

Attachment 1
PROPOSITION A

"Shall the City of Hickman, Nebraska, borrow money and pledge the property and credit of the City upon its negotiable bonds in the principal amount of not to exceed Four Million Nine Hundred Thousand Dollars (\$4,900,000.00) for the purpose of making site preparations, constructing and furnishing new recreational infrastructure, to include an aquatic center; said bonds shall become due at such time or times over such period of years and shall bear interest at such rate or rates as shall be determined by the Mayor and Council of the City of Hickman; and

"Shall the City cause to be levied and collected annually a special levy of taxes on the taxable value of all the taxable property in the City, in addition to all other taxes, if not paid from other revenue sources, in an amount sufficient to pay the principal of and interest on said bonds as such principal and interest become due?"

- FOR such Bonds and tax
- AGAINST such Bonds and tax

Electors voting in favor of Proposition A shall blacken the oval opposite the words "FOR such bonds and tax" following such proposition, and electors voting against Proposition A shall blacken the oval opposite the words "AGAINST such bonds and tax" following such proposition.

NOTICE TO VOTERS: Proposition B below provides an additional sales tax to fund a portion of the cost of the facilities and debt service on bonds in Proposition A. In order for Proposition B to be implemented, Proposition A must also be approved by the voters.

PROPOSITION B

"Shall the governing body of the City of Hickman, Nebraska, fund a portion of the cost of constructing, equipping and maintaining recreational infrastructure, including an aquatic center facility, by imposing a sales and use tax in the amount of one-half percent (0.5%) in addition to the one-and-one-half percent (1.5%) currently in effect, upon the same transactions within the City of Hickman on which the State of Nebraska is authorized to impose a tax, but only upon approval of Proposition A above, and subject to the following terms and conditions:

- 1) Use of Additional Tax. The proceeds from the additional City sales and use tax referred to in this Proposition B shall be used solely for constructing, equipping and maintaining recreational infrastructure, including an aquatic center facility.
- 2) Interlocal Agreement. The City has entered into an Interlocal Agreement with Lancaster County School District 0160 (Norris School District 160) for the long-term development of unified governance of public infrastructure projects, including the recreational infrastructure referred to above, and the entity created pursuant to such agreement shall advise the City with respect to such public infrastructure projects. None of the revenue collected to be used for the purposes of such Interlocal Agreement.
- 3) Term of Additional Tax. Such additional sales and use tax shall terminate after ten years, or for so long as the bonds referred to in Proposition A are outstanding if the City pledges the additional sales and use tax to pay the principal of and interest on such bonds and any refunding bonds (which are expected to be outstanding for twenty years).

- FOR authorizing an increase of one-half percent (.5%) in the City of Hickman's local sales and use tax under such terms and conditions
- AGAINST authorizing an increase of one-half percent (.5%) in the City of Hickman's local sales and use tax under such terms and conditions

If a majority of the votes cast upon Proposition B shall be in favor of such tax, then the governing body of the City of Hickman shall be empowered as provided by Neb. Rev. Stat. § 77-27,142, and shall forthwith proceed to impose such additional sales and use tax, but only upon approval of Proposition A above. If a majority of those voting on the question shall be opposed to such tax or if Proposition A above is not approved, then the governing body of the City of Hickman shall not impose such a tax."

PROPOSITION A

Proposes the City of Hickman issue a \$4.9 million general obligation bond to be used to help pay for the proposed Hickman Aquatic Center.

PROPOSITION B

Proposes a one-half cent sales tax increase, of which the collected revenues will be used to help pay for the proposed Hickman Aquatic Center bond.

The City of Hickman will not take on the debt of a general obligation bond (Proposition A) without the additional revenue provided by the proposed sales tax increase (Proposition B); therefore, the City's proposed funding plan would require voter approval of **BOTH** propositions.

VOTING OUTCOMES

| PROPOSITION A | | PROPOSITION B | | FUNDS FOR AQUATIC CENTER |
|---------------|----------|---------------|----------|--------------------------|
| FOR | + | FOR | = | YES |
| For | + | Against | = | NO |
| Against | + | For | = | NO |
| Against | + | Against | = | NO |

VOTING INFORMATION

The proposed \$4.9 million bond referendum and proposed one-half cent sales tax increase will appear on the November 3, 2020, General Election Ballot.

For more voting information, visit sos.nebraska.gov/elections/2020-elections

THERE ARE TWO WAYS TO VOTE:



MAIL-IN BALLOT

All mail-in ballots must be received by the Lancaster County Election Commission by 9 p.m. on Tuesday, November 3, 2020.



IN-PERSON

Lancaster County voting precincts are open from 8 a.m. to 8 p.m. on Tuesday, November 3, 2020.

FOR MORE INFORMATION

Contact **Silas Clarke**, City Administrator/Economic Development Director
402-792-2212 or sclarke@hickman.ne.gov.



HICKMAN IS ONE OF THE FASTEST GROWING COMMUNITIES IN NEBRASKA.

It boasts a great quality of life and continues to invest in community-focused improvements, yet Hickman lacks a key recreational amenity: **a pool.**

The need for a community pool was identified in the City's 2011 and 2016 strategic plans developed with input from community leaders and residents. The City has accomplished many of the higher priority initiatives identified in the strategic plans, such as the community center and skate park.

In 2017, the City was approached by a group of Hickman residents interested in making the pool a reality, volunteering to help guide the development of the project. The City contracted with JEO Consulting Group to work with the grassroots pool committee on facility programming and conceptual design.

As part of the Terrace View Subdivision in 2018, the City negotiated with the developer to donate 2.5 acres of property that could house a future aquatic center.

The recently completed conceptual design is based on input from the Hickman Pool Committee, a local group of Hickman residents excited about the possibility of an aquatic facility in Hickman.

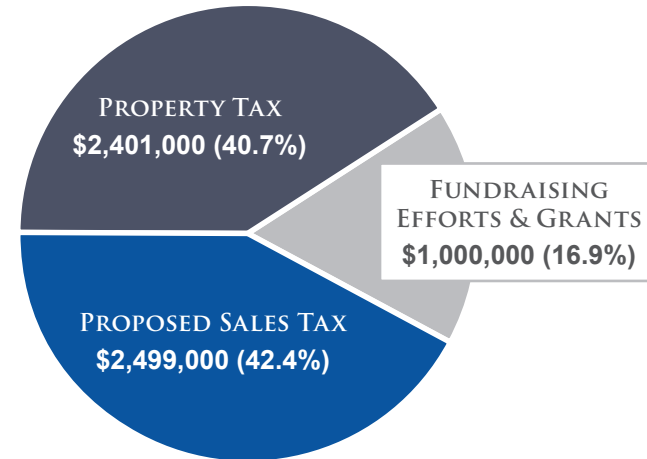
- The entire facility is accessible, allowing equal opportunity for everyone to enjoy the facility.
- The design includes zero-depth entry features for young children and elderly persons to safely enter and exit the pool.
- The concept includes a flume slide, and if enough private funding is raised, a speed slide could be added.
- The design includes lap lanes for swim team practice and hosting competitions.
- The bathhouse will include separate dressing rooms, a family dressing room, lifeguard/admissions area, and a concessions area.

FUNDING

The estimated cost of the Hickman Aquatic Center is \$5.9 million dollars. The City of Hickman intends to pay for the pool structure with a general obligation bond and an additional half-cent sales tax, while the facility's features and amenities (water slides, spray features, sunshades) would be paid for through private fundraising and grants.

- The City is proposing a \$4.9 million general obligation bond, paid through property taxes, and an additional one-half cent sales tax.
- The Hickman Area Community Foundation is already working to secure private funding and donations.
- The City of Hickman is also applying for a Civic and Community Center Financing Fund grant to help cost-share the features and amenities.

PROPOSED FUNDING FOR THE HICKMAN AQUATIC CENTER



Color features indicate pool structure funded by general obligation bond and additional half-cent sales tax. Grayed-out features indicate items to be funded by private fundraising and grants.

The City of Hickman estimates property taxes would pay for about 40% of the proposed \$5.9 million project.

- Bond rates are at a near all-time low, making it an exceptional time for the City to borrow money.
- The proposed bond would result in a net property tax increase of 0.068 over 2020. Even with this increase, the property tax rate remains lower than the 2014 rate.
 - » The property tax rate has been lowered three times by City Council since 2014 due to bond payoffs and increased sales tax revenue.
- It is anticipated the annual bond payment will consist of approximately \$145,500 from property taxes. This annual bond payment amount is to be distributed among all property owners; therefore, **as the community continues to grow, the per household impact is lessened.**

ESTIMATED COST TO HOMEOWNERS

| House Value ¹ | Annual Cost ¹ | Monthly Cost ¹ |
|--------------------------|--------------------------|---------------------------|
| \$100,000 | \$68.00 | \$5.67 |
| \$150,000 | \$102.00 | \$8.50 |
| \$200,000 | \$136.00 | \$11.33 |
| \$250,000 | \$170.00 | \$14.17 |
| \$300,000 | \$204.00 | \$17.00 |
| \$350,000 | \$238.00 | \$19.83 |
| \$400,000 | \$272.00 | \$22.67 |

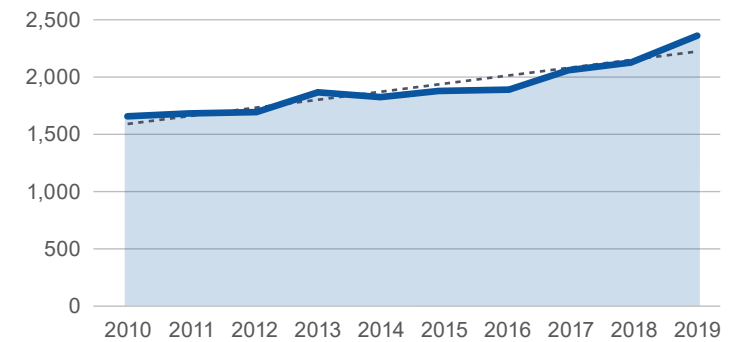
BASED ON HICKMAN'S 2018 MEDIAN HOUSING VALUE, THE BOND WILL COST THE AVERAGE HOMEOWNER \$11.33 PER MONTH!

¹ Calculations are based on \$4.9 million bond, paid over 20 years at 2.1% interest rate.

Through the proposed half-cent sales tax increase, the City of Hickman estimates sales tax revenue would pay for about 42% of the proposed \$5.9 million project.

- The proposed sales tax increase would ease the financial burden on property owners, as sales tax is paid by everyone, including visitors, that purchase taxable items within Hickman city limits.
- Only current taxable sale items will be affected by this increase, and items that are not subject to sales taxes will remain exempt.

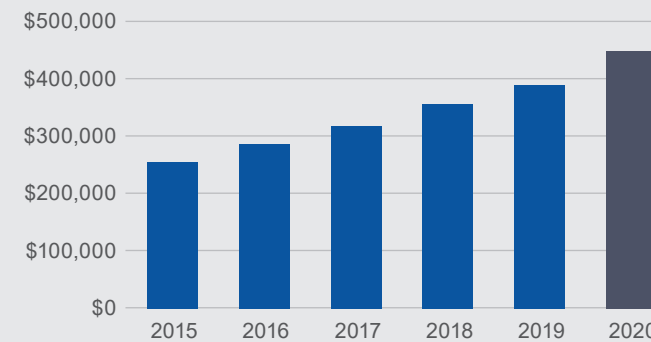
HICKMAN POPULATION



2010 based on US Decennial Census. 2011-2019 based on American Community Survey population estimates.

SALES TAX

ANNUAL SALES TAX REVENUE



2020 projection assumes 15% increase over 2019 numbers. Through July, actual increase is 21%.

The sales tax in Hickman is currently 7.0%, of which 5.5% goes to the State of Nebraska and 1.5% goes to the City of Hickman.

- In March 2014, Hickman residents voted to adopt a 1.5% local option sales tax to back a bond for the new community center, along with public infrastructure improvements.
- The 1.5% sales tax currently generates an average of \$27,090 per month, or about \$325,080 per year.

To propose this additional 0.5% local option sales tax, the City of Hickman entered an interlocal agreement with the Norris School District.²

- Through the interlocal agreement, the Norris School District will help provide oversight of the aquatic center until bond is paid off, should voters approve the bond and sales tax.
- The Hickman City Council unanimously passed a resolution to direct the revenue generated by the sales tax increase towards expenses related to constructing, equipping, and maintaining recreational infrastructure for a community pool.

² This interlocal agreement is required by state statutes. The agreement does not make the school district a financial partner nor does the agreement indicate endorsement of the proposed sales tax.

Based on recent statistics, the proposed half-cent sales tax would generate approximately \$152,000 in new annual revenue for the proposed bond.

- The proposed half-cent sales tax would sunset after 20 years, or upon full payment of the bond.
- Visitors that eat or shop in Hickman will help contribute to the revenue being raised for the aquatic facility.

