching contribution.

The new Wal-Mart HSA is almost cruel with its family coverage.

HSA plans are clearly a problem for the large number of lower-income Wal-Mart employees. Studies by Commonwealth Fund and others have shown that lower-income people (incomes less than $35,000) and those in poor health or with a chronic condition and high deductibles experience more cost-related access problems than higher-income and healthy individuals.\(^{10}\)

The Future, Part 1 - Dump the Sickest Employees with Health Savings Accounts

In an effort to reduce health care costs, Wal-Mart executives propose switching all employees from traditional plans to Health Savings Accounts (HSAs) by 2008.\(^{41}\) The company estimates this switch would save the company $400 to $700 million in 2011. This move is calculated to get rid of high insurance utilizers—older, less healthy employees who would have difficulty paying HSA deductibles ranging from $2,500 to $8,000 and out-of-pocket maximums of $10,000 per year. The company admits the sickest 20 percent of its workforce would be worse off with an HSA plan. The goal is attracting younger, healthier employees:

"moving all employees to consumer-driven health plans will help achieve this goal because these plans are particularly attractive to healthier Associates...It will be far easier to attract and retain a healthier workforce than it will be to change behavior in an existing one."

This action would appear discriminate against older and sicker workers. In addition, the company proposes restructuring the workforce in two ways to help drive out the old, less healthy employees. First, the company proposes reducing the number of full-time jobs and replacing them with part-time jobs, which would drive many employees depending on full-time employment to seek other jobs. Second, the company proposes adding hard physical work to store job descriptions, which less healthy employees may not be able to perform. Such an action would appear to raise legal issues under the Americans with Disabilities Act (ADA), which requires employers to provide suitable work for people with disabilities.

The Future, Part 2 - Cutting Retirement Benefits to Make Health Care Look Better

To counter bad publicity about the company's current health plans, executives propose changes to improve some of the most obvious defects, including the 24-month waiting period for part-time workers. To pay for the improvements, executives propose cutting retirement benefits by at least $200 million (by eliminating flat 401(k) retirement

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contributions, which would cut the company’s retirement benefit cost from four to three percent of wages).

The company proposes reducing maximum out-of-pocket expense levels to 15 percent of income, still three times the five percent of income level above which employees are considered “underinsured.”

Wal-Mart also proposes that new employees be given an “option” after 30 days to purchase insurance in the individual insurance market until they are eligible for the company’s regular plans. The company sees this move as an answer for its critics: “Wal-Mart offers Associates access to health insurance after they have worked for us for 30 days.” Even if the company subsidizes this offer with limited funding, older employees, families, and those with chronic health conditions working at Wal-Mart’s low wages will not be able to afford insurance in a market with high premiums and no coverage for pre-existing conditions.

2. Impact on Public Sector: Taxpayers subsidizing Wal-Mart

Because they can’t afford the company health plan, many full and/or part-time Wal-Mart workers must turn to public assistance for health care or forego their health care needs altogether. As a result, taxpayers are subsidizing what should be a company-provided health care plan. The company acknowledges this in the recent internal health insurance memo:

> We also have a significant number of Associates and their children who receive health insurance through public assistance programs. Five percent of our Associates are on Medicaid compared to an average for national employers of four percent. Twenty-seven percent of Associates’ children are on such programs, compared to a national average of 22 percent. In total, 46 percent of Associates’ children are either on Medicaid or uninsured.42

_"In total, 46 percent of Associates’ children are either on Medicaid or uninsured."_

- Company Memo

According to a recent University of California study, the taxpayers of California subsidized Wal-Mart $20.5 million in medical care during 2003.43 The same study concludes that families of Wal-Mart employees in California utilize an estimated 40 percent more in taxpayer-funded health care than the average for families of all large retail employees.

Wal-Mart has more employees and dependents on subsidized Medicaid or similar programs than any other company nationwide. With over 56,000 employees and dependents enrolled, according to published reports from 18 states,44 Wal-Mart is ranked first in 16 out of 18 states and was in the top four in the remaining two states.

In Georgia, Wal-Mart has the highest ratio of children enrolled in PeachCare, (Georgia’s Medicaid kids program) of the state’s four largest employers.45 Wal-Mart had about one child in the program per every four employees. The article concludes, “a snapshot of Georgia’s program for uninsured children shows that it’s packed with kids of Wal-Mart employees.” The survey found 10,261 of the 168,000 children covered by PeachCare in...
September 2002 had a parent working for Wal-Mart Stores. That's about 14 times the number for next highest employer: Publix, with 734.

A recent Congressional report quantifies the cost to taxpayers of Wal-Mart's health insurance offerings. For each two-hundred-employee Wal-Mart store, the government is spending an estimated $108,000 a year to pay for children's health care on Medicaid. The report estimates total federal subsidies for a typical store of $420,000 a year, or about $2,103 per Wal-Mart employee.  

3. Impact on other employers: The Drive to the Bottom

Because of Wal-Mart's status as an industry leader, there is increasing pressure on other employers to replicate Wal-Mart's policies. This will escalate the number of families without health insurance. Last year, Albertsons Inc., a major Wal-Mart competitor, told the 20,000 employees in its Dallas/Ft. Worth division that a "substantial group" of them would become part-time employees in a move to cut costs and compete with Wal-Mart and other stores. In a satellite broadcast to employees, Division President Judy Spires said she understood that the changes would bring "turmoil" to the lives of many employees and some may need to find additional part-time jobs as well as purchase health benefits. Spires said part-time employees could still qualify for limited benefits insurance purchased through the company.

According to industry analysts, the change would result in stores typically going from a 50/50 mix of part-time and full-time to having about 80 percent part-time employees. The changes appear to come too late for Albertsons as an independent company—in September the company announced it was up for sale.

Wal-Mart's health insurance policies became the focal point of 2004's California retail grocery strike. Large chains Von's, Pavilion's, Ralph's, and Albertson's wanted to dramatically increase workers' share of health costs claiming it was necessary to compete with Wal-Mart. According to E. Richard Brown, the director of the Center for Health Policy at the University of California, Los Angeles, if the grocery chains drastically reduce health benefits, the trends toward cost shifting and elimination of health coverage will accelerate.

"Whether the current pressure from Wal-Mart is real or imagined or merely a convenient excuse for the grocers' cost-cutting bargaining position, Wal-Mart has sparked a new race to the bottom among American retail employers. Undeniably, such a race threatens to undermine the employer-based health insurance system."

If other large California retailers adopted Wal-Mart's wage and benefits standards, a University of California study estimates, it would cost state taxpayers an additional $410 million a year in public assistance to employees.

If employers don't reduce benefits in response to Wal-Mart and similar employers, they pay more to insure the spouses and families of Wal-Mart employees through dependent coverage. Employers spend an estimated $31 billion to cover workers through dependent coverage, adding 20 percent onto the $150 billion they already pay for their
own employees’ insurance. Employers also pay the greatest share of $13 billion in charity care and bad debt that hospitals pass on to all payers, including employers.

Policy options

Some lawmakers have already taken action to address concerns about Wal-Mart and similar low-wage employers. In early 2005, Maryland lawmakers passed legislation requiring large employers to pay at least eight percent of payroll for health insurance, or contribute to the state’s Medicaid fund. Recently New York City and Suffolk County, Long Island passed similar legislation. At least four other states are considering similar proposals. At least 18 states have taken administrative action or passed legislation to disclose the number of employees of large employers who are subsidized under Medicaid and similar programs at the state level.

A Costco executive recently proposed legislation in Washington that would require employers to provide at least preventative health insurance coverage. Costco points to Hawaii’s health insurance mandate, which has saved money for Costco by reducing cost shifting between employers. Such an action in other states would require changes by Congress to the Employee Retirement Income Security Act (ERISA). Hawaii, which passed its law before the passage of ERISA in 1974, is the only state exempted from ERISA.

Universal coverage proposals, such as recent proposals by the Institute of Medicine and the National Coalition on Health Care, would also solve the problem of the deteriorating employer-based health insurance system, by replacing Wal-Mart’s defective plans with guaranteed universal access to affordable care.

Finally, Congress and state insurance regulators should tackle the gray area of sales of defective limited benefit health insurance plans through employers such as Wal-Mart to low-wage workers. First steps should include tracking the sales of such insurance at the state level. Regulators should also hold hearings on whether the sale of such insurance is in the public interest, given high costs and skimpy benefits. For example, current California insurance rules require that basic hospital insurance benefits be “of real economic value to the insured.”

Summary

Wal-Mart’s health insurance practices cause significant problems for employees and their families, other employers and taxpayers. The average Wal-Mart employee is underinsured by national standards and could face bankruptcy in a catastrophic health situation. Other employers and taxpayers are carrying the burden of paying for at least 50,000 company employees and dependents on Medicaid, plus uninsured employees. Instead of addressing the concerns head-on by bringing its health insurance plans up to large-firm standards, the company has taken the first step to drive out low-income

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1 Gov. Robert L. Ehrlich vetoed the Maryland legislation. A veto override vote is likely in January 2006.

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employees in poorer health through the use of “consumer-driven” HSA-type health insurance plans.

The company is also sponsoring the sales of over-priced and defective “limited-benefit” insurance policies to low-income employees, sales that place employees with little knowledge of insurance products at substantial risk of medical bankruptcy. The report recommends several actions to level the playing field between Wal-Mart and other employers and reduce public subsidies that disproportionately benefit Wal-Mart’s shareholders.

Endnotes

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November 21, 2005

Ken Svoboda, Chair
Lincoln City Council
555 S. 10th Street
Lincoln, NE 68508

Re: Prairie Village North
Annexation Agreement and Change of Zone (Wal-Mart)

Dear Council Members:

I am hopeful this letter and packet of information will find its way into the Council’s reading materials prior to the continued public on November 28th in connection with the above matter. I have enclosed and will discuss below four proposed amendments to the Annexation Agreement; however, the proposed amendments not be approved by the Council, my client will reluctantly sign the Annexation Agreement.

The other purpose of this letter is to update the Council on a number of issues that I believe need to be clarified.

With regard to some specific questions raised at the last hearing, the Faith Lutheran Church located on the south side of Adams Street does not oppose this project. Further, the configuration of the commercial space adjoining the church has a buffer strip of O-3 which reduces available the retail space and eliminates the possibility of any super-sized center being located on the south side of Adams. None of the property within the PUD has any identified wetlands and is also fully outside of the floodplain and flood prone areas of the City of Lincoln. Finally, the trip counts in the traffic study dated July 2005 dramatically overstate the trips for this project. I have enclosed a spreadsheet which modifies the July 2005 information to correspond with the commercial square footage and housing units in the PUD before you. The trip counts for this development have decreased by more than 20 percent; yet the off-site improvements being required have not been reduced at all.

The last is perhaps the most important point to be made. This project is not receiving any sort of City subsidy toward the construction of any necessary infrastructure and is in fact heavily subsidizing and contributing toward the City’s costs in this area. That is the reason my client is requesting that you consider four minor changes to the Annexation Agreement before you.
First, we would ask that you review the requirement for east and westbound right-turn lanes at 70th Street and Adams. This intersection was recently rehabilitated by the City and the traffic signaling equipment was placed in a location that would require its removal and relocation in order to construct the requested right-turn lanes. As a result of that fact and the intersection geometrics, the engineering is also more complicated and expensive. The proposed amendment is to have the owner pay for the cost of paving and the City pay the cost of relocating the traffic signaling equipment and engineering costs.

The second requested amendment eliminates the requirement to construct north and southbound right-turn lights at Leighton Avenue and changes the traffic signal construction obligation to the City. The owner would contribute those costs that remain unpaid from other developers when the traffic signal is installed.

Third, while we continue to believe in the fairness of the City paying its share of the LES line relocation when incurred, the owner is willing to advance and pay for the entire expense not paid by LES provided the amounts advanced for the line relocation by the owner are repaid as arterial impact fees.

Finally, there is a provision in the Annexation Agreement that permits a limited amount of commercial square footage to be built before the owner must pay the massive sums necessary to upgrade the area road network. This possibility exists only in the event Wal-Mart or a similar facility do not end up leading this project. That remains a distinct possibility. Should that eventuality come to pass, it would be virtually impossible for the “neighborhood” centers repeatedly mentioned by some of the Council members to be able to be developed since the smaller sized centers could not possibly afford to pay the massive off-site costs. Accordingly, this provision leaves open the possibility for a smaller sized center to be financially feasible should Wal-Mart decide it is unwilling to pay for its fair share of these off-site costs. Originally, the owner had requested a p.m. peak trip cap of 1,200 and which was agreed to at 900 but when drafted came back as a 600 trip p.m. peak cap. The minutes from the negotiation session at which was agreed to be 900 are enclosed. We would request that the p.m. peak trip cap be set at 900 in order to preserve a realistic opportunity for a small sized center to be built should Wal-Mart go away.

Should any of you have any questions about the materials or wish to discuss them in greater depth, please do not hesitate to contact me.

Sincerely,

Peter W. Katt
For the Firm
lawkatt@pierson-law.com

PWK:la
Enclosures
cc: Steve Champoux
    Tom Huston
    Marvin Krout
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**South of Adams**

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**Development Totals**

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**Original Traffic Study**

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<td>20.20%</td>
<td>20.90%</td>
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I move to Amend paragraph 7 B of the Annexation Agreement to read as follows:

7.  **Adams Street Improvements.**

B.  **Adams Street Improvements West of 84th Street.** No occupancy permits for commercial uses in excess of 200,000 aggregate sq. ft. or generating more than a total of 600 pm peak trips shall be issued until the following improvements to Adams Street west of 84th Street have been constructed generally as shown on Exhibit “B”.

   (1)  **Arterial Street Impact Fee Facility Improvements.**

   (a)  A modified arterial section at 84th Street with a single left-turn lane of permanent concrete pavement with curb and gutter from 84th Street west to approximately 82nd Street together with a permanent concrete transition tapering down to a three lane section as displayed in the attached Exhibit B.

   (b)  A convertible three-lane section roadway of permanent concrete pavement with curb and gutter and associated storm sewer from approximately 82nd Street west to 75th Street; or, at the election of the Owner improvements described in paragraph 7.B.2.a.

   (c)  Eastbound right-turn lane at 80th Street.

   (2)  **Site-Related Improvements**

   (a)  Expansion of the existing two-lane asphalt roadway to a two-lane asphalt roadway plus a center turn lane and an asphalt overlay from approximately 82nd Street west to 75th Street; or, at the election of the Owner improvements described in paragraph 7.B.1.b.

   (b)  The paving costs of Eastbound and westbound right-turn lanes at 70th Street when engineered and constructed by the City.

   (Note: these turn lanes not shown on Exhibit “B”)
7. **Adams Street Improvements.**

B. **Adams Street Improvements West of 84th Street.** No occupancy permits for commercial uses in excess of 200,000 aggregate sq. ft. or generating more than a total of 600 pm peak trips shall be issued until the following improvements to Adams Street west of 84th Street have been constructed generally as shown on Exhibit “B”.

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      (a) A modified arterial section at 84th Street with a single left-turn lane of permanent concrete pavement with curb and gutter from 84th Street west to approximately 82nd Street together with a permanent concrete transition tapering down to a three lane section as displayed in the attached Exhibit B.

      (b) A convertible three-lane section roadway of permanent concrete pavement with curb and gutter and associated storm sewer from approximately 82nd Street west to 75th Street; or, at the election of the Owner improvements described in paragraph 7.B.2.a.

      (c) Eastbound right-turn lane at 80th Street.

      (d) Eastbound and westbound right-turn lanes at 70th Street.

   (Note: these turn lanes not shown on Exhibit “B”)

   (2) **Site-Related Improvements**

      (a) Expansion of the existing two-lane asphalt roadway to a two-lane asphalt roadway plus a center turn lane and an asphalt overlay from approximately 82nd Street west to 75th Street; or, at the election of the Owner improvements described in paragraph 7.B.1.b.

      (b) The paving costs of Eastbound and westbound right-turn lanes at 70th Street when engineered and constructed by the City.

   (Note: these turn lanes not shown on Exhibit “B”)

G:\WData\PK\Prairie Homes\Prairie Village North\Adams\70th Turn Lanes Redline.wpd
I move to Amend paragraphs 6 C and 8 B (3) of the Annexation Agreement to read as follows:

6. **North 84th Street Improvements.**

   C. Deferred Construction. The following Arterial Street Impact Fee Facility Improvements and Site-Related Street Improvements shall be constructed by Owner at Owner’s own cost and expense generally as shown on Exhibit “B” in the time lines provided below:

   (1) Arterial Street Impact Fee Facility Improvements.

      (a) Northbound right-turn lane and southbound left-turn lane in 84th Street at Windmill Drive at the same time as Windmill Drive is constructed.

   (2) Site-Related Street Improvements.

      (a) Westbound left-turn lane in Windmill Drive at North 84th Street at the same time as Windmill Drive is constructed.

      (b) Reimburse the City 25% of the construction cost of Northbound and southbound right-turn lanes at Leighton Avenue when the traffic signal at this location is installed by the City.

8. **Traffic Signals.**

   B. Site-Related Traffic Signals are to be installed in the following intersections:

   (3) In 84th Street at Leighton Avenue. The City shall Install a traffic signal when warrants are met and the Department of Public Works and Utilities recommends installation of the traffic signal. Owner shall contribute and pay the City 25% of the cost together with other developers who have agreed to contribute to the cost of this traffic signal.
6. **North 84th Street Improvements.**

C. **Deferred Construction.** The following Arterial Street Impact Fee Facility Improvements and Site-Related Street Improvements shall be constructed by Owner at Owner’s own cost and expense generally as shown on Exhibit “B” in the time lines provided below:

1. **Arterial Street Impact Fee Facility Improvements.**
   
   a. Northbound right-turn lane and southbound left-turn lane in 84th Street at Windmill Drive at the same time as Windmill Drive is constructed.

2. **Site-Related Street Improvements.**
   
   a. Westbound left-turn lane in Windmill Drive at North 84th Street at the same time as Windmill Drive is constructed.

   b. Reimburse the City 25% of the construction cost of Northbound and southbound right-turn lanes at Leighton Avenue when the traffic signal at this location is installed by the City.

8. **Traffic Signals.**

B. **Site-Related Traffic Signals** are to be installed in the following intersections:

3. In 84th Street at Leighton Avenue. Installation shall be required when warrants are met and the Department of Public Works and Utilities has recommended installation of the traffic signal. Owner shall contribute and pay when the City agrees to use its best efforts to collect from 25% of the cost together with other developers who have agreed to contribute to the cost of this traffic signal their agreed upon proportionate share of said costs. Said funds when collected shall be used to pay for or to reimburse Owner for advancing those portions of the costs of the traffic signal.
I move to Amend paragraph 15 of the Annexation Agreement to read as follows:

15. **Lincoln Electric System ("LES") Easement.** Relocation of the existing LES 35k overhead transmission line is necessary to accommodate the North 84th Street Improvements described in Paragraph 6 above ("LES Line Relocation"). The LES Line Relocation is an Arterial Street Impact Fee Facility Improvement. Owner agrees in the event there is no feasible alternative to dedicate at no cost to the City a 30-foot wide easement immediately east of the existing 115k LES transmission line easement in order to relocate the existing LES 35k overhead transmission line to accommodate the new right-of-way for North 84th Street. The Owner shall advance all of the costs of relocating the 35k transmission line as an overhead transmission line into the new easement area subject to reimbursement pursuant to Paragraph 9 above. City agrees to use its best efforts to cause said relocation to be completed on or before December 31, 2006.

Notwithstanding the above, the Owner and City in cooperation with LES prefer to replace the older towers supporting the LES 115k transmission line with new mono poles and bury the smaller transmission lines which would eliminate the need for the dedication of the above-described 30-foot wide easement for the LES 35k transmission line. Owner and City agree to proceed with this option if feasible and agree to share the cost of the project with LES paying one-third. The costs of the relocation not paid by LES shall be funded by Owner subject to reimbursement pursuant to Paragraph 9 above.
15. **Lincoln Electric System ("LES") Easement.** Relocation of the existing LES 35k overhead transmission line is necessary to accommodate the North 84th Street Improvements described in Paragraph 6 above ("LES Line Relocation"). The LES Line Relocation is an Arterial Street Impact Fee Facility Improvement. Owner agrees **in the event there is no feasible alternative** to dedicate at no cost to the City a 30-foot wide easement immediately east of the existing 115k LES transmission line easement in order to relocate the existing LES 35k overhead transmission line to accommodate the new right-of-way for North 84th Street. The Owner shall bear all of the costs of relocating the 35k transmission line as an overhead transmission line into the new easement area subject to reimbursement pursuant to Paragraph 9 above. The City agrees to use its best efforts to cause said relocation to be completed on or before December 31, 2006. The estimated costs for this relocation of the 35k transmission line is $300,000.00.

Notwithstanding the above, the Owner shall have the right to locate the new easement area for the 35k transmission line anywhere within the Property subject to the approval of LES; provided, any additional costs for moving the 35k transmission line beyond the easement area adjoining the 115k transmission line or burying the transmission line shall be paid for by Owner and said additional cost shall not be reimbursable.

Notwithstanding the above, the Owner and City in cooperation with LES prefer to replace the older towers supporting the LES 115k transmission line with new mono poles and bury the smaller transmission lines which would eliminate the need for the dedication of the above-described 30-foot wide easement for the LES 35k transmission line. Owner and City agree to proceed with this option if feasible and agree to share the cost of the project with LES in **equal** paying one-third shares. The City’s one-third share costs of the relocation not paid by LES shall be funded by Owner subject to reimbursement pursuant to Paragraph 9 above.
I move to Amend paragraphs 6 A 1., 7 B and 8 A (1) & (2) of the Annexation Agreement to read as follows:

6. **North 84th Street Improvements.**

   A. Restricted Commercial Development – Arterial Street Impact Fee Facility Improvements.

   1. No occupancy permits shall be approved for any commercial use north of North 84th and Adams Streets which individually or combined with other commercial uses north of North 84th and Adams Street exceed 200,000 square feet of floor area and/or exceed 900 pm peak hour trips until the following Arterial Street Impact Fee Facility Improvements have been constructed by Owner at Owner’s own cost and expense generally as shown on Exhibit “B” attached hereto.

7. **Adams Street Improvements.**

   B. **Adams Street Improvements West of 84th Street.** No occupancy permits for commercial uses in excess of 200,000 aggregate sq. ft. or generating more than a total of 900 pm peak trips shall be issued until the following improvements to Adams Street west of 84th Street have been constructed generally as shown on Exhibit “B”.

8. **Traffic Signals.** Owner shall design, construct and install at Owner’s own cost and expense the following traffic signals which qualify as Arterial Street Impact Fee Facility Improvements or Site-Related Street Improvements.

   A. Arterial Street Impact Fee Facility Traffic Signals in the following intersections:

   (1) In 84th Street at Adams Street and also at the one-half mile point north of Adams Street. Installation shall be completed prior to the issuance of an occupancy permit for any commercial use north of 84th Street and Adams Street which individually or combined with other commercial uses north of North 84th and Adams Street exceed 200,000 square feet of floor area and/or exceed 900 pm peak hour trips.

   (2) In 84th Street at Havelock Avenue. Installation shall be completed prior to the issuance of an occupancy permit for any commercial use north of 84th Street and Adams Street which individually or combined with other commercial uses north of North 84th and Adams Street exceed 200,000 square feet of floor area and/or exceed 900 pm peak hour trips.
6. **North 84th Street Improvements.**

   A. Restricted Commercial Development – Arterial Street Impact Fee Facility Improvements.

      1. No occupancy permits shall be approved for any commercial use north of North 84th and Adams Streets which individually or combined with other commercial uses north of North 84th and Adams Street exceed 200,000 square feet of floor area and/or exceed \(609900\) pm peak hour trips until the following Arterial Street Impact Fee Facility Improvements have been constructed by Owner at Owner’s own cost and expense generally as shown on Exhibit “B” attached hereto.

7. **Adams Street Improvements.**

   B. **Adams Street Improvements West of 84th Street.** No occupancy permits for commercial uses in excess of 200,000 aggregate sq. ft. or generating more than a total of \(609900\) pm peak trips shall be issued until the following improvements to Adams Street west of 84th Street have been constructed generally as shown on Exhibit “B”.

8. **Traffic Signals.** Owner shall design, construct and install at Owner’s own cost and expense the following traffic signals which qualify as Arterial Street Impact Fee Facility Improvements or Site-Related Street Improvements.

   A. Arterial Street Impact Fee Facility Traffic Signals in the following intersections:

      (1) In 84th Street at Adams Street and also at the one-half mile point north of Adams Street. Installation shall be completed prior to the issuance of an occupancy permit for any commercial use north of 84th Street and Adams Street which individually or combined with other commercial uses north of North 84th and Adams Street exceed 200,000 square feet of floor area and/or exceed \(609900\) pm peak hour trips.

      (2) In 84th Street at Havelock Avenue. Installation shall be completed prior to the issuance of an occupancy permit for any commercial use north of 84th Street and Adams Street which individually or combined with other commercial uses north of North 84th and Adams Street exceed 200,000 square feet of floor area and/or exceed \(609900\) pm peak hour trips.
Developer Negotiations Meeting
Discussion Notes
November 3, 2005, 2:00 - 3:00 p.m.
County/City Building, Conference Room No. 106

Prairie Village North
84th Street & Adams Street

Attendance: Marvin Krout, Ray Hill, Greg Czapolewski and Teresa McKinstry of the Planning Dept.; Kelly Sieckmeyer of Public Works and Utilities; Rick Peo of City Attorney’s Office; Jason Thiellen, Brad Marshall and Rick Onnen of Engineering Design Consultants; Todd Lorenz of Olsson Associates; Peter Katt, Attorney; Tom Huston, Attorney and Steve Champoux, Developer and Owner.

Marvin Krout stated that Dan Marvin received a letter from the Church Pastor stating they were opposed. Katt stated that the last letter they received stated the Church was in support.

Rick Onnen knows there was opposition early on, but the last he heard, the Church is trying to be apolitical to everything.

Rick Peo stated 149 acres is what is being annexed.

There was a discussion on an interest bearing account for the impact fees paid.

Peo wondered about water mains and improvements in the CIP. Krout is not sure the water projects are prioritized. Katt believes that in all of the discussions they have had with the Water Dept., this is a project that the Water Dept. wants to see done and it is in the CIP. Peo thinks ‘best efforts’ language might have to suffice.

Greg Czapolewski noted that the water main project starts at 81st St., not 82nd St.

Peo stated in regard to sanitary sewer, he agrees with Katt’s proposed language, except when the development proceeds fast enough that they want to expand beyond the CUP area. Easements should be designed.

Katt noted that in Section 5 of the Annexation Agreement, an item C should be added to the effect of: Owner acknowledges and agrees to plan for and provide easement for a future connection sanitary sewer trunk line known as Regent Heights connector.
Katt stated that they have had a change with how they would like to look at the improvements for the streets. Katt wonders why this can't all be tied to occupancy? Peo thinks it can.

Katt stated there is a possibility this will be done in smaller pieces and phasing. Having these tied to occupancy and square footage makes more sense to him. Onnen would like to try and identify a trigger point.

Katt stated that the LES line is a timing issue. LES has said they evaluated the single pole option and the cost from Murdock Trail to Leighton Ave. is $1,000,000.00. LES is willing to subsidize one-third of the cost. The original cost estimate to move the line was $300,000.00. LES will contribute one third and that will leave $300,000.00 for the developer. It seems to him it works out fair to do it that way. It accomplishes a lot of things. LES said it would be back in service by December 2006, keeping in mind they can't work through the summer months. LES is ready to start final design when authorization is given to them.

Peo would like to leave the option in of moving the lines, just in case.

Krouth thinks this sounds like a good solution. Is this an impact fee facility? Katt questioned what the repayment source is. The additional right-of-way they are providing is worth more than $300,000.00.

Krouth thinks it should be drafted as a reimbursement, impact fee facility, a part of the road widening cost. Champoux doesn't like that idea.

Katt noted that the intersection of N. 84th St. and Adams is probably deferred until the LES lines are in place. Those improvements don't need to be done until 200,000 square feet of commercial is in place.

Todd Lorenz questioned when Wal-Mart could be built. Katt stated that improvements to 84th & Adams is probably the major improvement that can't be done without the LES lines being moved. If 200,000 square feet of commercial has been reached and the intersection can't be improved because the lines haven't been moved, the money will be put in the bank to guarantee the improvements.

Peo wondered when Wal-Mart wants to come in. Tom Huston stated presumably they will be the first tenant. Katt would like to have 200,000 square feet as a trigger. Wal-Mart would trigger the improvements to 84th & Adams.
Kelly Sieckmeyer thinks we have to look at improvements to Adams being in place when Wal-Mart opens. He is concerned with square feet being the trigger. Trips would be better. Huston shares the concern if traffic goes up and the lines haven’t been moved yet. Katt noted that a cap could be put on total square footage. The marketplace factors in.

Right turn lanes were discussed.

Katt stated that they do not want to do west bound turn lanes at Havelock. He doesn’t think this should be something the developer pays for.

Katt questioned why improvements on Adams from 84th St. to 87th St. can’t be delayed. The west side is a bigger issue. Square footage as a trigger was discussed. Huston wondered about trip count. Sieckmeyer thinks there needs to be a trip count that they can live with. Sieckmeyer would ask a trip cap to be submitted for staff’s approval. Huston suggested 1,200 trips. Todd Lorenz stated that average daily trips for Wal-Mart is around 871. Katt proposed a 900 trip cap p.m. peak or 200,000 square feet as the trigger for Adams west of 84th St.

Sieckmeyer doesn’t understand why the west side wouldn’t be a benefit for traffic. It’s going to be a mess if the stores open up and road construction is going on. The west leg is going to cost the developer $600,000.00. The City can’t afford to build all this at the same time. They are trying to accommodate the issue of what improvements to the road network need to be made.

Krout stated that Public Works feels strongly that the permanent three lane section will be inadequate. He doesn’t know what the total impact fees will be for roads. He believes around 2.5 million dollars. The City needs to know how much this will cost if improvements to Adams aren’t done.

Katt stated that he would like the turn lanes on 70th St. and Adams eliminated from the Agreement. He asserted that the City just made improvements to that intersection last year and made a conscious effort not to add turn lanes.

Katt submitted that any commercial on the south side of Adams or construction of 87th St. north of Adams should trigger improvements to that section of Adams St. It is probably more cost effective to build it out than a temporary, but they would like to have the option. Peo clarified that this is Adams St. from 84th St. to 90th St., three lane asphalt and the Church pays when it goes to permanent.

Katt will re-draft paragraph 7 per Rick Onnen’s suggestions and get it to Peo for his review. Peo will draft the next version of the Annexation Agreement. Sieckmeyer believes the big issues are the costs. The maps done by Rick Onnen clarify a lot.
Kroun inquired if cost estimates are included. Onnen will get those to Kroun.

Ray Hill stated this has public hearing at City Council on Monday, November 7, 2005. Peo does not foresee having a signed copy on Monday. Katt believes Council will hold the public hearing open. Council should have a signed copy of the Annexation Agreement by the time they vote.

The meeting was adjourned at 3:45 p.m.

Prepared by: Teresa McKinstry
Planning Dept.

F:\FILE\PLANNING\SHARED\WP\Dev: Neg\Prairie Village North minutes 110305.wpd
Dear Wendy Weiss:

Your message has been received in the Council Office and will be forwarded to the Council Members. Thank you for your input on this issue.

Tammy J. Grammer
City Council Office
555 South 10th Street
Lincoln, NE 68508
Phone: 402-441-6867
Fax: 402-441-6533
e-mail: tgrammer@lincoln.ne.gov

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Dear Council Members,

As we endeavor to retain our bright, young students from the University of Nebraska in the state after graduation, to encourage them to contribute economically to their home communities, including Lincoln, we must make responsible decisions that allow them to compete in the marketplace.

Please vote no on the pending vote on a third Walmart in Lincoln.

Wendy Weiss, MFA
Professor Textiles, Clothing and Design Dept.
Director Robert Hillestad Textiles Gallery
College of Education and Human Sciences
University of Nebraska
Lincoln, NE 68583-0802
phone: 402-472-6370
gmail: Wweiss@unlnotes.unl.edu
InterLinc: City Council Feedback for 
General Council

Name: Bonnie Filipi
Address: 5440 Cleveland Avenue #6
City: Lincoln, NE 68504

Phone: 
Fax: 
Email:

Comment or Question:
I am voicing my concerns over the annexation and zoning
that would allow a Wal-Mart Supercenter on North 84th
Street. Please consider carefully the consequences of
allowing annexation and zoning accommodate Wal-Mart.
I have been a Northeast Lincoln resident for over 20 years
and have family, friends and neighbors who will be placed
in harms way when they travel a busier 84th Street. Please
consider those families who will be neighbors to this
Wal-Mart store. Will Wal-Mart be a good neighbor as well
as a good corporate citizen of Lincoln Nebraska? The three
individuals who recently caused over $100,000 in vandalism
to vehicles and businesses SHOPLIFTED their weapons from
both of Lincoln's Wal-Mart stores. A yes vote for allowing
this retailer to build will be putting the entire Northeast
quadrant of Lincoln Nebraska at risk. Not only will the
neighborhood be affected by this superstore, but other
businesses will probably close as a result of a yes vote to
this venture. Are you willing to allow entrepreneurs (who
are also taxpayers) in this city be forced out by this
entity. Please CAREFULLY consider what you are doing by
voting to allow another Wal-Mart to be located in Lincoln
Nebraska.

Thank you for your consideration.

Sincerely
Bonnie Filipi
Dear Sue Cover & Tam Spence: Your message has been received in the Council Office and will be forwarded to the Council Members. Thank you for your input on this issue.

Tammy J. Grammer
City Council Office
555 South 10th Street
Lincoln, NE  68508
Phone:  402-441-6867
Fax:        402-441-6533
e-mail:   tgrammer@lincoln.ne.gov

We received the letter from Robin Eschliman and appreciate her input.

We agree that the employees of Walmart are much better off than before they had jobs but that is not our main concern.

We also agree that there is a need for a grocery store in the area. That need has grown in the last two years, before that, Russ's at 66th & O, 63rd Havelock, and the HyVee at 70th & O were more than ample. There would probably already be a grocery store on North 84th if Walmart had not stepped in.

One of our main concerns is traffic, if we have Walmart along with the other retail or businesses that go in the "Neighborhood Center" at 84th and Adams, the Church traffic and the Event Center traffic (keeping in mind the Event Center is expanding) as well as traffic coming in off the Interstate and Hwy 6 at rush hours, plus neighborhood traffic, what effect is that going to have not only on 84th Street but also on Havelock Ave., Adams, Holdrege, and Leighton Streets? The comprehensive plan did not call for widening of any of these streets.

Law enforcement is another concern, when we try to get extra police presence in the area Captain Srb says they are too short handed, and cannot afford to hire more help.

We feel a compromise would be to downsize the square footage as proposed by a member of the planning commission. As the proposed new Walmart is larger than the one at North 27th, and Walmart does not fit the criteria for a
"Neighborhood Center" anyway.

Also we certainly would not want rents raised 50% in our area, as the economy is struggling and so are our merchants, any increases in rents and loss of customers would push them to close.

Lincoln is not ready to support a third Walmart, especially with the way the economy is. With your experience as a Broker we are sure you realize that no matter what the media says the economy is bad all over the Country.

Thank You for your time and consideration.

Sue Cover-Havelock Furniture

Tam Spence-Vickeridge
ADDENDUM
TO
DIRECTORS' AGENDA
MONDAY, NOVEMBER 28, 2005

I. MAYOR - NONE

II. CITY CLERK - NONE

III. CORRESPONDENCE

A. COUNCIL REQUESTS/CORRESPONDENCE - NONE

B. DIRECTORS AND DEPARTMENT HEADS - NONE

C. MISCELLANEOUS

1. Response Letter from Terry L. Bundy, LES to Rob Barie - RE: The proposed power cost adjustment -(See Letter)

2. E-Mail from Rick Goodman - RE: Opposed to the annexation of land for the Prairie Home Development & Wal-Mart -(See E-Mail)


4. Letter from Irene Gonser - RE: Supports the zoning change at 84th & Adams for a new Wal-Mart -(See Letter)

5. Letter & Material from Crystal Sato - RE: Vote against the proposed Super Wal-Mart #3 for Lincoln -two Wal-Marts & a Sam’s Club is enough! - (See Material)

6. Faxed Petition with 19 Signatures - RE: 2 is Enough! - We say NO to another Wal-Mart at North 84th St. and YES to a smaller more neighborhood friendly development -(See Petition)
7. E-Mail from Polly McMullen, President, Downtown Lincoln Association - RE: 21st & K Proposal - (See E-Mail)

8. E-Mail from Al Chambers - RE: Wal-Mart - (See E-Mail)

9. E-Mail from Kyle Stoner - RE: Vote NO to another Wal-Mart in Lincoln - (See E-Mail)

10. E-Mail from Jackie Barnhardt - RE: No new Wal-Mart -(See E-Mail)

11. E-Mail from Carita Baker - RE: Opposed to another Wal-Mart location in Lincoln -(See E-Mail)
November 23, 2005

Mr. Rob Barie
7530 North Hampton Road
Lincoln, Nebraska 68506

Dear Mr. Barie:

This letter is in response to your letter dated November 10th, 2005 that was forwarded to me by Mayor Seng. Your letter raised a number of topics related to Lincoln Electric System. The following is the LES information relevant to your inquiry.

**Rate Increases** - LES provides low cost and highly reliable electric service to the citizens of Lincoln. For nearly 40 years, LES management and staff have worked hard to maintain stability in our rates. Our rates have over the years been much lower than inflation (see the chart left). In times of volatility, LES has taken appropriate measures to protect the consumers, not only in the retail rates paid for consumption but equally important in the cost of capital (borrowing).

The chart below illustrates the annual rate adjustments over the last 40 years. It is interesting to note that in times of heavy volatility, particularly the 1970’s, LES consumers, like everyone in the country, were faced with dramatic increases. As you may recall, this was in the same period of limited natural gas supply, shortage in home heating fuel oil and limited supplies in gasoline. In the 1980’s, LES consumers enjoyed reductions in the rates, returning consumers to a more stable period. Throughout the 1980’s and 1990’s, LES consumers enjoyed very steady rates. As the real dollars increased in cost and value, LES consumers realized a reduction in costs in real dollar expenditures.

Recently, market volatility has returned to fuel costs. The rate adjustments represented in 2001-2005 represent an increase to residential consumer of nearly 12.7% (2001 and 2002=0%; 2003=4%; 2004=2.3% and 2005=6.4%). Yet over the same period the energy costs for the residential market have increased by 175%. LES has through careful management been able to mitigate the volatile impact on our customers.
Power Cost Adjustment- A Power Cost Adjustment (PCA) is a commonly used rate mechanism. Its use in the utility industry allows a utility to collect additional revenues necessary to cover fluctuating costs associated with fuel for power generation and purchase. These identified revenue requirements are greater than a standard fixed rate base can manage. The PCA is adjusted upward or downward as necessary, commensurate with cost fluctuations, rather than make an adjustment in the base rates, which would remain constant. **An important note here is that the PCA is NOT a surcharge.** The value of the PCA, as noted above, fluctuates with the variability in both production cost and the usage level of the consumer. A surcharge is normally a flat charge applied regardless of consumer controlled usage levels.

The amount of the LES PCA will be determined each month based on the amount that fuel and purchased power costs deviate from the Consumer Base Line approved by the LES Administrative Board. The Consumer Base Line is a budget power cost target for 2006. LES will forecast the power cost for the year, either above or at the Consumer Base Line. As the year progresses and the actual monthly cost settle, the following month's forecasted PCA will be adjusted either up to, but no higher than, the “CAP” (for those months where costs rise) or adjusted down in a reduction to the forecast (for those months when the costs fall). The PCA adjustment will be made on the consumer bill the following month.

The PCA will be shown as a line item on customer's billing statements. The PCA is a value expressed in dollars per KWh/month. The line item will reflect the total monthly kilowatt-hours (kWh) consumed, multiplied by the applicable months PCA. As costs stabilize or return to more predictable levels, the PCA will be reduced. At the end of each month, payments will be reconciled to determine any overpayment or underpayment, and any necessary adjustment will be made on the following month's billing statements. **An Important Note: should costs soften and fall below the Consumer Base Line, then the PCA value would be negative, represented as a credit on the consumer's monthly bill.**

The LES Administrative Board and management considered the implementation of a PCA (or Automatic Adjustment Clause) as early as the late 1970's. As a matter of record, the Administrative Board adopted the criteria in 1980 for PCA implementation, review and accountability before the Board and the City Council as a part of its findings by PURPA. With the adoption of current recommendation by the Administrative Board and the City Council, this PCA will constitute the initial use of a PCA within the LES rate schedules since it was authorized in 1980.

LES is not alone in the use of a PCA mechanism to manage through volatile costs. Utilities throughout the country utilize a PCA. Some municipality and public utilities include Nebraska Public Power District; Springfield, Mo.; Austin, Texas; Colorado Springs, Co.; Orlando, Florida; Springfield, Il; Jacksonville, Fl. Communities within our region that are electrically served by investor owned utilities that utilize a PCA are: Excel Energy (Denver); We energies (Madison, WI); Excel Energy (Minneapolis); Mid America Energy (Sioux Falls, SD and North Dakota communities); Cheyenne Light and Power (Cheyenne, WY).
Power cost adjustments aren’t utilized in wholesale sales. Primarily, the wholesale prices are driven by market prices and not constrained by fixed prices, as is in retail sales. Wholesale prices tend to very quickly follow changes in fuel prices for the marginal generation fuel, which in recent years has been natural gas.

Though not relevant to the PCA discussion, the following relates to addition questions stated in the November 10, 2005 letter.

**Lincoln Electric System** - LES serves electricity to approximately 123,000 consumers. The total consumer count is comprised of 107, 000 residences; 13,700 small businesses and 2,300 government and large commercial and industrial businesses.

In 2003, LES ended a long relationship with the NPPD’s Cooper Nuclear Station. The primary reasoning in concluding this relationship resulted from escalating fixed operating costs and a increasing unreliability of the plant operation. While it is true that the energy component (the KWh costs) of the facility is low, there were concerns of increasing costs relative to the maintenance of the facility and unknown cost risk for future plant decommissioning and waste fuel disposal. Further, the plant experienced increased “off line” time over the years, causing LES to be in a repeated position of price vulnerability and risk of needing to purchase large quantities of replacement power from the wholesale market. On many occasions LES was forced into a position, due to unplanned outages at Cooper, to purchase replacement energy at the peak of the wholesale market. Forecasts indicated that LES would save millions of dollars by ending the relationship.

Salaries of the executive staff, as well as the entire compensation policies of LES, are reviewed, monitored and approved by the LES Administrative Board’s Personnel & Organization Committee and by the full Administrative Board. This review includes such tests as market comparability and reasonableness. Recently, the Administrative Board contracted with an outside consultant to review the compensation structures for all positions at LES. The consultant’s review found that the market salary ranges for executive staff in peer utilities was higher than the ranges used by LES. Lastly, LES staff do not receive bonuses or incentive payments.

LES did incur expenses in past years related to its applications with the Nebraska Public Service Commission to become a contract carrier to provide data communications services. It would take significant research to go back and calculate the total amount spent on activities that occurred over a period of several years. The expenses, however, were incurred within the annual budgets approved by both the LES Administrative Board and the Lincoln City Council. LES has not been involved in any activities at the PSC for about 18 months. LES’ 2005 and 2006 budgets do not include any expenses to provide data communications services.
LES’ core business and compliance to the LES mission is reviewed regularly by staff. The mission as stated is:

“To provide energy and services of superior value and enhance growth and development of the greater Lincoln area.”

The measure of alignment and compliance to this mission is found in electric rate competitiveness, customer satisfaction, and financial integrity of the system. Annually, LES measures its rate competitiveness without utilities in the region and across the nation. Actually the survey includes 106 utilities. Over the years, including today, LES ranks as one of the lowest cost utilities in the country. Across all classifications, LES is annually in the lowest 10%. Customer satisfaction is also measured frequently. Our last measure was taken in 2003 and 2004. Compared to other bench marks, LES ranks high in overall satisfaction. In these reviews, LES ranks near the 90th percentile, and other utilities in Lincoln were ranked in the 60th and 70th percentile. In regard to financial integrity, LES continues to receive high scores from the financial rating agencies, such as Standard and Poor’s, Fitch and Moody’s. Our financial status has maintained a rating of AA for a number of years. This value certainly retains long term benefits to the community as it keeps our cost to borrow low. The financial rating is continued evidence that LES continues to fully fulfill its stated mission.

Lastly, while the adjustment in costs and prices are not a favored topic, however, it is imperative that LES maintain the financial integrity of the System. The energy markets are changing and unfortunately as in other markets, the electricity markets are also feeling the impacts. If you have further questions, please feel free to send them to me.

Sincerely,

Terry L. Bundy, P.E.
Administrator and CEO

cc: Mayor, Coleen Seng
LES Administrative Board
Lincoln City Council
Dear Rick Goodman: Your message has been received in the Council Office and will be forwarded to the Council Members. Thank you for your input on this issue.

Tammy J. Grammer
City Council Office
555 South 10th Street
Lincoln, NE 68508
Phone: 402-441-6867
Fax: 402-441-6533
e-mail: tgrammar@lincoln.ne.gov

Rick <rgoodman2@gmail.com>

27 November 2005

Lincoln City Council Members
Dear Council,

Subject: I OPPOSE the annexation of land for the Prairie Home Development and Wal-Mart (28 November 2005 Meeting)

I am writing as a concerned citizen of the city of Lincoln, Nebraska. I live in the NorthEast District of Lincoln, just off of 70th and Teton.

I strongly urge you to vote against annexation and approval of the Prairie Home Development and Annexation, which is scheduled for a continuance hearing on the 28th of November, 2005. I have lived in a number of cities in the U.S. in the past 56 years and have seen the center of many fall in economic value, seen many social and economic hardships on cities that have continued to allow and foster the development of large shopping stores and centers on their margins.

YOU have the power and the responsibility to look out for the economic and social well-being of Lincoln. I hope you use it wisely as this issue is not just about annexation. It is not just about a few vocal opponents speaking about a perceived threat to the community. You are voting on a very real, trend-setting issue. Your decisions this week will have tremendous long-range impacts on Lincoln.

From just about everything I have read, building a large new Wal-Mart as part of this development will add significant traffic and pressure on Lincoln facilities and services (fire, sewer, police) that will be paid for to a great degree by Lincoln citizens. In addition to the direct costs to the city, there is also a long term (1-5 year) loss of personal income and jobs that will undoubtedly result for current businesses in Lincoln (groceries, hardware, variety stores), because of the unfairly cheap prices at Wal-Mart.

This is not about bashing one business, this is not about fair-market competition. 1) This is about two things. Is it right for Lincoln to expand with this development, pushing development further, altering the community markedly. This will expand traffic flow on Adams and other already crowded streets. As far as I can see from the city plans and the public record on this project, the infrastructure is already pushed hard. Adding Prairie Homes will push development
further East and North. 2) It is also about supporting business and working families that live in and around Lincoln. Wal-Mart is not a fair competition for businesses in Lincoln. Instead it is a drain on the economy.

There is remarkable evidence that Wal-Mart is not a good neighbor, a good business or a good deal for the local community. Wal-Mart is planning FIVE stores for Lincoln. What will that do to local business? What will that do for employees? It will depress wages, it will reduce average medical and retirement income for Lincoln. It will run some of the local businesses out of existence. Lincoln already has tremendous diversity and competition (choices) for groceries and other stores and retail establishments.

Wal-Mart has a long record of depressing wages and benefits, squashing competition, obtaining every advantage and then leaving communities high and dry. Wal-Mart is hiding with developments as they have found opposition growing to the unfair practices, and half-truths that they spread as they come into smaller communities and large ones.

Why should an economic force that is equivalent to the thirteenth or fourteenth largest country have to tell it's "full-time" employees to seed Medicare, WIC and other governmental aid program monies and assistance? Why should a company so big, give so little back to communities in need? Why should the American public, the American communities like Lincoln continue to subsidize stock holders in Wal-Mart, but paying many of their employees costs, by absorbing costs like schools as the stores help move development beyond the boundaries of the cities and towns, where many of the employees live?

And why do we want to expand the boundaries of Lincoln, when there are major areas that already have empty large square footage retail space?

Clearly the far NE needs another grocery store. They do NOT need a 200,000 + square foot superstore. They do NOT need to attract buyers from all over the NE part of Lincoln.

It is time to stop allowing multi-national corporations to cause the demise of local communities. This is greater than just an issue of annexation, it is about the health of the community.

Regards,

Rick Goodman

840 Foxcroft Court, Apt. 140

Lincoln, NE 68510

(402) 438-9353
Dear Maribeth Milner,

Your message has been received in the Council Office and will be forwarded to the Council Members. Thank you for your input on this issue.

Tammy J. Grammer
City Council Office
555 S. 10th Street
Lincoln, NE 68508
Phone: 402-441-6867
Fax: 402-441-6533
e-mail: tgrammar@lincoln.ne.gov

Maribeth Milner <mmilner@nebraska.com>

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Members of the Council,

I'd appreciate you're addressing the following questions at the beginning of tonight's hearing on the Wal-Mart proposal.

1. I understand that the developer will loan the city $4.4 million (interest free) for road construction with the understanding that part of that loan will be paid back with development impact fees. The other portion is to be paid back with impact fees from future projects. Won't those future impact fees be needed to address future development impacts? Who will pay for those future impacts? And what's to keep future developers from borrowing yet more money from future development projects? This all appears to be an unsustainable, fiscally irresponsible pyramid scheme. How can this be justified? Who will be left holding the bag? I suspect the city taxpayers.
2. The city is responsible for moving electric lines at a cost of $300,000. Is this money coming from the impact fees as well? If not, how will it be paid?

3. The city experts apparently believe that Adams Street will need to be widened beyond what's prescribed in the proposal. Have the Adams Street residents been apprised of the widening and have they been given a chance to address the council about any concerns they may have? How much will the widening cost and who will pay for the widening of Adams Street? If the city is paying for the widening, how will that impact projects that are already planned (i.e. which other project(s) will need to be cancelled or postponed?

4. I understand that the issue of impact fees is being considered by the NE Supreme Court. Further, some attempt has been made to protect the city from liability for the $4.4 million loan should the Supreme Court rule against impact fees. Does the city lawyer believe that the city will be protected against liability no matter how the Supreme Court rules? If the city is adequately protected and the developer assumes complete liability for the $4.4 million loan, will there be any negative impact for the city with respect to credit rating or future development projects? ...or will the city pay back the loan regardless of liability? If such a commitment (to pay back the loan regardless of the NE Supreme Court ruling) has been made, then that commitment should be reflected as a cost to the city - as far as the project budget sheet is concerned - and monies will need to be appropriated / committed before this rezoning is considered.

5. If the city is protected from liability against the $4.4 million loan and if the city has / is not committed to repaying the loan should impact fees be found to be unconstitutional, then why is the developer taking this risk? There has to be something in it for him. Does he / his clients see this project as the first step in building a mega-retail site - which is NOT part of the city plan? Are there other reasons that we don't understand?

Personally, I stand opposed to this proposal because I do not believe it will strengthen Lincoln - a measure that all considerations before the council should be measured. I will happy to elucidate the reasons for my beliefs tonight. In the mean time, I would appreciate answers to the above questions.

Respectfully,

Maribeth Milner
5151 Vilne #608
Lincoln, NE 68504

I am extremely concerned by a fundamentalist shift in many houses of worship and in government, as church and state have become increasingly intertwined in ways previously thought unimaginable.

Jimmy Carter http://www.commondreams.org/views05/1114-29.htm
November 18, 2005

I support the zoning change at 84th and Adams Streets for a new Walmart Store.

I have lived in Lincoln since 1942. From 1950 until 1972, I lived at 60th and Knox Streets in northeast Lincoln.

The residents in northeast Lincoln deserve a Walmart Store. Walmart would be a positive addition to the area. The area is underserved. There is no nearby grocery store for this growing area of Lincoln. Also, residents in this part of Lincoln have to travel miles to find a discount store.

My deceased husband worked 41 years for Burlington Northern. He was a member of the carmen’s union. He always loved and supported Walmart.

I again express my support for this great store. Two is not enough!!!

A Lifeline Democrat

Irene C. Gonzalez
630 Janville Drive
November 22, 2005

Ken Svoboda
Lincoln City Council
555 South 10th Street
Lincoln, NE 68508

Dear Mr. Svoboda,

Please vote against the proposed Super Wal-Mart #3 for Lincoln. Two Wal-Marts and a Sam’s Club is enough!

Wal-Mart’s low wages plus its restrictive and expensive health insurance burdens all taxpayers in providing a public safety net for their employees. I urge you to read the report by The Center for a Changing Workforce. The report gives details of Wal-Mart’s policies and quotes from their own executives who admit their associates may do better with public assistance than with their coverage. Enclosed is one page from this report which cites several studies concerning the company’s impact on taxpayers. Funding for an increasing safety net takes away dollars from other valuable programs and services, such as safety, education and parks.

Wal-Mart’s focus on low-prices has resulted in outsourcing manufacturing jobs. I feel our community needs to support local manufacturers and merchants. Local businesses have a vested interest in our community and improving our quality of life. Local businesses return profits and goodwill to our state.

Lastly, I think Wal-Mart’s are an ugly entry point into our city. The first thing you see is a huge parking lot and a bland building, which is a disgrace to Lincoln’s rich artistic talents.

I urge you to protect Lincoln’s quality of living and tax burden by voting “No” to Wal-Mart’s expansion.

Sincerely,

Crystal Sato
Crystal Sato
Wal-Mart and Health Care: Condition Critical

David L. West, MPA
Executive Director

The Center for a Changing Workforce
October 26, 2005

Website: www.cfcw.org  Phone: (206) 622-0897

CFCW is a nonprofit research and policy analysis organization focusing on issues affecting low-wage and nonstandard workers. CFCW has published research on Professional Employer Organizations (PEOs), health insurance for nonstandard workers, employee classification issues, and the use of nonstandard workers by large public employers. CFCW is located in Seattle, Washington.
2. Impact on Public Sector: Taxpayers subsidizing Wal-Mart

Because they can't afford the company health plan, many full and/or part-time Wal-Mart workers must turn to public assistance for health care or forego their health care needs altogether. As a result, taxpayers are subsidizing what should be a company-provided health care plan. The company acknowledges this in the recent internal health insurance memo:

*We also have a significant number of Associates and their children who receive health insurance through public assistance programs. Five percent of our Associates are on Medicaid compared to an average for national employers of four percent. Twenty-seven percent of Associates' children are on such programs, compared to a national average of 22 percent. In total, 46 percent of Associates' children are either on Medicaid or uninsured.*

According to a recent University of California study, the taxpayers of California subsidized Wal-Mart $20.5 million in medical care during 2003. The same study concludes that families of Wal-Mart employees in California utilize an estimated 40 percent more in taxpayer-funded health care than the average for families of all large retail employees.

Wal-Mart has more employees and dependents on subsidized Medicaid or similar programs than any other company nationwide. With over 56,000 employees and dependents enrolled, according to published reports from 18 states, Wal-Mart is ranked first in 16 out of 18 states and was in the top four in the remaining two states. In Georgia, Wal-Mart has the highest ratio of children enrolled in PeachCare, (Georgia’s Medicaid kids program) of the state’s four largest employers. Wal-Mart had about one child in the program per every four employees. The article concludes, “a snapshot of Georgia’s program for uninsured children shows that it’s packed with kids of Wal-Mart employees.” The survey found 10,261 of the 166,000 children covered by PeachCare in September 2002 had a parent working for Wal-Mart Stores. That's about 14 times the number for next highest employer: Publix, with 734.

A recent Congressional report quantifies the cost to taxpayers of Wal-Mart’s health insurance offerings. For each two-hundred-employee Wal-Mart store, the government is spending an estimated $108,000 a year to pay for children’s health care on Medicaid. The report estimates total federal subsidies for a typical store of $420,000 a year, or about $2,103 per Wal-Mart employee.

References:

45 Miller, Andy, “Wal-Mart stands out on rolls of PeachCare Sign-up ratio far exceeds other firms,” Atlanta Journal-Constitution, 2/27/04
46 Democratic Staff of the Committee On Education And The Workforce, U.S. House of Representatives, Representative George Miller (D-Ca), Senior Democrat, February 16, 2004
We believe in good business and development for North 84th Street. We say **NO** to another Wal-Mart at North 84th and **YES** to a smaller more neighborhood friendly development.

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<td>Nate Johnson</td>
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<td><a href="mailto:njohnson@college.edu">njohnson@college.edu</a></td>
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<td>LeAnn Morth</td>
<td>ZuAnn Morth</td>
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Hi Tammy,

DLA has received several calls asking what our position is on the 21" & K proposal from Whitehead Oil. DLA Chairman Drew Stange asked that I make the City Council aware that DLA has not taken a position on this issue as it is outside the boundaries of our service area. Thanks for forwarding this!

[IMAGE]

**Polly McMullen, President**

**Downtown Lincoln Association**

1200 N Street, Suite 101

Lincoln, NE 68508

402.434.6904

pmcmullen@downtownlincoln.org

www.downtownlincoln.org

www.parkitdowntown.org
Dear Al Chambers:

Your message has been received in the Council Office and will be forwarded to the Council Members. Thank you for your input on this issue.

Tammy J. Grammer
City Council Office
555 S. 10th Street
Lincoln, NE 68508
Phone: 402-441-6867
Fax: 402-441-6533
e-mail: tgrammar@lincoln.ne.gov

Hello Council Members,

I need to say this about the corporation of Walmart. Cities and counties are consistently "rolling out the red carpet" for a company that comes in and puts so many people "out" of work in the local area. If you are going to throw all sorts of cash at Walmart to come in, I know of about 2000 local businesses that would also like a "handout" just like the largest corporation in the US gets. Please, we don't need another mega store with its only intentions is to run out locally owned business and merchants. Thanks for your time.

Al Chambers
3035 S. 44th
Lincoln Ne. 66506
Dear Kyle Stoner: Your message has been received in the Council Office and will be forwarded to the Council Members. Thank you for your input on this issue.

Tammy J. Grammer
City Council Office
555 S. 10th Street
Lincoln, NE 68508
Phone: 402-441-6867
Fax: 402-441-6533
e-mail: tgrammar@lincoln.ne.gov

Kyle Stoner <stonerkyle@mac.com>

My name is Kyle Stoner and I am a constituent of Council Member Patte Newman. I am e-mailing to ask you to vote no to bringing another Wal-Mart into the Lincoln community.

Lincoln's Comprehensive Plan was developed to ensure preservation of our neighborhoods, and the proposed Wal-Mart is in direct violation of that plan. This development will increase the amount of traffic to the neighborhood to over 40,000 vehicles per day. That is twice the amount of traffic currently at that intersection. 84th and Adams Streets cannot handle that volume of traffic without widening the streets, and the comprehensive plan does not call for those streets to be widened.

Wal-Mart destroys smaller, independent businesses. A study of Wal-Mart's expansion in Iowa
found that 84 percent of Wal-Mart's sales came from customers of existing businesses. (National Trust For Historic Preservation, "What Happened When Wal-Mart Came to Town?," 1999)

It is estimated that $8.7 million was spent this year by Nebraska taxpayers to subsidize Wal-Mart's employees' health care bills. Wal-Mart's benefits package is not comprehensive and does not cover many basic health care services.

Thank you for preventing another Wal-Mart!
Dear City Council members,
Lincoln does not need another Walmart to drive out local owned businesses in Northeast Lincoln.

Lincoln does not need to further support a company that pays such low wages without benefits that we taxpayers must pick up the bill for Medicaid, food stamps, and housing.

Walmart has a terrible history of driving prices rock bottom by forcing suppliers to lay off Americans and outsource goods to China.

Is this effective economic policy for Lincoln? I think not. Two Walmarts here are more than enough.

Sincerely,
Jackie Barnhardt
1010 Sunner
Lincoln, NE 68502
Please count me among the Lincoln citizens who are opposed to another Walmart location in Lincoln. What is there for us to gain? Nothing that I can see, and much to lose. Two Walmarts are enough for those who choose to shop there. I understand how consumers can get "sucked in" by Walmart, but I don't understand why we would want to accommodate that. I am very pleased with our "living wage" ordinance and it seems to me we would be hurting ourselves by helping this employer to add more locations.

Thank You
Carita Baker