



Community Redevelopment Authority (CRA)

**Wednesday, July 13, 2016
Regular Meeting Packet**

Board Members:

Tom Gdowski - Chairman

Glen Murray – Vice Chairman

Sue Pirnie

Glenn Wilson

Krae Dutoit

4:00 PM

Call to Order

Roll Call

A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

B - RESERVE TIME TO SPEAK ON AGENDA ITEMS

This is an opportunity for individuals wishing to provide input on any of tonight's agenda items to reserve time to speak. Please come forward, state your name and address, and the Agenda topic on which you will be speaking.

DIRECTOR COMMUNICATION

This is an opportunity for the Director to comment on current events, activities, and issues of interest to the commission.



Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item -1

Desert Rose Documents for Talon Apartments

Staff Contact: Chad Nabity

keeping it free from trash and other debris and shall regularly mow and trim CRA's Property to maintain it in a neat and orderly condition. Talon shall indemnify and hold harmless CRA from any and all claims, causes of action and damages of any nature which may be sustained or incurred as a result of the License granted to Talon and Agents pursuant to this Agreement.

6. Prior to expiration of this Agreement, Talon shall restore CRA's Property to similar condition, state and grade as it existed upon commencement of this Agreement.

7. CRA retains the right to inspect the CRA Property at any time and may continue to market the CRA Property for sale notwithstanding this Agreement.

8. All costs of Staging and all restoration shall be at the sole expense of Talon.

9. If Talon breaches the terms and conditions of this Agreement, CRA may terminate this Agreement upon seven (7) days written notice to Talon.

TALON APARTMENTS, INC.

By _____
Scott Rief, President

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

By _____
Chad Nabity, Executive Director

MEMORANDUM AGREEMENT

This Memorandum Agreement is made and entered into this ____ day of _____, 2016, by and between TALON APARTMENTS, INC., A NEBRASKA CORPORATION ("Talon") and COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA ("CRA").

RECITALS:

WHEREAS, Talon is purchasing the property legally described as Lot 3, Vanosdall Second Subdivision in the City of Grand Island, Hall County, Nebraska ("Talon's Property"); and

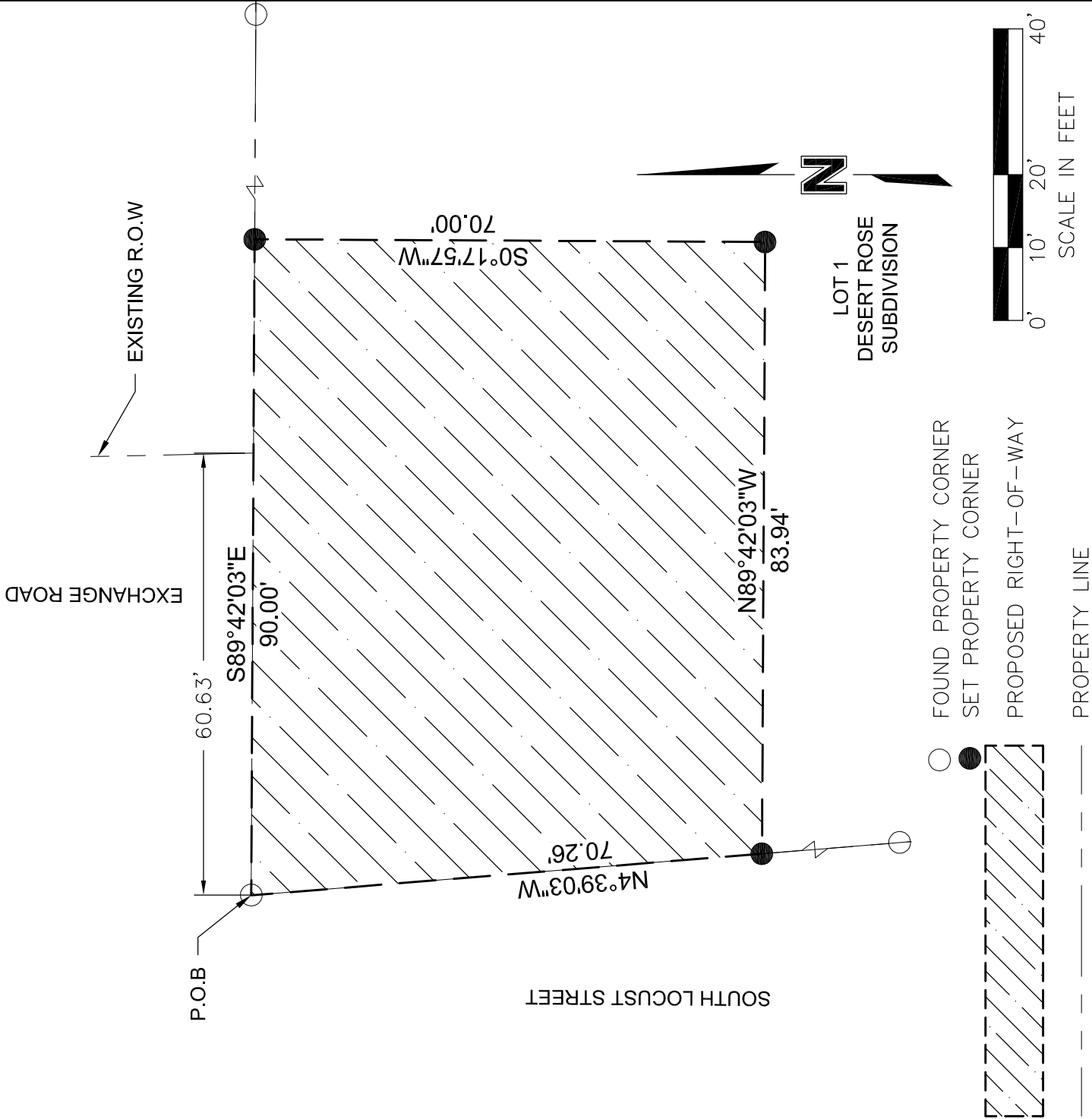
WHEREAS CRA is the owner of the adjacent property legally described as Part of Lot 1, Desert Rose Subdivision in the City of Grand Island, Hall County, Nebraska ("CRA's Property"); and

WHEREAS Talon, by and through its general contractor and subcontractors, is constructing multi-family residential units and infrastructure upon Talon's Property (the "Project") and desires to use CRA's Property for purposes of staging of construction equipment, delivery of construction materials, vehicle turnaround and such use as may be incidental thereto subject to the terms and conditions of this Agreement ("Staging").

NOW THEREFORE, IT IS AGREED by and between the parties as follows:

1. The CRA hereby grants Talon, its employees, contractors and subcontractors (collectively "Talon and Agents") the temporary license, privilege and permission (the "License") to access and use CRA's Property for the limited purpose of Staging for the Project.
2. This License shall terminate upon the earlier of January 1, 2017, or delivery of thirty (30) days written notice from either part to the other.
3. The CRA designates its executive director, Chad Nabity, as its authorized representative to act on CRA's behalf with respect to this Agreement. Talon designates Mark Otto as its authorized representative to act on Talon's behalf with respect to this Agreement. The parties may designate a different representative so long as the party notifies the other.
4. Talon acknowledges that the CRA has made no representations with respect to the CRA Property or its condition and that Talon is not relying on any representations from CRA or its agents with respect to the condition of CRA's Property. This License grants Talon the privilege and permission to use the CRA's Property for Staging for the Project in its present condition "AS-IS" without any warranty of any nature and subject to the conditions set forth herein.
5. Talon agrees to maintain CRA's Property in its present condition at all times,

RIGHT-OF-WAY
EXCHANGE ROAD/SOUTH LOCUST STREET CONNECTION
CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA



DESCRIPTION OF RIGHT OF WAY

RIGHT OF WAY CONSISTING OF PART OF A TRACT DESCRIBED AS LOT 1 OF DESERT ROSE SUBDIVISION IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 1, DESERT ROSE SUBDIVISION, ALSO BEING A POINT ON THE EAST RIGHT OF WAY LINE OF SOUTH LOCUST STREET, THENCE S89°42'03"E ALONG AND UPON THE NORTH LINE OF SAID LOT 1 A DISTANCE OF 90.00', THENCE S00°17'57"W A DISTANCE OF 70.00', THENCE N89°42'03"W A DISTANCE OF 83.94' TO A POINT ON THE EAST RIGHT OF WAY LINE OF SOUTH LOCUST STREET AND THE WEST LINE OF LOT 1, THENCE N04°39'03"W ALONG SAID EAST RIGHT OF WAY LINE AND SAID WEST LINE OF LOT 1 A DISTANCE OF 70.26' TO THE POINT OF BEGINNING SAID RIGHT OF WAY CONTAINS 0.14 ACRES OR 6087.81 SQ FT.

SURVEYOR'S CERTIFICATE

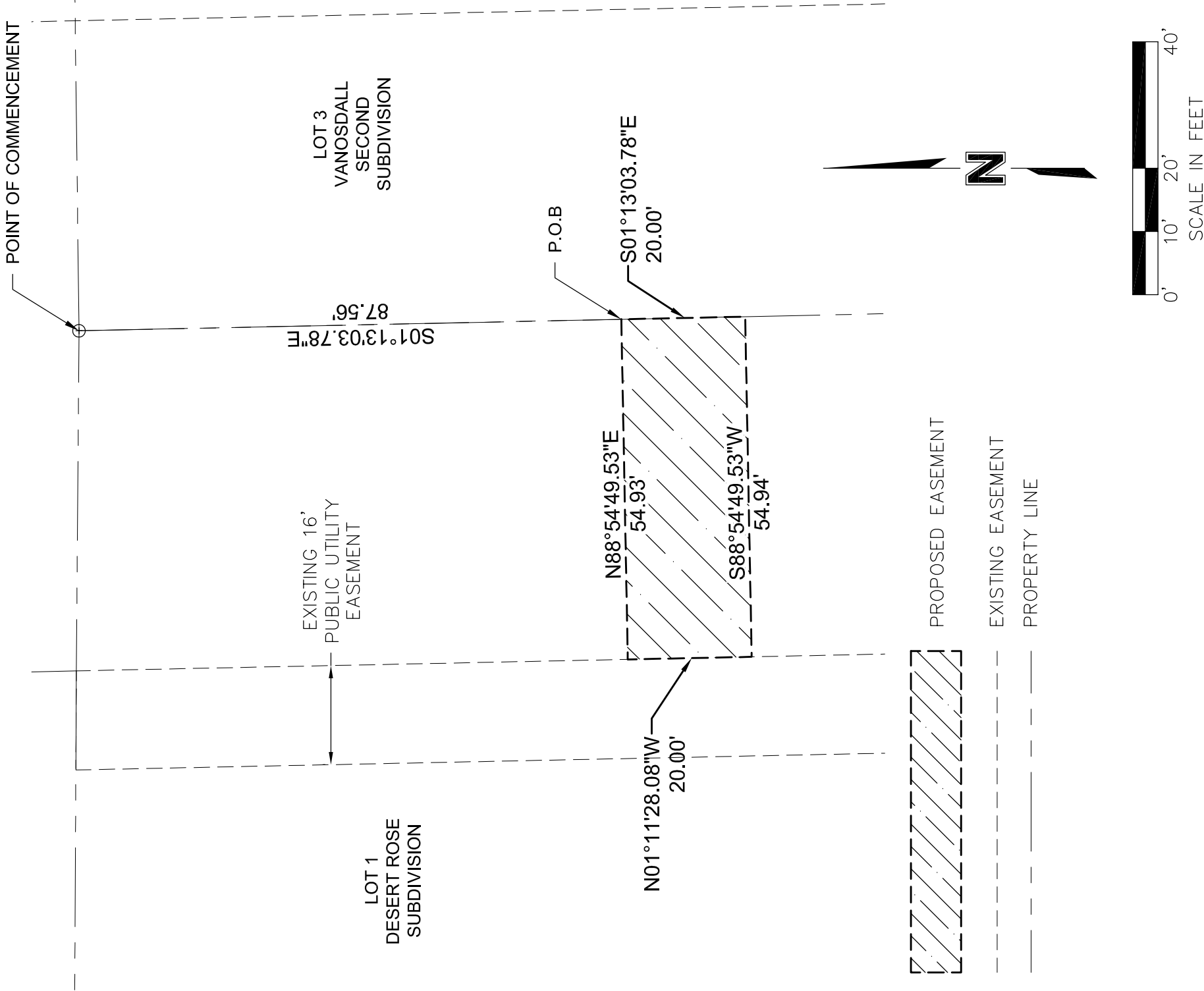
I HEREBY CERTIFY THAT ON _____, 2016, I COMPLETED AN ACCURATE SURVEY, UNDER MY PERSONAL SUPERVISION, OF ALL OF LOT 1, DESERT ROSE SUBDIVISION GRAND ISLAND, HALL COUNTY, NEBRASKA, AS SHOWN ON THE ACCOMPANYING PLAT THEREOF; THAT IRON MARKERS, EXCEPT WHERE INDICATED, WERE FOUND AT ALL CORNERS, THAT THE DIMENSIONS ARE AS SHOWN ON THE PLAT; AND THAT SAID SURVEY WAS MADE WITH REFERENCE TO KNOWN AND RECORDED MONUMENTS.

JAI JASON ANDRIST
L.S. 630

MOLSSON
ASSOCIATES

201 East 2nd Street
P.O. Box 1072
Grand Island, NE 68802-1072
TEL 308.384.8750
FAX 308.384.8752

UTILITY EASEMENT
CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA

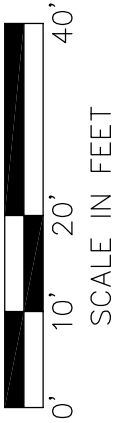
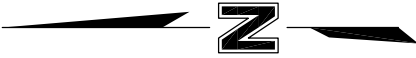
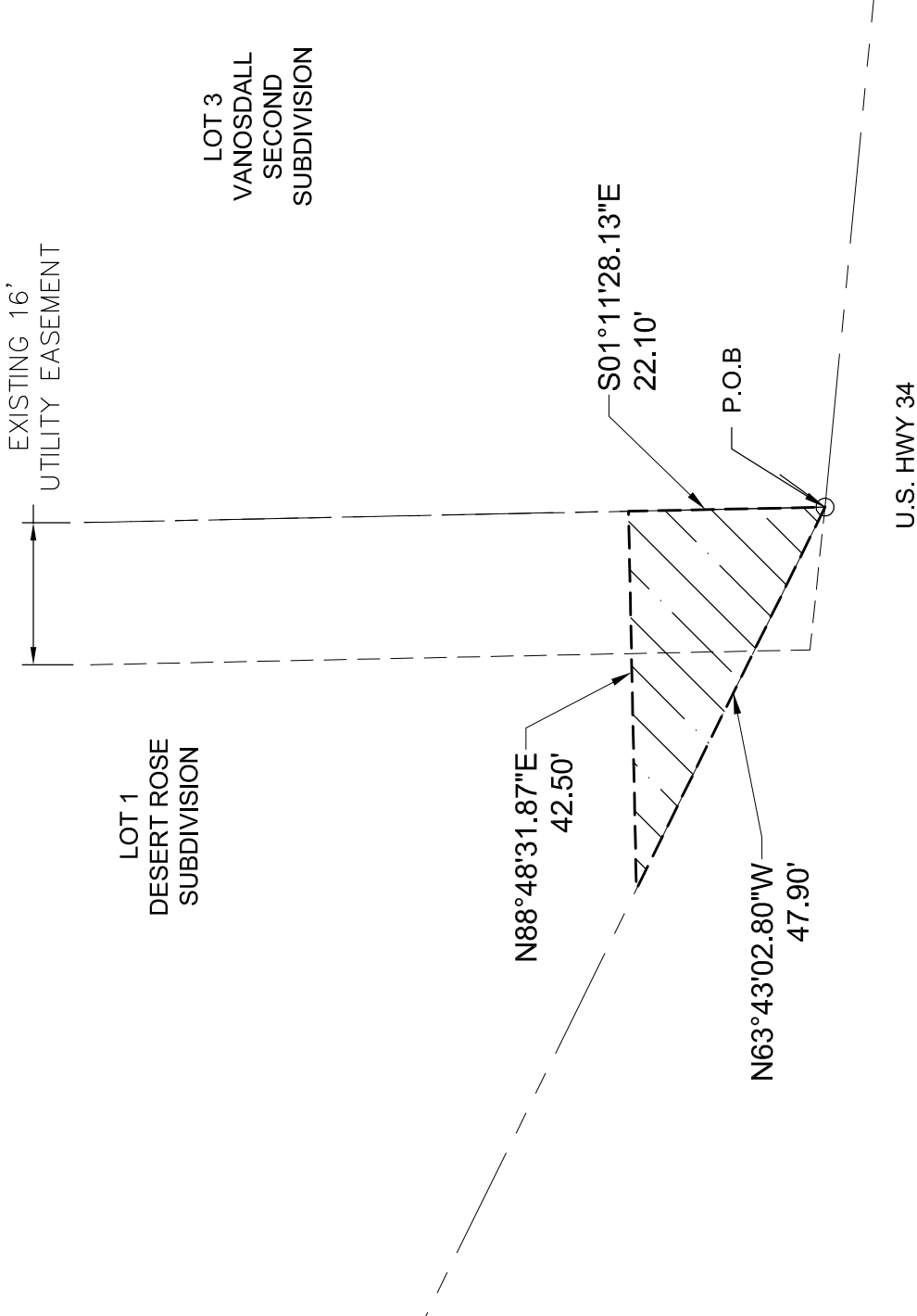


DESCRIPTION OF UTILITY EASEMENT

A UTILITY EASEMENT CONSISTING OF PART OF A TRACT DESCRIBED AS LOT 1 OF DESERT ROSE SUBDIVISION IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 1, DESERT ROSE SUBDIVISION TO THE CITY OF GRAND ISLAND THENCE S01°13'04"E ALONG THE EAST LINE OF SAID LOT 1 A DISTANCE OF 87.56' TO THE POINT OF BEGINNING. THENCE CONTINUING S01°13'04"E ALONG SAID EAST LINE A DISTANCE OF 20.00', THENCE S88°54'50"W A DISTANCE OF 54.94' TO A POINT ON THE EAST LINE OF AN EXISTING 16' WIDE EASEMENT, THENCE N01°11'28"W ALONG SAID WEST LINE OF A 16' WIDE EASEMENT A DISTANCE OF 20.00', THENCE N88°54'50"E A DISTANCE OF 54.93' TO THE POINT OF BEGINNING, SAID UTILITY EASEMENT CONTAINS 0.03 ACRES OR 1098.63 SQ. FT.

UTILITY EASEMENT
CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA



DESCRIPTION OF UTILITY EASEMENT

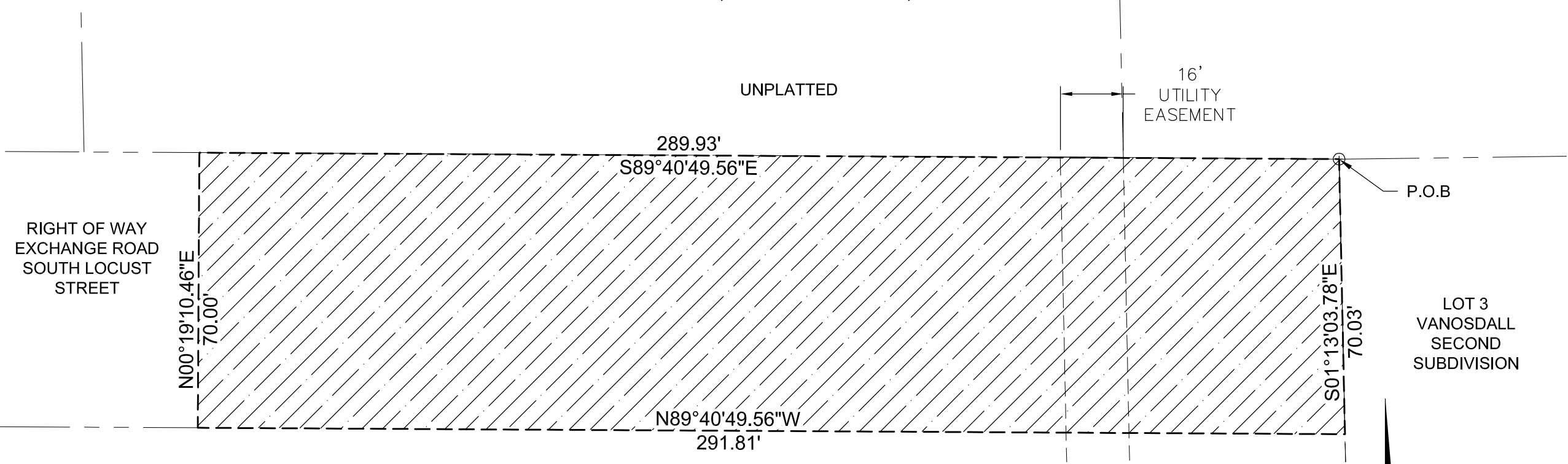
A UTILITY EASEMENT CONSISTING OF PART OF A TRACT DESCRIBED AS LOT 1 OF DESERT ROSE SUBDIVISION IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:




BEGINNING AT THE SOUTHEAST CORNER OF LOT 1, DESERT ROSE SUBDIVISION, THENCE N63°43'03"W ALONG AND UPON THE SOUTH LINE OF SAID LOT 1 A DISTANCE OF 47.90 FEET, THENCE N88°48'32"E A DISTANCE OF 42.50' TO A POINT ON THE EAST LINE OF SAID LOT 1, THENCE S01°11'28"E ALONG SAID EAST LINE A DISTANCE OF 22.10' TO THE PLACE OF BEGINNING. SAID UTILITY EASEMENT CONTAINS 0.01 ACRES OR 469.60 SQ FT.



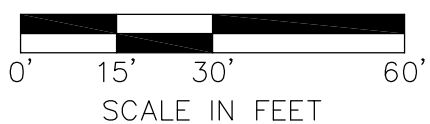
201 East 2nd Street
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UTILITY/ACCESS EASEMENT
CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA



-  PROPOSED UTILITY/ACCESS EASEMENT
-  EXISTING EASEMENT
-  PROPERTY LINE

LOT 1
DESERT ROSE
SUBDIVISION



DESCRIPTION OF UTILITY/ACCESS EASEMENT

AN UTILITY/ACCESS EASEMENT CONSISTING OF PART OF A TRACT DESCRIBED AS LOT 1 OF DESERT ROSE SUBDIVISION IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 DESERT ROSE SUBDIVISION, THENCE S01°13'04"E ALONG THE EAST LINE OF SAID LOT 1 A DISTANCE OF 70.03', THENCE N89°40'50"W A DISTANCE OF 291.81', THENCE N00°19'10"E A DISTANCE OF 70.00' TO A POINT ON THE NORTH LINE OF SAID LOT 1, THENCE S89°40'50"E ALONG THE NORTH LINE OF SAID LOT 1 A DISTANCE OF 289.93', TO THE POINT OF BEGINNING. SAID UTILITY EASEMENT CONTAINS 0.47 ACRES OR 20361.06 SQ FT.



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Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item A1

Agenda

Staff Contact: Chad Nabity

AGENDA
Wednesday, July 13, 2016
4:00 p.m.
Grand Island City Hall

Open Meetings Notifications

1. Call to Order.
This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.

The CRA may vote to go into Closed Session on any Agenda Item as allowed by State Law.
2. Approval of Minutes of June 8, 2016 Meeting.
3. Approval of Financial Reports.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Consideration of Redevelopment Contract for Talon Apartments.
7. Approval of Desert Rose documents for the Talon Apartment Development.
8. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for Prataria Ventures, LLC, Grand Island, NE.
9. Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for Prataria Ventures, LLC, Grand Island, NE.
10. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for TW Ziller Properties, LLC, Grand Island, NE.
11. Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for TW Ziller Properties, LLC, Grand Island, NE.
12. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for Middleton Properties II, LLC, Grand Island, NE.
13. Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for Middleton Properties II, LLC, Grand Island, NE.

14. Grant Request South Locust/Fonner Park Business Improvement Districts.
15. Approve Resolution to Purchase/Sell Real Estate.
16. Directors Report. Update on Talon Apartments & impact on former Desert Rose property.
17. Adjournment

Next Meeting August 10, 2016

The CRA may go into closed session for any agenda item as allowed by state law.



Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item B1

Meeting Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF June 8, 2016

Pursuant to due call and notice thereof, a Regular Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on June 8, 2016 at City Hall 100 E First Street. Notice of the meeting was given in the June 1, 2016 Grand Island Independent.

1. CALL TO ORDER. Tom Gdowski called the meeting to order at 4:03 p.m. The following members were present: Sue Pirnie, Krae Dutoit, Glenn Wilson and Glen Murray. Also present were; Director, Chad Nabity; Admin Assistant, Rose Rhoads; Assistant Finance Director, Billy Clingman; Accountant, Brian Schultz; Legal Counsel, Duane Burns; Council Liaison, Vaughn Minton; Brandon Connick, Matt Rief, Lonnie Parsons, and Gary Suhr.

Gdowski stated this was a public meeting subject to the open meeting laws of the State of Nebraska. He noted that the requirements for an open meeting were posted on the wall easily accessible to anyone who would like to read through them.

2. APPROVAL OF MINUTES. A motion for approval of Minutes for the May 11, 2016 meeting was made by Wilson and seconded by Dutoit. Upon roll call vote all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Clingman reviewed the financial reports for the period of May 1, 2016 through May 31, 2016. A motion was made by Pirnie and seconded by Murray to approve the financial reports. Upon roll call vote all present voted aye. Motion carried unanimously.
4. APPROVAL OF BILLS. The bills were reviewed. A motion was made by Murray and seconded by Pirnie to approve the bills in the amount of \$271,119.76. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$271,119.76.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity reviewed the Committed Projects.
6. CONSIDERATION OF RESOLUTION 215. Consideration of a Resolution to forward a Site Specific redevelopment plan to the Hall County Regional Planning Commission for East Park on Stuhr. The CRA received a TIF application and staff has prepared a Site Specific redevelopment

plan (the “Plan”), for redevelopment of an area within city limits of the City of Grand Island, Hall County, NE.

A motion was made by Murray to approve Resolution 215 motion was seconded by Pirnie. Upon roll call vote (Dutoit, Murray, Pirnie and Wilson) voted aye, (Gdowski) abstained. Motion carried to approve Resolution 215.

7. CONSIDERATION OF RESOLUTION 216.

Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for East Park on Stuhr.

A motion was made by Murray to approve Resolution 216 motion was seconded by Wilson. Upon roll call vote (Dutoit, Murray, Pirnie and Wilson) voted aye, (Gdowski) abstained. Motion carried to approve Resolution 216.

8. CONSIDERATION OF RESOLUTION 217.

Consideration of a Resolution to forward a Site Specific redevelopment plan to the Hall County Regional Planning Commission for Wild Bills Fun Center. The CRA received a TIF application and staff has prepared a Site Specific redevelopment plan (the “Plan”), for redevelopment of an area within city limits of the City of Grand Island, Hall County, NE.

A motion was made by Pirnie to approve Resolution 217 and seconded by Murray. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 217.

9. CONSIDERATION OF RESOLUTION 218.

Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for Wild Bills Fun Center. A MOTION to approve Resolution No. 218.

A motion was made by Pirnie to approve Resolution 218 and seconded by Wilson. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 218.

10. DISCUSSION CONCERNING PURCHASE/SALE OF REAL ESTATE. No discussion.

9. APPROVE RESOLUTION OR RESOLUTIONS TO PURCHASE TO PRUCHASE/SELL REAL ESTATE. No resolutions.

10. DIRECTORS REPORT. Update on Talon apartments and the former Desert Rose property.

11. ADJOURNMENT. Meeting was adjourned at 4:41p.m.

The next meeting is scheduled for July 13, 2016.

Respectfully submitted
Chad Nabity
Director



Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item C1

June Financials

Staff Contact: Chad Nabity

**COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2016**

	MONTH ENDED June-16	2015-2016 YEAR TO DATE	2016 BUDGET	REMAINING BALANCE	% OF BUDGET USED
CONSOLIDATED					
Beginning Cash	848,941		841,354		
REVENUE:					
Property Taxes - CRA	72,028	383,509	534,000	150,491	71.82%
Property Taxes - Lincoln Pool	24,980	124,262	198,050	73,788	62.74%
Property Taxes - TIF's	154,750	439,377	2,041,892	1,680,042	21.52%
Loan Income (Poplar Street Water Line)	-	640	-	-	#DIV/0!
Interest Income - CRA	11	121	300	179	40.50%
Interest Income - TIF'S	0	8	-	-	
Land Sales	-	-	100,000	100,000	0.00%
Other Revenue - CRA	3,740	17,316	130,000	112,684	13.32%
Other Revenue - TIF's	-	-	-	-	
TOTAL REVENUE	255,509	965,235	3,004,242	2,117,183	32.13%
TOTAL RESOURCES	1,104,450	965,235	3,845,596	2,117,183	
EXPENSES					
Auditing & Accounting	-	-	5,000	5,000	0.00%
Legal Services	150	1,005	3,000	1,995	33.50%
Consulting Services	-	-	5,000	5,000	0.00%
Contract Services	3,681	51,478	65,000	13,522	79.20%
Printing & Binding	-	-	1,000	1,000	0.00%
Other Professional Services	-	8,698	16,000	7,302	54.36%
General Liability Insurance	-	-	250	250	0.00%
Postage	16	71	350	279	20.21%
Life Safety	-	-	285,000	285,000	
Legal Notices	16	144	2,000	1,856	7.20%
Licenses & Fees	53	53	-	-	
Travel & Training	-	-	1,000	1,000	0.00%
Other Expenditures	-	-	-	-	
Office Supplies	-	926	400	-	231.40%
Supplies	-	-	300	300	0.00%
Land	-	-	200,000	200,000	0.00%
Bond Principal - Lincoln Pool	-	-	-	-	
Bond Interest	-	10,781	-	-	
Façade Improvement	-	-	350,000	350,000	0.00%
Building Improvement	-	350,855	368,972	18,117	95.09%
Blank Project	-	-	-	-	
Other Projects	-	186,831	450,000	263,169	41.52%
Bond Principal-TIF's	256,502	339,755	1,290,022	1,007,251	26.34%
Bond Interest-TIF's	10,703	22,663	31,070	8,949	
Interest Expense	-	-	-	-	
TOTAL EXPENSES	271,120	973,259	3,074,364	2,169,990	31.66%
INCREASE(DECREASE) IN CASH	(15,611)	(8,024)	(70,122)		
ENDING CASH	833,330	(8,024)	771,232	-	
CRA CASH	348,143				
Lincoln Pool Tax Income Balance	362,514				
TIF CASH	122,673				
Total Cash	833,330				

**COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2016**

	MONTH ENDED <u>June-16</u>	2015-2016 <u>YEAR TO DATE</u>	2016 <u>BUDGET</u>	REMAINING <u>BALANCE</u>	% OF BUDGET <u>USED</u>
CRA					
GENERAL OPERATIONS:					
Property Taxes - CRA	72,028	383,509	534,000	150,491	71.82%
Property Taxes - Lincoln Pool	24,980	124,262	198,050	73,788	62.74%
Interest Income	11	121	300	179	40.50%
Loan Income (Poplar Street Water Line)	-	640	-	-	#DIV/0!
Land Sales	-	-	100,000	100,000	0.00%
Other Revenue & Motor Vehicle Tax	3,740	17,316	130,000	112,684	13.32%
TOTAL	100,758	525,850	962,350	437,141	54.64%
GENTLE DENTAL					
Property Taxes	4,868	5,084	-	-	
Interest Income	0	1	-	-	
TOTAL	4,868	5,085	-	-	
PROCON TIF					
Property Taxes	8,708	28,188	19,162	-	147.10%
Interest Income	0	3	-	-	
TOTAL	8,708	28,191	19,162	-	147.12%
WALNUT HOUSING PROJECT					
Property Taxes	32,120	34,977	74,472	39,495	46.97%
Interest Income	0	4	-	-	
Other Revenue	-	-	-	-	
TOTAL	32,120	34,981	74,472	39,495	46.97%
BRUNS PET GROOMING					
Property Taxes	6,493	13,809	13,500	-	102.29%
TOTAL	6,493	13,809	13,500	-	102.29%
GIRARD VET CLINIC					
Property Taxes	4,695	5,113	14,500	9,387	35.26%
TOTAL	4,695	5,113	14,500	9,387	35.26%
GEDDES ST APTS-PROCON					
Property Taxes	-	28,334	30,000	1,667	94.45%
TOTAL	-	28,334	30,000	1,667	94.45%
SOUTHEAST CROSSING					
Property Taxes	1,304	9,754	15,000	5,246	65.03%
TOTAL	1,304	9,754	15,000	5,246	65.03%
POPLAR STREET WATER					
Property Taxes	3,627	5,751	6,000	249	95.85%
TOTAL	3,627	5,751	6,000	249	95.85%
CASEY'S @ FIVE POINTS					
Property Taxes	4,275	4,655	10,000	5,345	46.55%
TOTAL	4,275	4,655	10,000	5,345	46.55%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2016

	<u>MONTH ENDED</u> <u>June-16</u>	<u>2015-2016</u> <u>YEAR TO DATE</u>	<u>2016</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
SOUTH POINTE HOTEL PROJECT					
Property Taxes	-	45,061	90,000	44,939	50.07%
TOTAL	-	45,061	90,000	44,939	50.07%
TODD ENCK PROJECT					
Property Taxes	3,132	3,410	6,000	2,590	56.84%
TOTAL	3,132	3,410	6,000	2,590	56.84%
SKAGWAY					
Property Taxes	-	-	750,000	750,000	0.00%
TOTAL	-	-	750,000	750,000	0.00%
JOHN SCHULTE CONSTRUCTION					
Property Taxes	2,417	2,632	6,000	3,368	43.86%
TOTAL	2,417	2,632	6,000	3,368	43.86%
PHARMACY PROPERTIES INC					
Property Taxes	-	5,995	11,000	5,005	54.50%
TOTAL	-	5,995	11,000	5,005	54.50%
KEN-RAY LLC					
Property Taxes	-	42,273	34,000	-	124.33%
TOTAL	-	42,273	34,000	-	124.33%
COUNTY FUND 8598					
Property Taxes	1,432	1,559	1,458	-	106.95%
TOTAL	1,432	1,559	1,458	-	106.95%
GORDMAN GRAND ISLAND					
Property Taxes	-	9,770	40,000	30,230	24.42%
TOTAL	-	9,770	40,000	30,230	24.42%
BAKER DEVELOPMENT INC					
Property Taxes	1,687	3,504	3,000	-	116.80%
TOTAL	1,687	3,504	3,000	-	116.80%
STRATFORD PLAZA INC					
Property Taxes	-	12,454	35,000	22,546	35.58%
TOTAL	-	12,454	35,000	22,546	35.58%
COPPER CREEK					
Property Taxes	5,651	40,644	-	-	0.00%
TOTAL	5,651	40,644	-	-	0.00%
FUTURE TIF'S					
Property Taxes	-	-	882,800	882,800	0.00%
TOTAL	-	-	882,800	882,800	0.00%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2016

	<u>MONTH ENDED</u> <u>June-16</u>	<u>2015-2016</u> <u>YEAR TO DATE</u>	<u>2016</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
CHIEF INDUSTRIES AURORA COOP					
Property Taxes	18,125	19,737	-	(19,737)	
TOTAL	18,125	19,737	-	(19,737)	
TOKEN PROPERTIES KIMBALL ST					
Property Taxes	-	1,382	-	(1,382)	
TOTAL	-	1,382	-	(1,382)	
GI HABITAT OF HUMANITY					
Property Taxes	2,002	2,180	-	(2,180)	
TOTAL	2,002	2,180	-	(2,180)	
AUTO ONE INC					
Property Taxes	5,511	6,002	-	(6,002)	
TOTAL	5,511	6,002	-	(6,002)	
EIG GRAND ISLAND					
Property Taxes	24,371	26,539	-	(26,539)	
TOTAL	24,371	26,539	-	(26,539)	
TOKEN PROPERTIES CARY ST					
Property Taxes	-	3,959	-	(3,959)	
TOTAL	-	3,959	-	(3,959)	
WENN HOUSING PROJECT					
Property Taxes	-	2,179	-	(2,179)	
TOTAL	-	2,179	-	(2,179)	
COPPER CREEK PHASE II					
Property Taxes	11,854	60,846	-	(60,846)	
TOTAL	11,854	60,846	-	(60,846)	
TC ENCK BUILDERS					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
SUPER MARKET DEVELOPERS					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
MAINSTAY SUITES					
Property Taxes	11,902	12,961		(12,961)	
TOTAL	11,902	12,961	-	(12,961)	
TOWER 217					
Property Taxes	576	626		(626)	
TOTAL	576	626	-	(626)	
TOTAL REVENUE	255,509	965,235	3,004,242	2,094,637	32.13%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2016

	MONTH ENDED <u>June-16</u>	2015-2016 <u>YEAR TO DATE</u>	2016 <u>BUDGET</u>	REMAINING <u>BALANCE</u>	% OF BUDGET <u>USED</u>
EXPENSES					
CRA					
GENERAL OPERATIONS:					
Auditing & Accounting	-	-	5,000	5,000	0.00%
Legal Services	150	1,005	3,000	1,995	33.50%
Consulting Services	-	-	5,000	5,000	0.00%
Contract Services	3,681	51,478	65,000	13,522	79.20%
Printing & Binding	-	-	1,000	1,000	0.00%
Other Professional Services	-	8,698	16,000	7,302	54.36%
General Liability Insurance	-	-	250	250	0.00%
Postage	16	71	350	279	20.21%
Lifesafety Grant	-	-	285,000	285,000	0.00%
Legal Notices	16	144	2,000	1,856	7.20%
Licenses & Fees	53	53	-	-	
Travel & Training	-	-	1,000	1,000	0.00%
Office Supplies	-	926	400	-	
Supplies	-	-	300	300	0.00%
Land	-	-	200,000	200,000	0.00%
Bond Interest - Lincoln Pool	-	10,781	-	-	
PROJECTS					
Façade Improvement	-	-	350,000	350,000	0.00%
Building Improvement	-	350,855	368,972	18,117	0.00%
Other Projects	-	186,831	450,000	263,169	41.52%
TOTAL CRA EXPENSES	3,915	610,841	1,753,272	1,153,790	34.84%
GENTLE DENTAL					
Bond Principal	1,861	3,660		-	
Bond Interest	240	542		-	
TOTAL GENTLE DENTAL	2,101	4,202	-	-	
PROCON TIF					
Bond Principal	7,794	15,325	13,355	-	114.75%
Bond Interest	1,787	3,837	5,807	1,970	66.08%
TOTAL PROCON TIF	9,581	19,162	19,162	1,970	100.00%
WALNUT HOUSING PROJECT					
Bond Principal	28,560	56,188	49,209	-	114.18%
Bond Interest	8,676	18,284	25,263	6,979	72.37%
TOTAL WALNUT HOUSING	37,236	74,472	74,472	6,979	100.00%
BRUNS PET GROOMING					
Bond Principal	289	7,315	13,500	6,185	54.19%
TOTAL BRUNS PET GROOMING	289	7,315	13,500	6,185	54.19%
GIRARD VET CLINIC					
Bond Principal	209	418	14,500	14,082	2.88%
TOTAL GIRARD VET CLINIC	209	418	14,500	14,082	2.88%
GEDDES ST APTS - PROCON					
Bond Principal	13,916	28,334	30,000	1,667	94.45%
TOTAL GEDDES ST APTS - PROCON	13,916	28,334	30,000	1,667	94.45%
SOUTHEAST CROSSINGS					
Bond Principal	6,224	8,451	15,000	6,549	56.34%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2016

	MONTH ENDED <u>June-16</u>	2015-2016 <u>YEAR TO DATE</u>	2016 <u>BUDGET</u>	REMAINING <u>BALANCE</u>	% OF BUDGET <u>USED</u>
TOTAL SOUTHEAST CROSSINGS	6,224	8,451	15,000	6,549	56.34%
POPLAR STREET WATER					
Bond Principal	1,483	2,124	6,000	3,876	35.40%
TOTAL POPLAR STREET WATER	1,483	2,124	6,000	3,876	35.40%
CASEY'S @ FIVE POINTS					
Bond Principal	190	380	10,000	9,620	3.80%
TOTAL CASEY'S @ FIVE POINTS	190	380	10,000	9,620	3.80%
SOUTH POINTE HOTEL PROJECT					
Bond Principal	43,221	45,061	90,000	44,939	50.07%
TOTAL SOUTH POINTE HOTEL PROJECT	43,221	45,061	90,000	44,939	50.07%
TODD ENCK PROJECT					
Bond Principal	139	279	6,000	5,721	4.64%
TOTAL TODD ENCK PROJECT	139	279	6,000	5,721	4.64%
SKAGWAY					
Bond Principal	-	-	750,000	750,000	0.00%
TOTAL SKAGWAY	-	-	750,000	750,000	0.00%
JOHN SCHULTE CONSTRUCTION					
Bond Principal	107	2,723	6,000	3,277	45.38%
TOTAL JOHN SCHULTE CONSTRUCTION	107	2,723	6,000	3,277	45.38%
PHARMACY PROPERTIES INC					
Bond Principal	5,750	5,995	11,000	5,005	54.50%
TOTAL PHARMACH PROPERTIES INC	5,750	5,995	11,000	5,005	54.50%
KEN-RAY LLC					
Bond Principal	41,373	42,273	34,000	-	124.33%
TOTAL KEN-RAY LLC	41,373	42,273	34,000	-	124.33%
COUNTY FUND #8598					
Bond Principal	64	127	1,458	1,331	
TOTAL COUNTY FUND #8598	64	127	1,458	1,331	
GORDMAN GRAND ISLAND					
Bond Principal	9,371	9,770	40,000	30,230	
TOTAL GORDMAN GRAND ISLAND	9,371	9,770	40,000	30,230	
BAKER DEVELOPMENT INC					
Bond Principal	75	1,817	3,000	1,183	
TOTAL BAKER DEVELOPMENT INC	75	1,817	3,000	1,183	
STRATFORD PLAZA LLC					
Bond Principal	11,945	12,454	35,000	22,546	
TOTAL STRATFORD PLAZA LLC	11,945	12,454	35,000	22,546	
COPPER CREEK					
Bond Principal	29,486	34,993	-	-	
TOTAL COPPER CREEK	29,486	34,993	-	-	

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2016

	MONTH ENDED <u>June-16</u>	2015-2016 <u>YEAR TO DATE</u>	2016 <u>BUDGET</u>	REMAINING <u>BALANCE</u>	% OF BUDGET <u>USED</u>
CHIEF INDUSTRIES AURORA COOP					
Bond Principal	806	1,612		(1,612)	
TOTAL CHIEF IND AURORA COOP	806	1,612		(1,612)	
TOKEN PROPERTIES KIMBALL STREET					
Bond Principal	1,326	1,382		(1,382)	
TOTAL TOKEN PROPERTIES KIMBALL ST	1,326	1,382		(1,382)	
GI HABITAT FOR HUMANITY					
Bond Principal	89	178		(178)	
TOTAL BLANK	89	178		(178)	
AUTO ONE INC					
Bond Principal	245	490		(490)	
TOTAL AUTO ONE INC	245	490		(490)	
EIG GRAND ISLAND					
Bond Principal	1,084	2,168		(2,168)	
TOTAL BLANK	1,084	2,168		(2,168)	
TOKEN PROPERTIES CARY STREET					
Bond Principal	3,797	3,959		(3,959)	
TOTAL TOKEN PROPERTIES CARY ST	3,797	3,959		(3,959)	
WENN HOUSING PROJECT					
Bond Principal	2,090	2,179		(2,179)	
TOTAL WENN HOUSING PROJECT	2,090	2,179		(2,179)	
COPPER CREEK PHASE II					
Bond Principal	44,454	48,992		(48,992)	
TOTAL COPPER CREEK PHASE II	44,454	48,992		(48,992)	
TC ENCK BUILDERS					
Bond Principal	-	-		-	
TOTAL TC ENCK BUILDERS	-	-		-	
SUPER MARKET DEVELOPERS					
Bond Principal	-	-		-	
TOTAL SUPER MARKET DEVELOPERS	-	-		-	
MAINSTAY SUITES					
Bond Principal	529	1,059		(1,059)	
TOTAL MAINSTAY SUITES	529	1,059		(1,059)	
TOWER 217					
Bond Principal	25	51		(51)	
TOTAL TOWER 217	25	51		(51)	
FUTURE TIF'S					
Bond Principal	-	-	162,000	162,000	
TOTAL FUTURE TIF'S	-	-	162,000	162,000	
TOTAL EXPENSES	271,120	973,259	3,074,364	2,168,880	

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CITY OF GRAND ISLAND
BALANCE SHEET FOR 2016 9

P 1
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FUND: 900 COMMUNITY REDEVELOPMENT AUTHOR			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
900	11110	OPERATING CASH	-15,611.22	833,339.59
900	11120	COUNTY TREASURER CASH	.00	87,328.23
900	11305	PROPERTY TAXES RECEIVABLE	.00	74,663.00
900	14100	NOTES RECEIVABLE	.00	449,518.20
900	14700	LAND	.00	575,369.33
TOTAL ASSETS			-15,611.22	2,020,218.35
LIABILITIES				
900	22100	LONG TERM DEBT	.00	-356,842.00
900	22200	ACCOUNTS PAYABLE	.00	-9,225.31
900	22400	OTHER LONG TERM DEBT	.00	-1,455,000.00
900	22900	ACCRUED INTEREST PAYABLE	.00	-6,289.06
900	25315	DEFERRED REVENUE-PROPERTY TAX	.00	-80,687.00
900	25316	DEFERRED REVENUE-YR END ADJ	.00	58,671.86
TOTAL LIABILITIES			.00	-1,849,371.51
FUND BALANCE				
900	39107	BUDGETARY FUND BAL - UNRESERVD	.00	70,122.00
900	39110	INVESTMENT IN FIXED ASSETS	.00	-575,369.33
900	39112	FUND BALANCE-BONDS	.00	1,425,994.94
900	39120	UNRESTRICTED FUND BALANCE	.00	-1,029,485.90
900	39130	ESTIMATED REVENUES	.00	3,004,242.00
900	39140	ESTIMATED EXPENSES	.00	-3,074,364.00
900	39500	REVENUE CONTROL	-255,508.54	-965,245.63
900	39600	EXPENDITURE CONTROL	271,119.76	973,259.08
TOTAL FUND BALANCE			15,611.22	-170,846.84
TOTAL LIABILITIES + FUND BALANCE			15,611.22	-2,020,218.35
			=====	=====

** END OF REPORT - Generated by Brian Schultz **



Community Redevelopment Authority (CRA)

**Wednesday, July 13, 2016
Regular Meeting**

Item D1

Bills

Staff Contact: Chad Nabity

8-Jun-16

TO: Community Redevelopment Authority Board Members
FROM: Chad Nabity, Planning Department Director
RE: Bills Submitted for Payment

The following bills have been submitted to the Community Redevelopment Authority Treasurer for preparation of payment.

City of Grand Island

Administration Fees

Accounting

Officenet Inc.

Postage

\$ 10.11

Lawnscape

mowing 408 E 2nd

\$ 70.00

Grand Island Independent

\$ 16.01

City of Grand Island - credit card permit for sign on CRA lot

\$ 35.00

Mayer, Burns & Koenig

Legal Services

\$ 150.00

Total:

\$ 281.12



Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item E1

Committed Projects

Staff Contact: Chad Nabity

COMMITTED PROJECTS	REMAINING GRANT AMOUNT	2016 FISCAL YR	2017 FISCAL YR	2018 FISCAL YR	ESTIMATED COMP
House Demo - 211 N Eddy	up tp \$15,000	up to \$15000			
Federation of Labor - Ziller	\$ 60,000.00	\$ 60,000.00			2016
Wing Properties - 116 E 3rd St	\$ 68,132.00	\$ 68,132.00			2016
Wing Properties - 110-114 E 3rd St	\$ 167,016.00		\$ 167,016.00		2017
Bosselman Real Estate	\$ 300,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	2018
Zoul Properties - 1201 S Locust Street	\$ 90,000.00	\$ 90,000.00			2016
Tower 217 (Amos Investment & Development)	\$ 104,075.73		\$ 104,075.73		2017
	\$ -				
Total Committed	\$883,713.73	\$ 415,134.00	\$ 371,091.73	\$ 100,000.00	

FIRE & LIFE SAFETY GRANT	TOTAL AMOUNT	2016 FISCAL YR	2017 FISCAL YR	2018 FISCAL	ESTIMATED
Federation of Labor - Tom Ziller	\$115,000	\$ 115,000.00			2016
Wing Properties - 110 E 3rd St	\$20,000		\$ 20,000.00		2017
Total Committed F&L Safety Grant	\$135,000	\$ 115,000.00	\$ 20,000.00		

Life Safety Budget \$ **\$ 285,000.00**
Remaining

Façade Budget \$ Remaining **\$ 350,000.00**

Other Projects **\$ 375,775.36**

Land - Budget \$ Remaining **\$ 200,000.00**

Land Sales

subtotal **(\$100,000.00)**
\$ 1,110,775.36

Less committed **\$ (576,522.00)** **\$ 391,091.73**

Balance remaining **\$583,153.36** **\$ 391,091.73**

CRA PROPERTIES					
Address	Purchase Price	Purchase Date	Demo Cost		Status
408 E 2 nd St	\$4,869	11/11/2005	\$7,500		Surplus
3235 S Locust	\$450,000	4/2/2010	\$39,764		Surplus
604-612 W 3rd	\$80,000	6/10/2015			Surplus

June 30, 2016



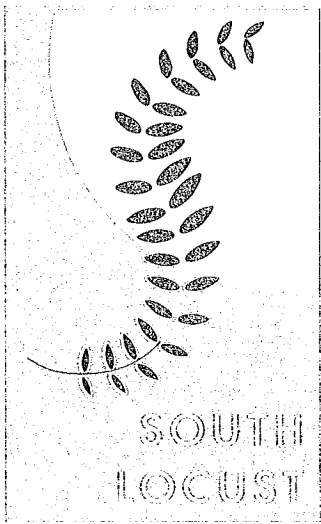
Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item G1

Grant Request

Staff Contact: Chad Nabity



June 23, 2016

MEMO TO: Community Redevelopment Authority
Chad Nabity, Director

FROM: South Locust/Fonner Park Business Improvement
Districts
by Cindy K. Johnson *Cindy*

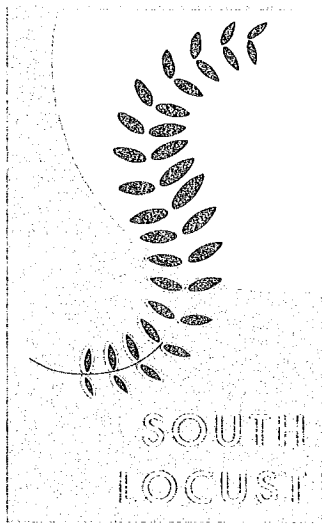
RE: Request for Landscaping Funding

The South Locust Street corridor and landscaping is one of two primary introductions to Grand Island. Visitors attending the Nebraska State Fair, any one of a number of livestock shows or other events formulate a first impression for our community based on our appearance. The Corridor should be inviting, attractive, and welcoming. It is essential that this entrance represent Grand Island well with high-quality landscaping.

The two Business Improvement Districts for South Locust Street are requesting assistance to redo the landscaping along the South Locust corridor, from Highway 34 to Fonner Park Road. It has been more than 15 years since the landscaping was originally installed. Over this time period, the landscaping has been significantly modified due to normal "wear and tear" and nature's elements.

The Business Improvement Districts (BID) were created to focus on landscaping maintenance and snow removal along the South Locust Street front footage. The Business Improvement Districts have done an excellent job of balancing expenses, including landscaping maintenance, sprinkler repairs and snow removal. Over the past ten years, the Boards identified a need to replace the mulch in the landscaping beds with rock. Although rock is the preferred option for these landscaping beds from a maintenance and aesthetic perspective, funds have not been available to complete a wholesale switch from mulch to rock. So, year after year, a significant portion of the BIDs budgets have been allocated to mulch. Unfortunately, the mulch gets blown or washed away during the course of the summer. Replacing the

South Locust Street Business Improvement Board
309 W. 2nd Street • P.O. Box 1486 • Grand Island, Nebraska 68801
308.382.9210 • Fax 308.382.1124
southlocust@oicchamber.com



mulch with rock will reduce the annual expenditures for the mulch itself as well as for the maintenance and will provide a more attractive entryway to our community. Once the rock replacement occurs, the annual assessments, borne by the owners of property fronting South Locust Street, should be sufficient to maintain the District.

The BIDs are respectfully requesting assistance from the CRA in the amount of \$15,000 to assist with the beautification project. Grant funding from the Nebraska Environmental Trust is also being solicited. The remaining funding will be the responsibility of the BIDs.

Thank you for your consideration.

South Locust Street Business Improvement District
309 W. 2nd Street - P.O. Box 1180 - Grand Island, Nebraska 68403
408.382.9210 - Fax: 408.382.4154
southlocust@grandislandchamber.com



Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item H1

Talon Apartments Phase 1

Staff Contact: Chad Nabity

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 219

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, TAX INCREMENT DEVELOPMENT REVENUE NOTE OR OTHER OBLIGATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,500,000 FOR THE PURPOSE OF (1) PAYING THE COSTS OF ACQUIRING, DEMOLISHING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, EXTENDING, REHABILITATING, INSTALLING, EQUIPPING, FURNISHING AND COMPLETING CERTAIN IMPROVEMENTS WITHIN THE AUTHORITY'S TALON APARTMENTS, INC. REDEVELOPMENT PROJECT AREA, SPECIFICALLY INCLUDING SITE PURCHASE, PREPARATION, DEMOLITION, UTILITY EXTENSION AND (2) PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE OR OTHER OBLIGATION AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE NOTE OR OTHER OBLIGATION TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO EXERCISE HIS OR HER INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING CERTAIN TERMS AND PROVISIONS OF THE NOTE OR OTHER OBLIGATION NOT SPECIFIED HEREIN; APPROVING A REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

BE IT RESOLVED BY THE MEMBERS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. The Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "**Authority**") hereby find and determine as follows:

(a) The City of Grand Island, Nebraska (the "**City**"), pursuant to the Plan Resolution (hereinafter defined), approved the City of Grand Island Redevelopment Area 19 Plan Amendment June 2016 (the "**Redevelopment Plan**") under and pursuant to which the Authority shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

(b) Pursuant to the Redevelopment Plan, the Authority has previously obligated itself and/or will hereafter obligate itself to provide a portion of the financing to acquire, construct, reconstruct, improve, extend, rehabilitate, install, equip, furnish and complete, at the cost and expense of the Redeveloper, a

Talon Apartments Phase 1

portion of the improvements (as defined in the Redevelopment Contract hereinafter identified) in the Redevelopment Area (the **“Project Costs”**), including, without limitation site acquisition of the Project Site (as defined in the Redevelopment Contract), (collectively, the **“Project”**), as more fully described in the Redevelopment Contract (hereinafter defined).

(c) The Authority is authorized by the Redevelopment Law (hereinafter defined) to issue tax allocation notes for the purpose of paying the costs and expenses of the Project, the principal of which is payable from certain tax revenues as set forth in the Redevelopment Law.

(d) In order to provide funds to pay a portion of the costs of the Project, it is necessary, desirable, advisable, and in the best interest of the Authority for the Authority to issue a Tax Increment Development Revenue Note or other obligation in a principal amount not to exceed \$2,500,000 (the **“Note”**).

(e) All conditions, acts and things required to exist or to be done precedent to the issuance of the Note do exist and have been done as required by law.

ARTICLE II

CERTAIN DEFINITIONS; COMPUTATIONS; CERTIFICATES AND OPINIONS; ORDERS AND DIRECTIONS

Section 2.1. Definitions of Special Terms. Unless the context clearly indicates some other meaning or may otherwise require, and in addition to those terms defined elsewhere herein, the terms defined in this **Section 2.1** shall, for all purposes of this Resolution, any Resolution or other instrument amendatory hereof or supplemental hereto, instrument or document herein or therein mentioned, have the meanings specified herein, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined herein:

“Authority” means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

“City” means the City of Grand Island, Nebraska.

“Project Costs” means the redevelopment project costs (as defined in the Redevelopment Contract) in the Redevelopment Area, the costs of which are eligible to be paid from the proceeds of the Note.

“Assessor” means the Assessor of Hall County, Nebraska.

“Note” means the Talon Apartments Redevelopment Project Tax Increment Development Revenue Note Series A of the Authority, in a principal amount not to exceed \$2,500,000, issued pursuant to this Resolution, and shall include any note, including refunding note, interim certificate, debenture, or other obligation issued pursuant to the Redevelopment Law. At the option of the Owner of the Note, the titular designation of such Note may be revised to state note, interim certificate, debenture, obligation, or such other designation as is appropriate.

“Secretary” means the Secretary of the Authority.

“Cumulative Outstanding Principal Amount” means the aggregate principal amount of the Note issued and Outstanding from time to time in accordance with the provisions of this Resolution, as reflected in the records maintained by the Registrar as provided in this Resolution.

“Date of Original Issue” means the date the Note is initially issued, which shall be the date of the first allocation of principal on the Note as further described in **Section 3.2**.

“Debt Service” means, as of any particular date of computation, and with respect to any period, the amount to be paid or set aside as of such date or such period for the payment of the principal on the Note.

“Escrow Obligations” means (a) Government Obligations, (b) certificates of deposit issued by a bank or trust company which are (1) fully insured by the Federal Deposit Insurance Corporation or similar corporation chartered by the United States or (2) secured by a pledge of any Government Obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Registrar, or (c)(1) evidences of a direct ownership in future interest or principal on Government Obligations, which Government Obligations are held in a custody account by a custodian satisfactory to the Registrar pursuant to the terms of a custody agreement in form and substance acceptable to the Registrar and (2) obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state, which obligations are fully secured by and payable solely from Government Obligations, which Government Obligations are held pursuant to an agreement in form and substance acceptable to the Registrar and, in any such case, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to make the payment secured thereby.

“Finance Director” means the Treasurer/Finance Director or Acting Treasurer/Finance Director, as the case may be, of the City.

“Fiscal Year” means the twelve-month period established by the City or provided by law from time to time as its fiscal year.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Improvements” means the improvements to be constructed, reconstructed, acquired, improved, extended, rehabilitated, installed, equipped, furnished and completed in the Project Area in accordance with the Redevelopment Plan, including, but not limited to, the improvements constituting the Project (as defined in the Redevelopment Contract).

“Payment Date” means June 31 and December 31 of each year any Note is outstanding, commencing on the first Payment Date following the Date of Original Issue.

“Chairman” means the Chairman of the Authority.

“Outstanding” means when used with reference to any Note, as of a particular date, all Notes theretofore authenticated and delivered under this Resolution except:

- (a) Notes theretofore canceled by the Registrar or delivered to the Registrar for cancellation;
- (b) Notes which are deemed to have been paid in accordance with **Section 10.1** hereof;

(c) Notes alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in **Section 3.9** hereof; and

(d) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Resolution.

“Owner” means the person(s) identified as the owner(s) of the Note from time to time, as indicated on the books of registry maintained by the Registrar.

“Plan Resolution” means, Resolution No. _____ of the City, together with any other resolution providing for an amendment to the Redevelopment Plan.

“Project Area” means the area identified and referred to as the Project Site in the Redevelopment Contract.

“Record Date” means, for each Payment Date, the 15th day immediately preceding such Payment Date.

“Redeveloper” means the Redeveloper as defined in the Redevelopment Contract responsible for constructing, reconstructing, acquiring, improving, extending, rehabilitating, installing, equipping, furnishing and completing the Project.

“Redeveloper Note” means any Note that is owned by the Redeveloper according to the records of the Registrar.

“Redevelopment Contract” means the City of Grand Island Redevelopment Contract Talon Apartments, Inc., Redevelopment Project, dated the date of its execution, between the Authority, and Talon Apartments, Inc., a Nebraska corporation, relating to the Project.

“Redevelopment Area” means the community redevelopment area described, defined or otherwise identified or referred to in the Redevelopment Plan.

“Redevelopment Law” means Article VIII, Section 12 of the Constitution of the State and Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended.

“Redevelopment Plan” means the “City of Grand Island Redevelopment Plan Amendment for Redevelopment Area 19 June 2016” passed, adopted and approved by the City pursuant to the Plan Resolution, and shall include any amendment of such Redevelopment Plan heretofore or hereafter made by the City pursuant to law.

“Refunding Notes” means the notes authorized to be issued pursuant to **Article V**.

“Registrar” means the Treasurer of the City of Grand Island, Nebraska, in its capacity as registrar and paying agent for the Note.

“Resolution” means this Resolution as from time to time amended or supplemented.

“Revenue” means the Tax Revenue.

“Special Fund” means the fund by that name created in **Section 7.1**.

“State” means the State of Nebraska.

“Tax Revenue” means, with respect to the Project Area, (a) those tax revenues referred to (1) in the last sentence of the first paragraph of Article VIII, Section 12 of the Constitution of the State and (2) in Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, and (b) all payments made in lieu thereof.

“Treasurer” means the Treasurer of Hall County, Nebraska.

Section 2.2. Definitions of General Terms. Unless the context clearly indicates otherwise or may otherwise require, in this Resolution words importing persons include firms, partnerships, associations, limited liability companies (public and private), public bodies and natural persons, and also include executors, administrators, trustees, receivers or other representatives.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Resolution as a whole and not to any particular section or subdivision thereof.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution: (a) references to Articles, Sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding Articles, Sections or subdivisions of this Resolution as such Articles, Sections, or subdivisions may be amended or supplemented from time to time; and (b) the word “heretofore” means before the time of passage of this Resolution, and the word “hereafter” means after the time of passage of this Resolution.

Section 2.3. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Resolution shall be made on the assumption that the principal on the Note shall be paid as and when the same become due.

Section 2.4. Certificates, Opinions and Reports. Except as otherwise specifically provided in this Resolution, each certificate, opinion or report with respect to compliance with a condition or covenant provided for in this Resolution shall include: (a) a statement that the person making such certificate, opinion or report has read the pertinent provisions of this Resolution to which such covenant or condition relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate, opinion or report are based; (c) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with; and (e) an identification of any certificates, opinions or reports or other sources or assumptions relied on in such certificate, opinion or report.

Section 2.5. Evidence of Action by the Authority. Except as otherwise specifically provided in this Resolution, any request, direction, command, order, notice, certificate or other instrument of, by or from the City or the Authority shall be effective and binding upon the Authority, respectively, for the purposes of this Resolution if signed by the Chairman, the Vice Chairman, the Secretary, the Treasurer of the Authority, the Finance Director, the Planning Director or by any other person or persons authorized to execute the same by statute, or by a resolution of the City or the Authority, respectively.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF THE NOTE; GENERAL TERMS AND PROVISIONS

Section 3.1. Authorization of Note. Pursuant to and in full compliance with the Redevelopment Law and this Resolution, and for the purpose of providing funds to pay (a) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing, and completing the Project, and (b) the costs of issuing the Note, the Authority shall issue the Note in a principal amount not to exceed \$2,500,000. The Note shall be designated as "Community Redevelopment Authority of the City of Grand Island, Nebraska, Talon Apartments, Inc., Redevelopment Project Tax Increment Development Revenue Note Series A," shall have an appropriate series designation as determined by the Finance Director, shall be dated the Date of Original Issue, shall mature, subject to right of prior redemption, not later than the December 31, 2031, and shall bear interest at an annual rate of 0.00%. The Note shall be issued as a single Note as further described in **Section 3.2.**

The Note is a special, limited obligation of the Authority payable solely from the Revenue and the amounts on deposit in the funds and accounts established by this Resolution. The Note shall not in any event be a debt of the Authority (except to the extent of the Revenue and other money pledged under this Resolution), the State, nor any of its political subdivisions, and neither the Authority (except to the extent of the Revenue and other money pledged under this Resolution), the City, the State nor any of its political subdivisions is liable in respect thereof, nor in any event shall the principal of or interest on the Note be payable from any source other than the Revenue and other money pledged under this Resolution. The Note does not constitute a debt within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority and does not impose any general liability upon the Authority. Neither any official of the Authority nor any person executing the Note shall be liable personally on the Note by reason of its issuance. The validity of the Note is not and shall not be dependent upon the completion of the Project or upon the performance of any obligation relative to the Project.

The Revenue and the amounts on deposit in the funds and accounts established by this Resolution are hereby pledged and assigned for the payment of the Note, and shall be used for no other purpose than to pay the principal of or interest on the Note, except as may be otherwise expressly authorized in this Resolution. The Note shall not constitute a debt of the Authority or the City within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority, and neither the Authority nor the City shall not be liable for the payment thereof out of any money of the Authority or the City other than the Tax Revenue and the other funds referred to herein.

Nothing in this Resolution shall preclude the payment of the Note from (a) the proceeds of future notes issued pursuant to law or (b) any other legally available funds. Nothing in this Resolution shall prevent the City or the Authority from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

Section 3.2. Details of Note; Authority of Finance Director.

(a) The Note shall be dated the Date of Original Issue and shall be issued to the purchaser thereof, as the Owner, in installments. The Note shall be delivered on the earlier of allocation of the maximum principal amount of the Note or upon the issuance of a certificate of occupancy of the building constituting the Project. The Note shall be issued as a single Note.

(b) Proceeds of the Note may be advanced and disbursed in the manner set forth below:

(1) There shall be submitted to the Finance Director a disbursement request in a form acceptable to the Finance Director (the “**Disbursement Request**”), executed by the City’s Planning Director and an authorized representative of the Redeveloper, (A) certifying that a portion of the Project has been substantially completed and (B) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(2) The Finance Director shall evidence such allocation in writing and inform the Owner of the Note of any amounts allocated to the Note.

(3) Such amounts shall be deemed proceeds of the Note and the Finance Director shall inform the Registrar in writing of the date and amount of such allocation. The Registrar shall keep and maintain a record of the amounts allocated to the note pursuant to the terms of this Resolution as “Principal Amount Advanced” and shall enter the aggregate principal amount then Outstanding as the “Cumulative Outstanding Principal Amount” on the Note and its records maintained for the Note. The aggregate amount endorsed as the Principal amount Advanced on the Note shall not exceed \$2,500,000.

The Authority shall have no obligation to pay any Disbursement Request unless such request has been properly approved as described above, and proceeds of the Note have been deposited by the Owner of the Note (if other than the Redeveloper) into the Project Fund.

The records maintained by the Registrar as to principal amount advanced and principal amounts paid on the Note shall be the official records of the Cumulative Outstanding Principal Amount for all purposes.

(c) The Note shall be dated the Date of Original Issue, which shall be the initial date of an allocation of the Note.

(d) As of the Date of Original Issue of the Note, there shall be delivered to the Registrar the following:

(1) A signed investor’s letter in a form acceptable to the Finance Director and Note Counsel; and

(2) Such additional certificates and other documents as the special counsel for the Authority may require.

(e) The note shall bear zero percent interest on the Cumulative Outstanding Principal Amount of the Note from the Date of Original Issue.

(f) The principal of the Note shall be payable in any coin or currency of the United States of America from all funds held by the which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Payments on the Note due prior to maturity or earlier redemption and payment of any principal upon redemption price to maturity shall be made by check mailed by the Registrar on each Interest Payment Date to the Owners, at the Owners’ address as it appears on the books of registry maintained by the Registrar on the Record Date. The principal of the Note due at maturity or upon earlier redemption shall be payable upon presentation and surrender of the Note to the Registrar. When any portion of the Note shall have been duly called for redemption and payment thereof duly made or provided for,

interest thereon shall cease on the principal amount of such Note so redeemed from and after the date of redemption thereof.

(g) The Note shall be executed by the manual signatures of the Chairman and Secretary of the Authority. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if s/he had remained in office until such delivery, and the Note may be signed by such persons as at the actual time of the execution of such Note shall be the proper officers to sign such Note although at the date of such Note such persons may not have been such officers.

(i) The Finance Director is hereby authorized to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Resolution, (1) the Date of Original Issue, the principal amount of the Note in accordance with **Section 3.2(a)**, (2) the maturity date of the Note, which shall be not later than December 31, 2031, (3) the initial Payment Date and (4) any other term of the Note not otherwise specifically fixed by the provisions of this Resolution.

(j) Any Note issued upon transfer or exchange of any other Note shall be dated as of the Date of Original Issue.

(k) The Note shall be issued to such Owner as shall be mutually agreed between the Redeveloper and the Finance Director for a price equal to 100% of the principal amount thereof. No Note shall be delivered to any Owner unless the Authority shall have received from the Owner thereof such documents as may be required by the Finance Director to demonstrate compliance with all applicable laws, including without limitation compliance with **Section 3.6** hereof. The Authority may impose such restrictions on the transfer of any Note as may be required to ensure compliance with all requirements relating to any such transfer.

Section 3.3. Form of Note Generally. The Note shall be issued in fully registered form. The Note shall be in substantially the form set forth in **Article IX**, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Finance Director may deem necessary or appropriate. The Note may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 3.4. Appointment of Registrar. The Finance Director is hereby appointed the registrar and paying agent for the Note. The Registrar shall specify its acceptance of the duties, obligations and trusts imposed upon it by the provisions of this Resolution by a written instrument deposited with the Authority prior to the Date of Original Issue of the initial Note. The Authority reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and the Note in its possession to the successor Registrar and shall deliver the note register to the successor Registrar. The Registrar shall have only such duties and obligations as are expressly stated in this Resolution and no other duties or obligations shall be required of the Registrar.

Section 3.5. Exchange of Note. Any Note, upon surrender thereof at the principal office of the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Owner thereof, be exchanged for another Note in a principal amount equal to the principal amount of the Note surrendered or exchanged, of the same series and maturity and bearing interest at the same rate. The Authority shall make provision for the exchange of the Note at the principal office of the Registrar.

Section 3.6. Negotiability, Registration and Transfer of Note. The Registrar shall keep books for the registration and registration of transfer of the Note as provided in this Resolution. The transfer of the Note may be registered only upon the books kept for the registration and registration of transfer of the Note upon (a) surrender thereof to the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar and (b) evidence acceptable to the Authority that the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission. Prior to any transfer and assignment, the Owner will obtain and provide to the Authority, an investor's letter in form and substance satisfactory to the Authority evidencing compliance with the provisions of all federal and state securities laws, and will deposit with the Authority an amount to cover all reasonable costs incurred by the Authority, including legal fees, of accomplishing such transfer. A transfer of any Note may be prohibited by the Authority if (1) a default then exists under the Redevelopment Contract, (2) the assessed valuation of the Redeveloper Property (as defined in the Redevelopment Contract) is less than \$4,000,000, or (3) a protest of the valuation of the Redeveloper Property is ongoing. Upon any such registration of transfer the Authority shall execute and deliver in exchange for such Note a new Note, registered in the name of the transferee, in a principal amount equal to the principal amount of the Note surrendered or exchanged, of the same series and maturity and bearing interest at the same rate.

In all cases in which any Note shall be exchanged or a transfer of a Note shall be registered hereunder, the Authority shall execute at the earliest practicable time execute and deliver a Note in accordance with the provisions of this Resolution. The Note surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. Neither the Authority nor the Registrar shall make a charge for the first such exchange or registration of transfer of any Note by any Owner. The Authority or the Registrar, or both, may make a charge for shipping, printing and out-of-pocket costs for every subsequent exchange or registration of transfer of such Note sufficient to reimburse it or them for any and all costs required to be paid with respect to such exchange or registration of transfer. Neither the Authority nor the Registrar shall be required to make any such exchange or registration of transfer of any Note during the period between a Record Date and the corresponding Interest Payment Date.

Section 3.7. Ownership of Note. As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of or interest on such Note shall be made only to or upon the order of the Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

Section 3.8. Disposition and Destruction of Note. The Note, upon surrender to the Registrar for final payment, whether at maturity or upon earlier redemption, shall be canceled upon such payment by the Registrar and, upon written request of the Finance Director, be destroyed.

Section 3.9. Mutilated, Lost, Stolen or Destroyed Note. If any Note becomes mutilated or is lost, stolen or destroyed, the Authority shall execute and deliver a new Note of like date and tenor as the Note mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Authority. In the case of any lost, stolen or destroyed Note, there first shall be furnished to the Authority evidence of such loss, theft or destruction satisfactory to the Authority, together with indemnity to the Authority satisfactory to the Authority. If any such Note has matured, is about to mature or has been called for redemption, instead of delivering a substitute Note, the Authority may pay the same without surrender thereof. Upon the issuance of any substitute Note, the Authority may require the payment of an amount by the Owner sufficient to reimburse the Authority for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 3.10. Non-presentment of Note. If any Note is not presented for payment when the principal thereof becomes due and payable as therein and herein provided, whether at the stated maturity thereof or call for optional or mandatory redemption or otherwise, if funds sufficient to pay such Note have been made available to the Registrar all liability of the Authority to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on their part under this Resolution or on, or with respect to, said Note. If any Note is not presented for payment within five years following the date when such Note becomes due, the Registrar shall repay to the Authority the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Authority, and the Registered Owner thereof shall be entitled to look only to the Authority for payment, and then only to the extent of the amount so repaid to it by the Registrar, and the Authority shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE IV

REDEMPTION OF NOTE

Section 4.1. Redemption of Note. The Note is subject to redemption at the option of the Authority prior to the maturity thereof at any time as a whole or in part from time to time in such principal amount as the Authority shall determine, at a redemption price equal to 100% of the principal amount then being redeemed plus accrued interest thereon to the date fixed for redemption.

Section 4.2. Redemption Procedures. The Finance Director is hereby authorized, without further action of the Council, to call all or any portion of the principal of the Note for payment and redemption prior to maturity on such date as the Finance Director shall determine, and shall deposit sufficient funds in the Debt Service Account from the Surplus Account to pay the principal being redeemed plus the accrued interest thereon to the date fixed for redemption. The Finance Director may effect partial redemptions of any Note without notice to the Owner and without presentation and surrender of such Note, but total redemption of any Note may only be effected with notice to the Owner and upon presentation and surrender of such Note to the Registrar. Notice of a total redemption of any Note shall be sent by the Registrar by first-class mail not less than five days prior to the date fixed for redemption to the Owner's address appearing on the books of registry maintained by the Registrar and indicate (a) the title and designation of the Note, (b) the redemption date, and (c) a recitation that the entire principal balance of such Note plus all accrued interest thereon is being called for redemption on the applicable redemption date.

Section 4.3. Determination of Outstanding Principal Amount of Note. Notwithstanding the amount indicated on the face of any Note, the principal amount of such Note actually Outstanding from time to time shall be determined and maintained by the Registrar. The Registrar shall make a notation in the books of registry maintained for each Note indicating the original principal advance of such Note as determined in accordance with **Section 3.2** and make such additional notations as are required to reflect any additional principal advances or redemptions of such Note from time to time, including on the Table of Cumulative Outstanding Principal Amount attached to each Note if it is presented to the Registrar for that purpose. Any Owner may examine the books of registry maintained by the Registrar upon request, and the Registrar shall grant such request as soon as reasonably practicable. Any failure of the Registrar to record a principal advance or a redemption on the Table of Cumulative Outstanding Principal Amount shall not affect the Cumulative Outstanding Principal Amount shown on the records of the Registrar.

ARTICLE V

REFUNDING NOTES

Section 5.1. Refunding Notes. Refunding Notes may be issued at any time at the direction of the Finance Director for the purpose of refunding (including by purchase) any Note or any portion thereof, including amounts to pay principal to the date of maturity or redemption (or purchase) and the expenses of issuing the Refunding Notes and of effecting such refunding; provided that the Debt Service on all notes to be outstanding after the issuance of the Refunding Notes shall not be greater in any Fiscal Year than would have been the Debt Service in such Fiscal Year were such refunding not to occur.

ARTICLE VI

EFFECTIVE DATE OF PROJECT; PLEDGE OF REVENUE

Section 6.1. Effective Date of Project. For purposes of Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, the effective date of the Project shall be determined as set forth in the Redevelopment Contract. The Planning Director is hereby directed to notify the Assessor of the effective date of the Project on the form prescribed by the Property Tax Administrator.

Section 6.2. Collection of Revenue; Pledge of Revenue. As provided for in the Redevelopment Plan, and pursuant to the provisions of the Redevelopment Law, for the period contemplated thereby, the Tax Revenue collected in the Project Area shall be allocated to and, when collected, paid into the Special Fund under the terms of this Resolution to pay the principal on the Note. When the Note has been paid in accordance with this Resolution, the Redevelopment Plan and the Redevelopment Contract, the Tax Revenue shall be applied as provided for in the Redevelopment Law.

The Revenue is hereby allocated and pledged in its entirety to the payment of the principal on the Note and to the payment of the Project Costs (including the Project), until the principal on the Note has been paid (or until money for that purpose has been irrevocably set aside), and the Revenue shall be applied solely to the payment of the principal on the Note. Such allocation and pledge is and shall be for the sole and exclusive benefit of the Owner and shall be irrevocable.

Section 6.3. Potential Insufficiency of Revenue. Neither the Authority nor the City makes any representations, covenants, or warranties to the Owner that the Revenue will be sufficient to pay the principal of or interest on the Note. Payment of the principal of and interest on the Note is limited solely and exclusively to the Revenue pledged under the terms of this Resolution, and is not payable from any other source whatsoever.

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS; PAYMENTS THEREFROM

Section 7.1. Creation of Funds and Account. There is hereby created and established by the Authority the following funds and accounts which funds shall be held by the Finance Director of the City separate and apart from all other funds and moneys of the Authority and the City under her control a special trust fund called the "Talon Apartments, Inc. Redevelopment Project Tax Increment Special Fund" (the "**Special Fund**").

So long as the Note remains unpaid, the money in the foregoing fund and accounts shall be used for no purpose other than those required or permitted by this Resolution, any Resolution supplemental to or amendatory of this Resolution and the Redevelopment Law.

Section 7.2. Special Fund. All of the Revenue shall be deposited into the Special Fund. The Revenue accumulated in the Special Fund shall be used and applied on the Business Day prior to each Payment Date (a) to make any payments to the Authority as may be required under the Redevelopment Contract and (b) to pay principal on the Note to the extent of any money then remaining the Special Fund on such Payment Date. Money in the Special Fund shall be used solely for the purposes described in this **Section 7.2**. All Revenues received through and including December 31, 2031 shall be used solely for the payments required by this **Section 7.2**.

ARTICLE VIII

COVENANTS OF THE AUTHORITY

So long as the Note is outstanding and unpaid, the Authority will (through its proper officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Resolution or in the Note, including the following covenants and agreements for the benefit of the Owner which are necessary, convenient and desirable to secure the Note and will tend to make them more marketable; provided, however, that such covenants do not require either the City or the Authority to expend any money other than the Revenue nor violate the provisions of State law with respect to tax revenue allocation.

Section 8.1. No Priority. The Authority covenants and agrees that it will not issue any obligations the principal of or interest on which is payable from the Revenue which have, or purport to have, any lien upon the Revenue prior or superior to or in parity with the lien of the Note; provided, however, that nothing in this Resolution shall prevent the Authority from issuing and selling notes or other obligations which have, or purport to have, any lien upon the Revenue which is junior to the Note and the Debt Service thereon, or from issuing and selling notes or other obligations which are payable in whole or in part from sources other than the Revenue.

Section 8.2. To Pay Principal of the Note. The Authority will duly and punctually pay or cause to be paid solely from the Revenue the principal of the Note on the dates and at the places and in the manner provided in the Note according to the true intent and meaning thereof and hereof, and will faithfully do and perform and fully observe and keep any and all covenants, undertakings, stipulations and provisions contained in the Note and in this Resolution.

Section 8.4. Books of Account; Financial Statements. The Authority covenants and agrees that it will at all times keep, or cause to be kept, proper and current books of account (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Project, the Revenue and other funds relating to the Project.

Section 8.5. Eminent Domain Proceeds. The Authority covenants and agrees that should all or any part of the Project be taken by eminent domain or other proceedings authorized by law for any public or other use under which the property will be exempt from ad valorem taxation, the net proceeds realized by the Authority therefrom shall constitute Project Revenue and shall be deposited into the Special Fund and used for the purposes and in the manner described in **Section 7.2.**

Section 8.6. Protection of Security. The Authority is duly authorized under all applicable laws to create and issue the Note and to adopt this Resolution and to pledge the Revenue in the manner and to the extent provided in this Resolution. The Revenue so pledged is and will be free and clear of any pledge, lien, charge, security interest or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, except as otherwise expressly provided herein, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Note is and will be a valid obligation of the Authority in accordance with its terms and the terms of this Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and security interest granted with respect to the Revenue pledged under this Resolution and all the rights of the Owner under this Resolution against all claims and demands of all persons whomsoever.

ARTICLE IX

FORM OF NOTE

Section 9.1. Form of Note. The Note shall be in substantially the following form:

(FORM OF NOTE)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND THIS NOTE MAY NOT BE TRANSFERRED UNLESS THE PROPOSED ASSIGNEE IS A BANK OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION AND THE OWNER HAS OBTAINED AND PROVIDED TO THE AUTHORITY, PRIOR TO SUCH TRANSFER AND ASSIGNMENT, AN INVESTOR'S LETTER IN FORM AND SUBSTANCE SATISFACTORY TO THE AUTHORITY EVIDENCING THE COMPLIANCE WITH THE PROVISIONS OF ALL FEDERAL AND STATE SECURITIES LAWS AND CONTAINING SUCH OTHER REPRESENTATIONS AS THE AUTHORITY MAY REQUIRE.

THIS NOTE MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN SECTION 3.6 OF RESOLUTION NO. _____ OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA.

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

TALON APARTMENTS, INC., REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES A

No. R-1

Up to \$2,500,000
(subject to reduction as described herein)

Date of
Original Issue

Date of
Maturity

Rate of
Interest

December 31, 2031

0.00%

REGISTERED OWNER: Talon Apartments, Inc.

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE NOTE SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA has caused this Note to be signed by the manual signature of the Chairman of the Authority, countersigned by the manual signature of the Secretary of the Authority.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

[S E A L]

By: _____
Chairman

By: _____
Secretary

The COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA (the “Authority”) acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the “Registrar”), payable semiannually on June 31 and December 31 of each year until payment in full of

such Principal Amount, beginning June 31, 2019, by check or draft mailed to the Registered Owner hereof as shown on the note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable payment date occurs, at such Owner's address as it appears on such note registration books. The principal of this Note is payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____, 2016 as from time to time amended and supplemented (the "**Resolution**").

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS NOTE IS \$2,500,000.

This Note has been issued by the Authority for the purpose of financing the costs of constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing and completing certain improvements within the area identified and referred to as the City of Grand Island Redevelopment Plan Amendment for Redevelopment Area 19 June 2016, (Talon Apartments, Inc. Project) which is more specifically described in the Resolution, and to carry out the Authority's corporate purposes and powers in connection therewith.

Reference is hereby made to the Resolution for the provisions, among others, with respect to the collection and disposition of certain tax and other revenues, the special funds charged with and pledged to the payment of the principal of and interest on this Note, the nature and extent of the security thereby created, the terms and conditions under which this Note has been issued, the rights and remedies of the Registered Owner of this Note, and the rights, duties, immunities and obligations of the City and the Authority. By the acceptance of this Note, the Registered Owner assents to all of the provisions of the Resolution.

This Note is a special limited obligation of the Authority payable as to principal solely from and is secured solely by the Tax Revenue (as defined in the Resolution) pledged under the Resolution, all on the terms and conditions set forth in the Resolution. The Tax Revenue represents that portion of ad valorem taxes levied by public bodies of the State of Nebraska, including the City, on real property in the Project Area (as defined in this Resolution) which is in excess of that portion of such ad valorem taxes produced by the levy at the rate fixed each year by or for each such public body upon the valuation of the Project Area as of a certain date and as has been certified by the County Assessor of Hall County, Nebraska to the City in accordance with law.

The principal hereon shall not be payable from the general funds of the City nor the Authority nor shall this Note constitute a legal or equitable pledge, charge, lien, security interest or encumbrance upon any of the property or upon any of the income, receipts, or money and securities of the City or the Authority or of any other party other than those specifically pledged under the Resolution. This Note is not a debt of the City or the Authority within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City or the Authority, and does not impose any general liability upon the City or the Authority and neither the City nor the Authority shall be liable for the payment hereof out of any funds of the City or the Authority other than the Tax Revenues and other funds pledged under the Resolution, which Tax Revenues and other funds have been and hereby are pledged to the punctual payment of the principal of and interest on this Note in accordance with the provisions of this Resolution.

The Registrar may from time to time enter the respective amounts advanced pursuant to the terms of the Resolution under the column headed "Principal Amount Advanced" on **Schedule 1** hereto (the "**Table**") and may enter the aggregate principal amount of this Note then outstanding under the column headed "Cumulative Outstanding Principal Amount" on the Table. On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the Registered Owner pursuant to the redemption provisions of the Resolution, the Registered Owner may enter the principal amount paid on this Note under the column headed "Principal Amount Redeemed" on the Table and may enter the then outstanding principal amount of this Note under the column headed "Cumulative Outstanding Principal Amount" on the Table. Notwithstanding the foregoing, the records maintained by the Registrar as to the principal amount issued and principal amounts paid on this Note shall be the official records of the Cumulative Outstanding Principal Amount of this Note for all purposes.

Reference is hereby made to the Resolution, a copy of which is on file in the office of the City Clerk, and to all of the provisions of which each Owner of this Note by its acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for this Note; the Tax Revenue pledged to the payment of the principal on this Note; the nature and extent and manner of enforcement of the pledge; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Owner of this Note; the rights, duties and obligations of the Authority and the Registrar thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Note, and this Note thereafter no longer be secured by the Resolution or be deemed to be outstanding thereunder, if money or certain specified securities shall have been deposited with the Registrar sufficient and held in trust solely for the payment hereof; and for the other terms and provisions thereof.

This Note is subject to redemption prior to maturity, at the option of the Authority, in whole or in part at any time at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest on such principal amount to the date fixed for redemption. Reference is hereby made to the Resolution for a description of the redemption procedures and the notice requirements pertaining thereto.

In the event this Note is called for prior redemption, notice of such redemption shall be given by first-class mail to the Registered Owner hereof at its address as shown on the registration books maintained by the Registrar not less than 10 days prior to the date fixed for redemption, unless waived by the Registered Owner hereof. If this Note, or any portion thereof, shall have been duly called for redemption and notice of such redemption duly given as provided, then upon such redemption date the portion of this Note so redeemed shall become due and payable and if money for the payment of the portion of the Note so redeemed shall be held for the purpose of such payment by the Registrar.

This Note is transferable by the Registered Owner hereof in person or by its attorney or legal representative duly authorized in writing at the principal office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of the same series and maturity and for the same principal amount will be issued to the transferee in exchange therefor. The Authority and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal of and interest due hereon and for all other purposes.

This note is being issued as fully a registered note without coupons. This note is subject to exchange as provided in the Resolution.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note have happened,

do exist and have been performed in regular and due time, form and manner; that this Note does not exceed any constitutional, statutory or charter limitation on indebtedness; and that provision has been made for the payment of the principal of and interest on this Note as provided in this Resolution.

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(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the note register kept by the Registrar for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: _____
Title: _____

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SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
TALON APARTMENTS, INC., REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES A**

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

ARTICLE X

**DEFEASANCE; MONEY HELD FOR PAYMENT OF
DEFEASED NOTE**

Section 10.1. Discharge of Liens and Pledges; Note No Longer Outstanding Hereunder. The obligations of the Authority under this Resolution, including any Resolutions, resolutions or other proceedings supplemental hereto, and the liens, pledges, charges, trusts, assignments, covenants and agreements of the Authority herein or therein made or provided for, shall be fully discharged and satisfied as to the Note or any portion thereof, and the Note or any portion thereof shall no longer be deemed to be outstanding hereunder and thereunder,

(a) when the any Note or portion thereof shall have been canceled, or shall have been surrendered for cancellation or is subject to cancellation, or shall have been purchased from money in any of the funds held under this Resolution, or

(b) if the Note or portion thereof is not canceled or surrendered for cancellation or subject to cancellation or so purchased, when payment of the principal of the Note or any portion

thereof, plus interest on such principal to the due date thereof, either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Registrar for the Note, in trust and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Escrow Obligations maturing as to principal in such amount and at such times as will insure the availability of sufficient money to make such payment.

Provided that, with respect to any total redemption of any Note, notice of redemption shall have been duly given or provision satisfactory to the Registrar shall have been made therefor, or waiver of such notice, satisfactory in form, shall have been filed with the Registrar.

At such time as any Note or portion thereof shall no longer be outstanding hereunder, and, except for the purposes of any such payment from such money or such Escrow Obligations, such Note or portion thereof shall no longer be secured by or entitled to the benefits of this Resolution.

Any such money so deposited with the Registrar for any Note or portion thereof as provided in this **Section 10.1** may at the direction of the Finance Director also be invested and reinvested in Escrow Obligations, maturing in the amounts and times as hereinbefore set forth. All income from all Escrow Obligations in the hands of the Registrar which is not required for the payment of such Note or portion thereof with respect to which such money shall have been so deposited, shall be paid to the Authority and deposited in the Special Fund as and when realized and collected for use and application as is other money deposited in that fund.

Anything in this Resolution to the contrary notwithstanding, if money or Escrow Obligations have been deposited or set aside with the Registrar pursuant to this **Section 10.1** for the payment of any Note and such Note shall not have in fact been actually paid in full, no amendment to the provisions of this **Section 10.1** shall be valid as to or binding upon the Owner thereof without the consent of such Owner.

Section 10.2. Certain Limitations After Due Date. If sufficient money or Escrow Obligations shall have been deposited in accordance with the terms hereof with the Registrar in trust for the purpose of paying the Notes or any portion thereof when the same becomes due, whether at maturity or upon earlier redemption, all liability of the Authority for such payment shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold such money or Escrow Obligations, without liability to the Owners, in trust for the benefit of the Owners, who thereafter shall be restricted exclusively to such money or Escrow Obligations for any claim for such payment of whatsoever nature on his part.

Notwithstanding the provisions of the preceding paragraph of this **Section 10.2**, money or Escrow Obligations held by the Registrar in trust for the payment and discharge of the principal of on any Note which remain unclaimed for five years after the date on which such payment shall have become due and payable, either because the Notes shall have reached their maturity date or because the entire principal balance of the Notes shall have been called for redemption, if such money was held by the Registrar or such paying agent at such date, or for five years after the date of deposit of such money, if deposited with the Registrar after the date when such Note became due and payable, shall be paid to the Nebraska State Treasurer and the Registrar shall thereupon be released and discharged with respect thereto, and the Owner thereof shall look only to the Authority for the payment thereof.

ARTICLE XI

AMENDING AND SUPPLEMENTING OF RESOLUTION

Section 11.1. Amending and Supplementing of Resolution without Consent of Owner. The Authority may at any time without the consent or concurrence of the Owner of the Note adopt a resolution amendatory hereof or supplemental hereto if the provisions of such supplemental Resolution do not materially adversely affect the rights of the Owner of the Note, for any one or more of the following purposes:

(a) To make any changes or corrections in this Resolution as to which the Authority shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing payment of the Note;

(c) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Resolution;

(d) To confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution; and

(e) To grant to or confer upon the Owner of the Note any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them.

The Authority shall not adopt any supplemental Resolution authorized by the foregoing provisions of this **Section 11.1** unless in the opinion of counsel the adoption of such supplemental Resolution is permitted by the foregoing provisions of this **Section 11.1** and the provisions of such supplemental Resolution do not materially and adversely affect the rights of the Owner of the Note.

Section 11.2. Amending and Supplementing of Resolution with Consent of Owner. With the consent of the Owners of the Note, the Authority from time to time and at any time may adopt a resolution amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Resolution, or modifying or amending the rights and obligations of the Authority under this Resolution, or modifying or amending in any manner the rights of the Owner of the Note; provided, however, that, without the specific consent of the Owner of the Note, no supplemental Resolution amending or supplementing the provisions hereof shall: (a) change the fixed maturity date for the payment or the terms of the redemption thereof, or reduce the principal amount of the Note or the rate of interest thereon or the Redemption Price payable upon the redemption or prepayment thereof; (b) authorize the creation of any pledge of the Tax Revenues and other money and securities pledged hereunder, prior, superior or equal to the pledge of and lien and charge thereon created herein for the payment of the Note except to the extent provided in **Articles III** and **V**; or (c) deprive the Owner of the Note in any material respect of the security afforded by this Resolution. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the Owner\ of the Note of the adoption of any supplemental Resolution authorized by the provisions of **Section 11.1**.

It shall not be necessary that the consents of the Owner of the Note approve the particular form of wording of the proposed amendment or supplement or of the proposed supplemental Resolution effecting such amendment or supplement, but it shall be sufficient if such consents approve the substance of the proposed amendment or supplement. After the Owner of the Note shall have filed its consent to the amending or supplementing hereof pursuant to this Section, the Authority may adopt such supplemental Resolution.

Section 11.3. Effectiveness of Supplemental Resolution. Upon the adoption (pursuant to this Article XI and applicable law) by the Authority of any supplemental Resolution amending or supplementing the provisions of this Resolution or upon such later date as may be specified in such supplemental Resolution, (a) this Resolution and the Note shall be modified and amended in accordance with such supplemental Resolution, (b) the respective rights, limitations of rights, obligations, duties and immunities under this Resolution and the Owner of the Note shall thereafter be determined, exercised and enforced under this Resolution subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental Resolution shall be a part of the terms and conditions of the Note and of this Resolution for any and all purposes.

ARTICLE XII

MISCELLANEOUS

Section 12.1. General and Specific Authorizations; Ratification of Prior Actions. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (a) authorizes and directs the Chairman, Finance Director, Secretary, Planning Director and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any of them, in consultation with Special Counsel, the Owner and its counsel shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director the right, power and authority to exercise his independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Note not specifically set forth in this Resolution and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Note. The execution and delivery by the Finance Director or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the actions so taken.

All actions heretofore taken by the Finance Director and all other officers, officials, employees and agents of the Authority, including without limitation the expenditure of funds and the selection, appointment and employment of Special Counsel and financial advisors and agents, in connection with issuance and sale of the Note, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 12.2. Proceedings Constitute Contract; Enforcement Thereof. The provisions of this Resolution shall constitute a contract between the Authority and the Owner and the provisions thereof shall be enforceable by the Owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is presently or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. Such contract is made under and is to be construed in accordance with the laws of the State.

After the issuance and delivery of any Note, this Resolution and any supplemental Resolution shall not be repealable, but shall be subject to modification or amendment to the extent and in the manner provided in this Resolution, but to no greater extent and in no other manner.

Section 12.3. Benefits of Resolution Limited to the Authority and the Owner. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or should be construed to confer upon or give to any person other than the Authority and the Owner of the Note any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Authority and the Owner from time to time of the Note as herein and therein provided.

Section 12.4. No Personal Liability. No officer or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest on the Note. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 12.5. Effect of Saturdays, Sundays and Legal Holidays. Whenever this Resolution requires any action to be taken on a Saturday, Sunday or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Resolution the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 12.6. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Resolution on the part of the City, the Authority or the Registrar to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Resolution and the invalidity thereof shall in no way affect the validity of the other provisions of this Resolution or of the Note, but the Owner of the Note shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 12.7. Law and Place of Enforcement of this Resolution. The Resolution shall be construed and interpreted in accordance with the laws of the State of Nebraska. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State of Nebraska except

to the extent necessary for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Resolution, or remedies under this Resolution.

Section 12.8. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 12.9. Repeal of Inconsistent Resolution. Any Resolution of the City, or the Authority and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 12.10. Publication and Effectiveness of this Resolution. This Resolution shall take effect and be in full force from and after its passage by the Community Redevelopment Authority of the City.

Section 12.11 Authority to Execute Redevelopment Contract and Approve Plan. The Chairman and Secretary are authorized and directed to execute the Redevelopment Contract, in the form presented with such changes as the Chairman, in his discretion deems proper. The Plan is approved and adopted.

PASSED AND ADOPTED: _____, 2016.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA**

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Secretary

RECEIPT OF NOTE

Talon Apartments, Inc., hereby certifies that it has received the Tax Increment Development Revenue Note (Talon Apartments, Inc., Redevelopment Project) Series A pursuant to a Redevelopment Contract dated _____, 2016, issued by the Community Redevelopment Authority of Grand Island, Nebraska, in the amount of \$ _____ (not to exceed \$2,500,000), dated _____, 2016.

Dated: _____, 2016

Talon Apartments, Inc.

President

Community Redevelopment Authority of the City
of Grand Island, Nebraska
Grand Island, NE

Not to Exceed \$2,500,000
Community Redevelopment Authority of the City of Grand Island, Nebraska
Talon Apartments, Inc., Redevelopment Project
Tax Increment Development Revenue Note, Series A

Ladies and Gentlemen,

The undersigned agrees to purchase the Note issued by the Community Redevelopment Authority of the City of Grand Island (the “Issuer”), as specified on the attached Schedule I (the “Note”) and for consideration received, the undersigned (the “Purchaser”) hereby certifies as follows:

1. The Purchaser has based its decision to invest in the Note solely on its own review and negotiation of the documents providing for the issuance of the Note (the “Transaction Documents”) and its own investigation, discussion, review, underwriting credit analysis and related undertakings with respect to the TIF Project.

2. It is understood that the Purchaser has undertaken to verify the accuracy, completeness and truth of any statements made concerning the transaction reflected in the Transaction Documents, including information regarding the business and financial condition of Talon Apartments, Inc. (the “Company”) and the TIF Project, and including, but not limited to, the circumstances under which the Note may be redeemed or defeased prior to its maturity, in whole or in part, and any credit or reinvestments risks associated with redemption or defeasing the Note, underwriting and analyzing the credit of the TIF Project, the Company and the credit risks associated with the sources of payments made on, or with respect to, the Note. The Purchaser has conducted its own investigation of the transaction reflected in the Transaction Documents, including information regarding the business and financial condition of the Company.

3. The Purchaser has met with the Company and/or its designated representatives and has been afforded the opportunity to ask such questions of them as the Purchaser has deemed necessary in making its investment decisions, including, but not limited to, the circumstances under which the Note may be redeemed or defeased, in whole or in part, prior to its maturity, and the credit and investment risks associated with redemption or defeasance of the Note.

4. The Purchaser is familiar with the condition, financial and otherwise, of the Company, and the Company has made available to the Purchaser the opportunity to request and obtain all of the information referred to in the Transaction Documents to evaluate the merits and risks of an investment in the Note.

5. The Purchaser has been offered copies of, or full access to, each of the Transaction Documents and all documents relating to the terms and conditions of the offering and the issuance of the Note (including, but not limited to, information regarding payment, redemption, defeasance and security

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with respect to the Note, and all records, reports, financial statements and other information concerning the TIF Project, the Company and any third parties which is or may be pertinent to the source of payment redemption, defeasance and security for the Note) which, as a sophisticated and reasonable investor, the Purchaser has requested and to which, as a sophisticated and reasonable investor, the Purchaser would attach significance in making investment decisions.

6. The Purchaser is either a) a body politic and corporate and a political subdivision of the State of Nebraska, or b) a financial institution or other “accredited investor” as defined in Rule 501 of Regulation D of the United States Securities Exchange Commission and Section 8-1111(8) of the Securities Act of Nebraska. The Purchaser can bear the economic risk of its investment in the Note and has such knowledge and experience in business and financial matters, including purchase and ownership of municipal and other obligations, and the analysis of purchasing similar speculative, unrated, real-estate secured investments, as to be capable of evaluating the merits and risks of the investment represented by its investment in the Note and is aware of the intended use of the proceeds of the Note and the risks involved therein.

7. The Purchaser is duly and legally authorized to purchase obligations such as the Note and its investment in the Note is a lawful investment for it under all applicable laws.

8. The Note has been purchased for the account of the Purchaser for its own investment with its own unencumbered funds. The Purchaser has not borrowed funds or pledged any collateral (including, but not limited to, the Note) in connection with its purchase of the Note, and the Purchaser has not undertaken, has not agreed to undertake and neither does the Purchaser have the intention of undertaking, any distribution, securitization, hypothecation transfer, resale, pledge, collateralization or any other encumbrance on or disposal of the Note (or any portion thereof or interest therein) (any such action (whether before or after the purchase of the Note by the Purchaser) constituting a “Transfer of Note Interest”). The Purchaser holds, and intends to hold, the Note for its own account and for an indefinite period of time and does not intend to take any action which could constitute a Transfer of Note Interest. The Purchaser understands that any Transfer of Note Interest is restricted pursuant to the terms of this Purchase Letter. The Purchaser is not acting as an “underwriter” within the meaning of that term under federal or Nebraska state laws.

9. The Purchaser acknowledges and represents that it has been advised the Note is not registered under the Securities Act of 1933, as amended (the “1933 Act”), or any federal or state securities agency or commission, and that the Company is not presently required to register under Section 12 of the Securities and Exchange Act of 1934, as amended (the “1934 Act”) and that no trading market now exists for the Note. The Purchaser realizes that if the Purchaser undertakes any Transfer of Note Interest, there may not be available current business and financial information about the Company or the TIF Project. The Purchaser understands that any Transfer of Note Interest is restricted pursuant to the terms of this Purchase Letter, including, but not limited to, the requirement that prior to the date on which any such Transfer of Note Interest is to be completed, the transferee sign a Purchase Letter substantially identical to this Purchase Letter and otherwise in form satisfactory to the Issuer, and each of the conditions in paragraph 14 below shall have been satisfied. Accordingly, the Purchaser understands that it may need to bear risks of investment in the Note for an indefinite period of time since any Transfer of Note Interest prior to the maturity of the Note may not be possible or may be at a price below that which the Purchaser is paying for the Note.

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10. The Purchaser acknowledges that the Note is being purchased in a direct private placement negotiated between the Issuer and the Purchaser in which no broker, dealer or municipal securities dealer has participated and is therefore not subject to any of the requirements of Rule 15c2-12 of the Securities and Exchange Commission requiring the providing of certain information upon issuance and certain additional information on a periodic basis.

11. The Purchaser acknowledges that the principal amount and debt service on the Note has been scheduled based upon estimates and assumptions provided by the Company (which may be optimistic or “best case” estimates or assumptions of the Company not in any respect verified or evaluated by the Issuer), and that such estimates and assumptions may vary materially; that tax increment revenues may be altered or eliminated entirely based upon future decisions of taxing and assessing authorities, the Nebraska Legislature or the voters of the State of Nebraska or by future court decisions, and that the lands within the development may or may not be developed in a manner sufficient to generate incremental tax revenues sufficient to pay debt service on the Note.

12. The Purchaser understands that the purchase price of the Note is in the form of an offset against the grant to the Purchaser provided in Section 3.02 of the Redevelopment Contract by and between the Issuer and the Company dated _____ 2016 (the “Redevelopment Contract”) and that such offset is at the request of the Purchaser.

13. The Purchaser acknowledges the information provided by the Company may contain forward looking statements. These forward looking statements, which in any event are not statements made by, or on behalf of, the Issuer, may involve risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward looking statements.

14. The Purchaser will not undertake any Transfer of Note Interest, except:

(a) in full good-faith compliance with all applicable state and federal securities and banking laws;

(b) with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s) to whom the Transfer of Note Interest is being made by the Purchaser (each, a “Transferee”);

(c) either under effective federal and state registration statements (which the Issuer shall not in any way be obligated to provide) or pursuant to exemptions from such registrations (as reflected in an opinion of nationally recognized securities counsel acceptable to the Issuer);

(d) only in authorized denominations (as defined in the Purchase Letter);

(e) to a Transferee delivering a purchase letter substantially identical to this Purchase Letter and otherwise in form and substance satisfactory to the Issuer;

(f) upon delivery to the Issuer of a certificate in form and substance satisfactory to the Issuer from the Purchaser, in its capacity as transferor, to the effect that, after due inquiry, the Purchaser, in its capacity as transferor, has reason to believe that the representations of the Transferee set forth in its Purchaser Letter are accurate and, in its capacity as transferor, the Purchaser has disclosed to

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the Transferee such information and risks concerning the Note and related security as a reasonable investor would consider material.

15. The Purchaser acknowledges that stop transfer notations may be made on the Note or any other documents evidencing ownership of the Note to the effect that the Note has not been registered under the Securities Act of 1933 or the applicable "Blue Sky" laws and that no Transfer of Note Interest may be undertaken unless the Note is registered thereunder or such Transfer of Note Interest is pursuant to an exemption from such registration (as reflected in an opinion of nationally recognized securities counsel acceptable to the Issuer) and otherwise in accordance with this Purchase Letter.

16. The Purchaser understands that any liability of the Issuer to the Purchaser is limited to the Issuer's interest in the Redevelopment Contract and any security with respect thereto delivered by, or on behalf of, the Company and the Purchaser shall look exclusively thereto for payment on the Note and that no recourse for the payment of any part of the principal of, premium, if any, or interest on the Note or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Note shall be had against the Issuer or any officer, director, member, agent or employee of the Issuer or the City of Grand Island, as such, all such liability being hereby expressly released and waived as a condition of and as a part of the consideration for the issuance of the Note.

17. The Purchaser understands that (a) the Note is not secured by any obligation or pledge of any moneys received or to be received from taxation or from the Issuer or the City of Grand Island or any political subdivision or taxing authority thereof, (b) the Note will never represent or constitute a general obligation, debt, bonded indebtedness or pecuniary obligation of the Issuer, the City of Grand Island or any political subdivision thereof, (c) no right will exist to have taxes levied by the Issuer or the City of Grand Island or any political subdivision thereof for the payment of principal of, premium, if any, or interest on the Note, and (d) the Note is a limited obligation of the Issuer, payable solely out of and secured by income and revenue related to the TIF Project, as pledged pursuant to the Redevelopment Contract.

18. The Purchaser understands that the Note and interest on the Note are not exempt from taxation for purposes of federal and Nebraska State taxation.

Very truly yours,

PURCHASER
Talon Apartments, Inc.

By: _____
President

Talon Apartments

Received and Acknowledged by:

THE COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND ISLAND

Chair

ATTEST:

Secretary

Talon Apartments

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2016, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and Talon Apartments, Inc., a Nebraska corporation ("Redeveloper").

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended (collectively the "Act"), has designated an area within the City as blighted and substandard;

WHEREAS, the Authority has adopted, after approval by the Mayor and Council of the City, that redevelopment plan amendment entitled "Redevelopment Plan Amendment Grand Island CRA Area 19 May 2016" (the "Redevelopment Plan");

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract in order to implement the Redevelopment Plan and provide for the redevelopment of lots and lands located in a blighted and substandard area;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Authority and Redeveloper do hereby covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Contract, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended, and acts amendatory thereof and supplemental thereto.

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"Authority" means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

"City" means the City of Grand Island, Nebraska.

"Governing Body" means the Mayor and City Council of the City.

"Indebtedness" means any notes, loans, and advances of money or other indebtedness, including interest and premium, if any, thereon, incurred by the Authority pursuant to the Resolution and Article III hereof to provide financing for a portion of the Project Costs and secured in whole or in part by TIF Revenues. The Indebtedness as initially issued by the Authority shall consist of the Authority's Tax Increment Development Revenue Note (Talon Apartments, Inc. Development Project), Series A, to be issued in an amount not to exceed \$ _____ in substantially the form set forth on Exhibit C and the various Redevelopment Contract Amendments, and purchased by the Redeveloper as set forth in Section 3.04 of this Redevelopment Contract. Subsequent additional Indebtedness shall be issued from time to time by the Authority as each phase of the Redevelopment Plan is implemented by the installation of additional infrastructure and construction of additional apartments in phases. The additional series of Indebtedness shall be designated as Authority's Tax Increment Development Revenue Note (Talon Apartments, Inc. Development Project), Series ____". The maximum aggregate amount of all series of Indebtedness issued pursuant to this Redevelopment Contract shall not exceed \$4,473,120.00.

"Liquidated Damages Amount" means the amounts to be repaid to Authority by Redeveloper pursuant to Section 6.02 of this Redevelopment Contract.

"Lot" or "Lots" shall mean the separately platted and subdivided lots within the Redevelopment Project Area as shown on Exhibit A-1 attached hereto as platted and subdivided from time to time.

"Owner(s)" means the registered owner or owners of Indebtedness issued by the Authority from time to time outstanding.

"Project" means the improvements to the Redevelopment Project Area, as further described in Exhibit B attached hereto and incorporated herein by reference and, as used herein, shall include the Redevelopment Project Property and additions and improvements thereto.

"Project Cost Certification" means a statement prepared and signed by the Redeveloper verifying the Redeveloper has become legally obligated for, or has paid the Project Costs identified on Exhibit D.

"Project Costs" means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103(12)(a) through (f), of the Act, inclusive, including the providing for such costs by the exercise of the powers set forth in §18-2107(4) of the Act, all as identified on Exhibit D. Project Costs shall include, but not be limited to demolition and rehabilitation expenditures, all improvements related to Project infrastructure costs, lighting, site preparation

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costs, utility extensions, planning costs and costs of the Authority for legal and plan preparation, all as described in Section 3.04 of this Redevelopment Contract.

"Redeveloper" means Talon Apartments, Inc., a Nebraska corporation.

"Redevelopment Project Area" means that certain real property situated in the City of Grand Island, Hall County, Nebraska which has been declared blighted and substandard by the City pursuant to the Act, and which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference. All such legal descriptions are subject to change based upon any re-platting requested by the Redeveloper and approved by the City.

"Redevelopment Project Property" means all of the Redevelopment Project Area which is the site for the improvements constituting the Project, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

"Redevelopment Contract" means this redevelopment contract between the Authority and Redeveloper with respect to the Project.

"Redevelopment Contract Amendment" shall mean an amendment to this Redevelopment Contract, in form and substance acceptable to Authority and which shall include usual and customary representations, executed pursuant to a Redevelopment Contract Amendment Notice delivered by the Redeveloper under Section 3.01 hereof, establishing the legal description of the Lots in such Phase, the effective date, the division date for such Phase and the base year valuation for such Phase, the price for each completed apartment building constructed on such lot and such other provisions as may be deemed necessary by the Authority.

"Redevelopment Plan" means the Redevelopment Plan Amendment (also defined in the recitals hereto) for the Redevelopment Project Area related to the Project, as attached hereto as Exhibit B, prepared by the Authority, approved by the City and adopted by the Authority pursuant to the Act.

"Resolution" means the Resolution of the Authority authorizing the issuance of a series of Indebtedness, as supplemented from time to time, and also approving this Redevelopment Contract and any Redevelopment Contract Amendments.

"TIF Revenues" means incremental ad valorem taxes generated on the Redevelopment Project Property by the Project which are to be allocated to and paid to the Authority pursuant to the Act.

Section 1.02 Construction and Interpretation.

The provisions of this Redevelopment Contract shall be construed and interpreted in accordance with the following provisions:

- (a) Whenever in this Redevelopment Contract it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not

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mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

(b) The phrase "at any time" shall be construed as meaning at any time or from time to time.

(c) The word "including" shall be construed as meaning "including, but not limited to."

(d) The words "will" and "shall" shall each be construed as mandatory.

(e) The words "herein," "hereof," "hereunder", "hereinafter" and words of similar import shall refer to the Redevelopment Contract as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

(f) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

(g) The captions to the sections of this Redevelopment Contract are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

ARTICLE II FINDINGS AND REPRESENTATIONS

Section 2.01 Findings of Authority.

The Authority makes the following findings:

(a) The Authority is a duly organized and validly existing Community Redevelopment Authority under the Act.

(b) The Redevelopment Plan has been duly approved by the City and adopted by the Authority pursuant to Sections 18-2109 through 18-2117 of the Act.

(c) The Authority deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

(d) The Redevelopment Project is expected to achieve the public purposes of the Act by among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Project Area and other purposes set forth in the Act.

(e) (1) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act, and

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(2) Based on representations made by the Redeveloper and information provided to the Authority:

(i) the Project would not be economically feasible without the use of tax-increment financing, and

(ii) the Project would not occur in the Redevelopment Project Area without the use of tax-increment financing.

(f) The Authority has determined that the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the Authority and have been found to be in the long-term best interest of the community impacted by the Project.

(g) The Authority has determined that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development: including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or conditions of blight.

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a Nebraska corporation having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract. Prior to the execution and delivery of this Redevelopment Contract, the Redeveloper has delivered to the Authority a certificate of good standing, a certified copy of the Redeveloper's by-laws and a certified copy of the resolution or resolutions authorizing the execution and delivery of this Redevelopment Contract.

(b) The execution and delivery of this Redevelopment Contract and the consummation of the transactions herein contemplated will not conflict with or constitute a breach of or default under any debenture, note or other evidence of indebtedness or any

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contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Redeveloper contrary to the terms of any instrument or agreement.

(c) There is no litigation pending or to the best of its knowledge threatened against Redeveloper affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Contract or in any other matter materially affecting the ability to Redeveloper to perform its obligations hereunder.

(d) The Project would not be economically feasible without the use of tax increment financing.

(e) The Project would not occur in the Redevelopment Project Area without the use of tax-increment financing.

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution, the Authority hereby provides that any ad valorem tax on any Lot or Lots located in the Redevelopment Project Area identified from time to time by the Redeveloper (such Lot or Lots being referred to herein as a "Phase") as identified in a written notice from the Redeveloper to the Authority in substantially the form attached hereto as Exhibit E (each, a "Redevelopment Contract Amendment Notice") for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract Amendment Notice and reflected in a Redevelopment Contract Amendment, consistent with the Redevelopment Plan. Said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on real property in each Phase which is produced by levy at the rate fixed each year by or for each public body upon the "redevelopment project valuation" (as defined in the Act) of the Lots within such Phase shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That portion of the ad valorem tax on real property in each Phase in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority (designated in the Resolution as the "Bond Fund") to pay the principal of, the interest on, and any premium due in connection with the Indebtedness. When such Indebtedness, including interest and premium due have been paid, the Authority shall so notify the County

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Assessor and County Treasurer and all ad valorem taxes upon real property in such Phase shall be paid into the funds of the respective public bodies.

Provided a Redevelopment Contract Amendment Notice each, a "Redevelopment Contract Amendment Notice" (together with a Redevelopment Contract Amendment in substantially the form attached hereto as Exhibit F) in form satisfactory to the Authority and signed by the Redeveloper, and a proposed form of "Notice to Divide Tax for Community Redevelopment Project", all prepared in accordance with this Redevelopment Contract and the Act is delivered to the Authority no later than July 1 of any year, the Authority shall: (a) execute the Redevelopment Contract Amendment, and (b) file before August 1 of such year a "Notice to Divide Tax for Community Redevelopment Project" for such Phase with the office of the Hall County Treasurer and Hall County Assessor, without requirement of additional hearings or public notice. No Redevelopment Contract Amendment providing for the division of taxes pursuant to this Redevelopment Contract and Section 18-2147 of the Act shall be made after January 1, 2022.

Section 3.02 Issuance of Indebtedness

The Authority shall authorize the issuance of the Indebtedness in one or more series, from time to time, in the form and stated principal amount and bearing interest and being subject to such terms and conditions as are specified in the Resolution(s), this Redevelopment Contract and Redevelopment Contract Amendments; provided, at all times the maximum amount of the Indebtedness shall be limited to the lesser of (i) the stated face amount of the Indebtedness, or (ii) the sum of all Project Costs incurred by the Redeveloper as set forth on Exhibit D. No Indebtedness will be issued until Redeveloper has acquired fee title to the Redevelopment Project Property and become obligated for construction of the additions and improvements forming a part of the Project as described in the Plan.

The Parties intend that the Redevelopment Plan and Redevelopment Project be implemented in Phases as set forth in the Redevelopment Plan. As the Redeveloper incurs Redevelopment Project Costs for a Phase of the Redevelopment Project, the Authority shall issue an additional series of Indebtedness. Provided, however, in all events the Authority shall not issue Indebtedness where the total aggregate of the combined series of Indebtedness exceeds the sum of all Project Costs shown on Exhibit D.

Prior to December 15, 2016, the Authority shall issue the Series A Tax Increment Development Revenue Note, in a maximum principal amount of \$2,500,000 [NOTE, THIS IS THE FIRST OF 2 ANTICIPATED TIF NOTES. THIS NOTE IS TO BE FOR ELIGIBLE COSTS FOR PHASE 1] in substantially the form shown on the attached Exhibit C ("TIF Note"), for net funds available to be purchased by Redeveloper ("TIF Note Purchaser"), in a written form acceptable to Authority's attorney, and receive Note proceeds from the TIF Note Purchaser in said amount. At the option of the Authority, the Authority shall make a grant to Redeveloper in such amount, and such grant shall offset TIF Note Purchaser's obligation to purchase the TIF Note. Subject to the terms of this Agreement and the Resolution, the Authority's Treasurer on behalf of the Authority shall have the authority to determine the timing of issuing the Indebtedness and all the other necessary details of the Indebtedness.

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The Redeveloper agrees to purchase each series of the Indebtedness at a price equal to the principal amount thereof, in a private placement satisfactory to the Authority as to its terms and participants (including any pledgee thereof). Neither the Authority nor the City shall have any obligation to provide for the sale of the Indebtedness. It is the sole responsibility of the Redeveloper to affect the sale of the Indebtedness by purchasing the Indebtedness in accordance with the terms of this Redevelopment Contract and the Resolution. Redeveloper acknowledges that it is its understanding and the Authority's understanding that interest on the Indebtedness will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

Thereafter, additional series of Indebtedness shall be issued pursuant to the terms and conditions of this Section 3.02.

Section 3.03 Pledge of Revenues.

Under the terms of the Resolution, the Authority pledges 100% of the available annual TIF Revenues derived from the Redevelopment Project Property as security for and to provide payment of the Indebtedness as the same fall due (including payment of any mandatory redemption amounts set for the Indebtedness in accordance with the terms of the Resolution).

Section 3.04 Purchase and Pledge of Indebtedness/Grant of Net Proceeds of Indebtedness.

The Redeveloper has agreed to purchase the Indebtedness and each additional series of Indebtedness from the Authority for a price equal to the principal amount thereof, payable as provided in Section 3.02 and this Section 3.04. The Redevelopment Plan provides for the Redeveloper to receive a grant under this Redevelopment Contract and Redevelopment Contract Amendments. In accordance with the terms of the Redevelopment Plan the Redeveloper is to receive a grant sufficient to pay the costs of site acquisition, demolition and rehabilitation expenditures, all improvements related to Project infrastructure costs, site preparation costs, utility extensions, lighting, sidewalks, planning and costs of the Authority for legal and plan preparation including those items described on Exhibit D (the "Project Costs"), in the aggregate maximum amount for all series of Indebtedness, not to exceed \$4,473,120.00. Notwithstanding the foregoing, the aggregate amount of the Indebtedness and the grant shall not exceed the amount of Project Costs as certified pursuant to Section 4.02 of this Redevelopment Contract. Such grant(s) shall be made to the Redeveloper upon certification of Project Costs as set forth herein and in the Resolution, and payment purchase of the Indebtedness as provided in Section 3.02, unless Redeveloper elects to offset the payment of the purchase of the Indebtedness with the grant proceeds as provided herein and in the Resolution. The Authority shall have no obligation to provide grant funds from any source other than as set forth in the Resolution and this Redevelopment Contract.

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Section 3.05 Creation of Funds.

In the Resolution, the Authority has provided for the creation of the following funds and accounts which funds shall be held by the Authority separate and apart from all other funds and moneys of the Authority and the City for each series of Indebtedness issued:

(a) a special trust fund called the “Talon Apartments, Inc., Redevelopment Project Note Fund Series ____” (the “Note Fund”). All of the TIF Revenues shall be deposited into the Note Fund. The TIF Revenues accumulated in the Note Fund shall be used and applied on the Business Day prior to each Interest Payment Date (i) to make any payments to the City or the Authority as may be required under the Redevelopment Contract and (ii) to pay principal of or interest on the Note to the extent of any money then remaining the Note Fund on such Interest Payment Date. Money in the Note Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received through and including December 31, of the year prior to the 15th anniversary of the division date of taxes pursuant to §18-2147 of the Act, as to each Phase shall be used solely for the payments required herein and by the Resolution; and

(b) a special trust fund called the “Talon Apartments, Inc., Redevelopment Project Fund Series ____” (the “Project Fund”) The Authority shall disburse any money on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the Project Costs in each case within 5 Business Days after completion of the steps set forth herein and in the Resolution. If a sufficient amount to pay a properly completed Disbursement Request (as defined in Section 4.02) is not in the Project Fund at the time of the receipt by the Authority of such request, the Authority shall notify the owner of the Note and such owner may deposit an amount sufficient to pay such request with the Authority for such payment. As set forth in the Resolution, if the Redeveloper is the owner of the Note and the Redeveloper so elects, the Authority shall make a grant to Redeveloper in the amount of an approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Note.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Note; Insurance.

(a) Redeveloper will acquire the Project, demolish and rehabilitate structures on the site, prepare the site for redevelopment, install all required utilities and improvements in the public right-of-way in accordance with the plans and specifications provided to the Authority. Redeveloper will coordinate with the City for the City’s design and construction required for the installation of all public infrastructure improvements and public right-of-way improvements. The Redeveloper shall provide and pay for all such public infrastructure installation.

Redeveloper shall pay for the costs of site acquisition, site preparation, demolition and rehabilitation, utility extension, planning, lighting, sidewalks, infrastructure and costs of the Authority as set forth on Exhibit D, from the grant(s) provided in Section 3.04 hereof.

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Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of each Phase of the Project. Such reports shall include actual expenditures incurred as described on Exhibit D.

(b) Any general contractor chosen by the Redeveloper shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations and a penal bond as required by the Act or as is otherwise required by law. The City, the Authority and the Redeveloper shall be named as additional insureds. Any contractor chosen by the Redeveloper or the Redeveloper itself, as owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof on each Phase of the Project. This insurance shall insure against the perils of fire and extended coverage and shall include "All Risk" insurance for physical loss or damage. The contractor with respect to any specific contract or the Redeveloper shall also carry insurance on all stored materials. The contractor or the Redeveloper, as the case may be, shall furnish the Authority and the City with a Certificate of Insurance evidencing policies as required above. Such certificates shall state that the insurance companies shall give the Authority prior written notice in the event of cancellation of or material change in any of any of the policies.

(c) Notwithstanding any provision herein to the contrary, in the event Redeveloper has not acquired fee simple title to the Redevelopment Project Area on or before December 1, 2016, this Redevelopment Contract shall be null and void and of no force or effect effective as of the date of execution hereof, and neither party shall have any liability or obligation to the other party with respect hereto.

(d) The Redeveloper shall provide a payment and performance bond from a bond company doing business in the state of Nebraska in the total amount of all Redevelopment Project Costs or such other amount as shall be approved by the Authority for each Phase of the Project. The City and Authority shall be named as beneficiaries under such bond.

Section 4.02 Cost Certification & Disbursement of Note Proceeds.

Proceeds of for each series of a Note may be advanced and disbursed in the manner set forth below:

(a) There shall be submitted to the Authority a grant disbursement request (the "Disbursement Request"), executed by the Director of the City's Planning Department and an authorized representative of the Redeveloper, (i) certifying that a portion a Phase of the Project has been substantially completed and (ii) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(b) If the costs requested for reimbursement under the Disbursement Request are currently reimbursable under Exhibit D of this Redevelopment Contract and the Community

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Redevelopment Law, the Authority shall evidence such allocation in writing and inform the owner of the Note of any amounts allocated to the Note.

(c) Upon notification from the Authority as described in Section 4.02(b), deposits to the accounts in the Project Fund may be made from time to time from funds received by the Authority from the owner of the Note (if other than the Redeveloper) in the amounts necessary to pay amounts requested in properly completed, signed and approved written Disbursement Requests as described herein. Such amounts shall be proceeds of the Note and the Treasurer of the Authority shall inform the Registrar (as defined in the Note Resolution) in writing of the date and amount of such deposits. At the option of the Redeveloper, if the Redeveloper is the owner of the Note, the Authority shall make a grant to Redeveloper in the amount of the approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Note. The Registrar shall keep and maintain a record of the amounts deposited into the Project Fund from Note proceeds pursuant to the terms of this Resolution as "Principal Amount Advanced" and shall enter the aggregate principal amount then Outstanding as the "Cumulative Outstanding Principal Amount" on its records maintained for the Note. The aggregate amount deposited into all Project Funds from proceeds of all series of Indebtedness shall not exceed \$4,473,120.

Section 4.03 No Discrimination.

Redeveloper agrees and covenants for itself its successors and assigns that it will not discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Project. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Project.

Section 4.04 Assignment or Conveyance.

This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Authority. Such consent shall not be unreasonably withheld. Redeveloper agrees that it shall not convey any Lot or any portion thereof or any structures thereon to any person or entity that would be exempt from payment of real estate taxes, and that it will not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any Lot.

Section 4.05 Payment of Authority Costs.

Redeveloper shall pay to the Authority the following sums upon execution hereof:

- a. \$8,500 for legal expenses of Authority
- b. \$1,000 for City and Authority administrative accounting of incremental tax payments.

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ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing

Redeveloper shall pay all costs related to the redevelopment of the Redevelopment Project Area and the Redevelopment Project Property which are in excess of the amounts paid from the proceeds of the grant provided from the proceeds of the Indebtedness and granted to Redeveloper. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project.

ARTICLE VI
DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations. The Redeveloper hereby acknowledges and agrees that the Authority shall have completed its required performances and satisfied all of its obligations under this Redevelopment Contract upon the issuance of the Indebtedness and the subsequent payment of grant amounts to the Redeveloper as set forth in Article III hereof and by complying with the obligations of all Redevelopment Contract Amendments.

Section 6.02 Additional Remedies of Authority

In the event that (each such event an "event of default"):

(a) the Redeveloper, or its successor in interest, shall fail to commence the construction of the improvements included in the Project Costs on or before December 1, 2016, or shall abandon construction work related to the Project Costs, once commenced, for any period of 180 days, excepting delays caused by inclement weather;

(b) the Redeveloper, shall fail to pay real estate taxes or assessments on the Redevelopment Project Property owned by the Redeveloper or any part thereof when due; and

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(c) there is a violation of any other provision of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 90 days following written notice from Authority, then the Redeveloper shall be in default of this Redevelopment Contract.

In the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree that the damages caused to the Authority would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the amount of the grant to Redeveloper pursuant to Section 3.04 of this Redevelopment Contract, less any reductions in the principal amount of the Indebtedness, plus interest on such amounts as provided herein (the "**Liquidated Damages Amount**"). Upon the occurrence of an event of default, the Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority given to the Redeveloper.

Interest shall accrue on the Liquidated Damages Amount at the rate of three percent (3%) per annum and interest shall commence from the date that the Authority gives notice to the Redeveloper demanding payment.

Payment of the Liquidated Damages Amount shall not relieve Redeveloper of its obligation to pay real estate taxes or assessments with respect to the Redevelopment Project Property and the Project.

Redeveloper, on or before contracting for work included within the Project Costs, shall furnish to the Authority copies of labor and materials payment bonds and performance bonds for each contract entered into by Redeveloper related to Project Costs. Each such bond shall show the Authority and the City as well as the Redeveloper as beneficiary of any such bond, as and to the extent commercially obtainable (as determined in the discretion of the Authority). In addition, the Redeveloper shall provide a penal bond with good and sufficient surety to be approved by the Authority, conditioned that the Redeveloper shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing to any contractor or his or her subcontractors (for each contract entered into by Redeveloper related to Project Costs) with labor or materials performed or used in the prosecution of the work provided for in such contract, and will indemnify and save harmless the Authority to the extent of any payments in connection with the carrying out of such contracts which the Authority may be required to make under the law.

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event the Redeveloper fails to perform any other provisions of this Redevelopment Contract (other than those specific provisions contained in Section 6.02), the Redeveloper shall be in default. In such an instance, the Authority may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this Redevelopment Contract or by applicable law; provided, however, that any defaults covered by this Section shall not give rise to a right or rescission on termination of this Redevelopment Contract, and shall not be covered by the Liquidated Damages Amount.

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Section 6.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Authority nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area or any part thereof for redevelopment, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Authority or of the Redeveloper with respect to construction of the Project, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the City, the Authority, nor their respective elected officials, officers, directors, appointed officials, employees, attorneys, agents nor their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be the issuance of the Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, and full compliance with the terms specifically set forth Article III hereof and payment of TIF Revenues pledged pursuant to the Resolution. The Redeveloper releases the City and Authority from, agrees that neither the City nor Authority shall be liable for, and agrees to indemnify and hold the City and Authority harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the City and Authority and their respective elected officials, directors, officers, appointed officials, attorneys, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, excluding litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about that portion of the Project owned by the Redeveloper, during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, related to activities of the Redeveloper or its agents during the construction of the public infrastructure or public right of ways in the Project.

Talon Apartments

ARTICLE VII
MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract may be recorded in the office of the Register of Deeds of Hall County, Nebraska.

Section 7.02 Governing Law.

This Redevelopment Contract shall be governed by the laws of the State of Nebraska, including but not limited to the Act.

Section 7.03 Binding Effect: Amendment, Assignment.

This Redevelopment Contract shall be binding on the parties hereto and their respective successors and assigns. The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound. The Redeveloper may assign its rights and obligations to a controlled entity which shall be bound by all the terms hereof.

Section 7.04 Effective Date and Implementation of Redevelopment Contract.

This Agreement is in full force and effect from and after the date of execution hereof by both the Redeveloper and the Authority.

Section 7.05 Notices to Parties.

Notices to Parties shall be mailed by U. S. Mail to the following addresses:

Redeveloper:

Talon Apartments, Inc.

1201 Allen Drive #240

Grand Island, NE 68803

Authority and City:

Director

Grand Island Community Redevelopment Authority

Hall County Regional Planning Department

100 E 1st Street

P.O. Box 1968

Grand Island, NE 68802

Talon Apartments

IN WITNESS WHEREOF, City and Redeveloper have signed this Redevelopment Contract as of the date and year first above written.

ATTEST:

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day _____ of 2016, by _____ and _____, Chairman and Secretary, respectively, of the Community Redevelopment Authority of the City of Grand Island, Nebraska, on behalf of the Authority.

Notary Public

Talon Apartments

Talon Apartments, Inc.

By: _____
President

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____, President of Talon Apartments, Inc., on behalf of the corporation.

Notary Public

Talon Apartments

EXHIBIT A
DESCRIPTION OF REDEVELOPMENT AREA

Lot 3 of Vanosdall Second Subdivision in the City of Grand Island, Hall County, Nebraska, as
reflected in any subsequent plat or replat.

Talon Apartments

EXHIBIT A-1
[attach plat of subdivision showing lots]

Talon Apartments

EXHIBIT B
REDEVELOPMENT PLAN

[Attach copy of Redevelopment Plan Amendment]

Talon Apartments

EXHIBIT C

(FORM OF NOTE)

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

TAX INCREMENT DEVELOPMENT REVENUE NOTE
(TALON APARTMENTS, INC. REDEVELOPMENT PROJECT), SERIES A

No. R-1

Up to \$
(subject to reduction as described herein)

Date of
Original Issue

Date of
Maturity

Rate of
Interest

December 31, 2031

0.0%

REGISTERED OWNER: Talon Apartments, Inc.

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE NOTE SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA has caused this Note to be signed by the manual signature of the Chairman of the Authority, countersigned by the manual signature of the Secretary of the Authority, and the City's corporate seal imprinted hereon.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

[S E A L]

By: _____
Chairman

Talon Apartments

By: _____
Secretary

The **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the “**Registrar**”), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on June 1 and December 1 of each year until payment in full of such Principal Amount, beginning June 1, 2018, by check or draft mailed to the Registered Owner hereof as shown on the Note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner’s address as it appears on such Note registration books. The principal of this Note and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____ 2016, as from time to time amended and supplemented (the “**Resolution**”).

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS NOTE IS \$_____.

This Note is a special limited obligation of the Authority payable as to principal and interest solely from and is secured solely by the Revenue (as defined in the Resolution) and certain other money, funds and securities pledged under the Resolution, all on the terms and conditions set forth in the Resolution. The Revenue represents that portion of ad valorem taxes levied by public bodies of the State of Nebraska, including the City, on real property in the Project Area (as defined in this Resolution) which is in excess of that portion of such ad valorem taxes produced by the levy at the rate fixed each year by or for each such public body upon the valuation of the Project Area as of a certain date and as has been certified by the County Assessor of Hall County, Nebraska to the City in accordance with law.

Talon Apartments

Reference is hereby made to the Resolution for the provisions, among others, with respect to the collection and disposition of certain tax and other revenues, the special funds charged with and pledged to the payment of the principal of and interest on this Note, the nature and extent of the security thereby created, the terms and conditions under which this Note has been issued, the rights and remedies of the Registered Owner of this Note, and the rights, duties, immunities and obligations of the City and the Authority. By the acceptance of this Note, the Registered Owner assents to all of the provisions of the Resolution.

The principal of and interest hereon shall not be payable from the general funds of the City nor the Authority nor shall this Note constitute a legal or equitable pledge, charge, lien, security interest or encumbrance upon any of the property or upon any of the income, receipts, or money and securities of the City or the Authority or of any other party other than those specifically pledged under the Resolution. This Note is not a debt of the City or the Authority within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City or the Authority, and does not impose any general liability upon the City or the Authority and neither the City nor the Authority shall be liable for the payment hereof out of any funds of the City or the Authority other than the Revenues and other funds pledged under the Resolution, which Revenues and other funds have been and hereby are pledged to the punctual payment of the principal of and interest on this Note in accordance with the provisions of this Resolution.

The Registered Owner may from time to time enter the respective amounts advanced pursuant to the terms of the Resolution under the column headed "Principal Amount Advanced" on **Schedule 1** hereto (the "**Table**") and may enter the aggregate principal amount of this Note then outstanding under the column headed "Cumulative Outstanding Principal Amount" on the Table. On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the Registered Owner pursuant to the redemption provisions of the Resolution, the Registered Owner may enter the principal amount paid on this Note under the column headed "Principal Amount Redeemed" on the Table and may enter the then outstanding principal amount of this Note under the column headed "Cumulative Outstanding Principal Amount" on the Table. Notwithstanding the foregoing, the records maintained by the Trustee as to the principal amount issued and principal amounts paid on this Note shall be the official records of the Cumulative Outstanding Principal Amount of this Note for all purposes.

Reference is hereby made to the Resolution, a copy of which is on file in the office of the City Clerk, and to all of the provisions of which each Owner of this Note by its acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for this Note; the Revenue and other money and securities pledged to the payment of the principal of and interest on this Note; the nature and extent and manner of enforcement of the pledge; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Owner of this Note; the rights, duties and obligations of the Authority and the Registrar thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Note, and this Note thereafter no longer be secured by the Resolution or be deemed to be outstanding thereunder, if money or certain specified securities shall have been deposited with the Registrar sufficient and held in trust solely for the payment hereof; and for the other terms and provisions

Talon Apartments

thereof.

This Note is subject to redemption prior to maturity, at the option of the Authority, in whole or in part at any time at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest on such principal amount to the date fixed for redemption. Reference is hereby made to the Resolution for a description of the redemption procedures and the notice requirements pertaining thereto.

In the event this Note is called for prior redemption, notice of such redemption shall be given by first-class mail to the Registered Owner hereof at its address as shown on the registration books maintained by the Registrar not less than 10 days prior to the date fixed for redemption, unless waived by the Registered Owner hereof. If this Note, or any portion thereof, shall have been duly called for redemption and notice of such redemption duly given as provided, then upon such redemption date the portion of this Note so redeemed shall become due and payable and if money for the payment of the portion of the Note so redeemed and the accrued interest thereon to the date fixed for redemption shall be held for the purpose of such payment by the Registrar, interest shall cease to accrue and become payable hereon from and after the redemption date.

This Note is transferable by the Registered Owner hereof in person or by its attorney or legal representative duly authorized in writing at the principal office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of the same series and maturity and for the same principal amount will be issued to the transferee in exchange therefor. The Authority and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal of and interest due hereon and for all other purposes.

This Note is being issued as fully a registered Note without coupons. This Note is subject to exchange as provided in the Resolution.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note have happened, do exist and have been performed in regular and due time, form and manner; that this Note does not exceed any constitutional, statutory or charter limitation on indebtedness; and that provision has been made for the payment of the principal of and interest on this Note as provided in this Resolution.

[The remainder of this page intentionally left blank]

Talon Apartments

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ agent to transfer the within Note on the Note register kept by the Registrar for
the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment
must correspond with the name of the
Registered Owner as it appears upon the
face of the within Note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as
defined by SEC Rule 17 Ad-15 (17 CFR
240.17 Ad-15)

By: _____
Title: _____

[The remainder of this page intentionally left blank]

Talon Apartments

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
TALON APARTMENTS, INC. REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES A**

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

Talon Apartments

Exhibit D
Project Costs

Redevelopment Project Costs

1. [to be determined]

NOT TO EXCEED \$4,473,120.00

Talon Apartments

Exhibit E

REDEVELOPMENT CONTRACT AMENDMENT NOTICE

Notice is hereby given by Talon Apartments, LLC, ("Redeveloper") to the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to Section 3.01 of that certain Redevelopment Contract between Redeveloper and Authority dated _____, 2016 as follows:

Amendment: Redeveloper hereby presents to Authority a proposed amendment to the Redevelopment Contract ("Redevelopment Contract Amendment"), which is attached hereto and incorporated herein by this reference.

Notice: As required in the Redevelopment Contract, Redeveloper hereby gives notice to Authority of the following information related to such Redevelopment Contract Amendment (capitalized terms used herein and not defined have the same meaning as set forth in the Redevelopment Contract):

(a) The Redevelopment Contract Amendment incorporates a new Phase to the Project which shall include the following Lot(s) in the Redevelopment Project Area:

[identification of such Lot(s) including the legal description of each]

(b) The effective date of the Redevelopment Contract Amendment shall be _____, 20____.

(c) The division date for the applicable Phase shall be _____, 20____; and a proposed form of Notice of Division is attached hereto and incorporated herein by this reference.

(d) The base year valuation for such Phase shall be 20____.

Dated _____, 20__

Talon Apartments, Inc.

By _____
President

Talon Apartments

EXHIBIT F

AMENDMENT TO REDEVELOPMENT CONTRACT

Amendment No. ____

This Amendment to Redevelopment Contract (this "Amendment") is made and entered into as of the ____ day of _____, 20____, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and Talon Apartments, Inc., a Nebraska corporation ("Redeveloper").

RECITALS

WHEREAS, Authority and Redeveloper entered into a Redevelopment Contract, dated as of _____, 2016 (the "Contract");

WHEREAS, the Contract intended to implement the redevelopment plan entitled "Redevelopment Plan Amendment Grand Island CRA Area 19 May, 2016", (the "Redevelopment Plan") to provide for the redevelopment of lots and lands located in a blighted and substandard area of the City of Grand Island, Nebraska (the "City");

WHEREAS, in order to assist in the financing of the Redevelopment Project described in the Redevelopment Plan, the Contract provides for periodic amendments thereto; and

WHEREAS, pursuant to Section 3.01 of the Contract the parties desire to amend the Contract on the terms set forth herein and this Amendment shall constitute a "Redevelopment Contract Amendment" as defined in the Contract.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Authority and Redeveloper do hereby agree to amend the Contract as follows:

1. Definitions. All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Contract.

2. Amendment – New Phase. This Amendment incorporates a new Phase to the Project entitled [Phase No. ____].

(a) Lots. This new Phase shall include all of Lots in the Redevelopment Project Area for which a building permit has been issued by the City during the calendar year prior to the Effective Date described in Section 2 (b) hereof, which lots are described as follows:

[identification of such Lot(s) including the legal description of each]

(b) Effective Date. The effective date of the Amendment shall be January 1, 20____. [The effective date shall be the January 1st of the year following the issuance of a building permit for an apartment building to be constructed on a Lot described in Section

Talon Apartments

2 (a) hereof.]

(c) Division Date. The Division Date (the "Division Date") shall mean the effective date for purposes of dividing taxes pursuant to Section 18-2147 of the Nebraska Community Development Law. The Division Date for the applicable Phase shall be January 1, 20___; and a proposed form of the "Notice to Divide Tax for Community Redevelopment Project" applicable to such Phase is attached hereto as Exhibit A and incorporated herein by this reference. [The Division Date shall be the January 1st of the year following the issuance of a building permit for an apartment building to be constructed on a Lot described in Section 2 (a) hereof.] For purposes of the Notice to Divide Tax for Community Redevelopment Project, the calendar year in which the division of real property tax becomes effective shall be the year of the Division Date.

(d) Base Value Year. The base value year for such Phase shall be 20___. [The Base Value Year, shall mean the calendar year prior to the Division Date described in Section 2 (c) hereof.] For purposes of the Notice to Divide Tax for Community Redevelopment Project, the Base value Year shall be the year defined in this Section 2 (d).

3. Requirement to File Notice to Divide Tax for Community Redevelopment Project. The Authority shall execute and file with the Hall County Assessor and Treasurer a signed original of Exhibit A, attached hereto, being the Notice to Divide Tax for Community Redevelopment Project, prior to August 1, 20___. [This date shall be the August 1 following the Division Date described in Section 2 (c) hereof.]

4. Miscellaneous Provisions.

(a) Effectiveness. This Amendment shall become effective when and only when counterparts of this Amendment have been duly executed by both Authority and Redeveloper.

(b) Ratification of Contract. Except as amended by this Amendment, the Contract shall remain in full force and effect and is hereby ratified and confirmed in all respects. Each party acknowledges and agrees to all terms of the Contract, as the same are amended by this Amendment, and makes and restates each representation and warranty set forth therein as if made on the date of this Amendment.

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EXHIBIT A

Notice to Divide Tax for Community Redevelopment Project

[TO BE ATTACHED]

Talon Apartments



Community Redevelopment Authority (CRA)

**Wednesday, July 13, 2016
Regular Meeting**

Item H2

TIF App - Prataria Ventures, LLC

Staff Contact: Chad Nabity



Community Redevelopment Authority (CRA)

BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST JUNE 8, 2016

PROJECT REDEVELOPER INFORMATION

Business Name: Prataria Ventures, LLC

A wholly owned limited liability company of Chief Industries, Inc.

Address: 3942 W Old Highway 30
Grand Island, NE 68803

P.O. Box 2078
Grand Island, NE 68802

Telephone Number: 308-389-7200

Fax Number: 308-389-7352

Contact: Roger Bullington, P. E.
308-389-7288
roger.bullington@chiefind.com

Brief Description of Applicant's Business:

Prataria Ventures is the development business unit of Chief Industries. This entity provides development services for projects. Prataria holds the real estate holding for potential real estate and development investments, and is a premier real estate developer in the Midwest providing innovative and progressive developments through public and private partnerships. Our development portfolio includes projects for private and public/private institutions as well as for our own use. Our projects range from small properties to expansive developments throughout diverse communities from small towns to metropolitan communities.

Chief Industries, Inc. is a diverse company headquartered in Grand Island. Founded in 1954, Chief has been a community leader in Grand Island and Central Nebraska and is a privately owned entity.

Present Ownership Proposed Project Site:

Prataria Ventures, LLC
c/o Chief Industries, Inc.
P.O. Box 2078
Grand Island, NE 68802

Proposed Project: Building square footage, size of property, description of buildings - materials, etc. Attach site plan, if available.

Building square footage: Total 319,865

Size of property: Phase 1, 35 Acres

Description of buildings:

Prataria owns a 96 acre parcel of land that includes a farm homestead, farmland and pasture land. This is a generational development opportunity which sits at the front door of Grand Island. Prataria proposes to develop this parcel in four separate phases. The first phase will be on 35 acres that will include a hospital, medical office building and a hotel.

The hospital is approximately 172,000 square feet and will be designed for potential future expansion horizontally and vertically. The initial 4 story bed tower will be comprised of 64 patient rooms and will be designed for two additional floors for future growth. The structure is designed utilizing conventional steel framing, with the exterior being a combination of precast panels, metal panels, curtainwall and storefront glass features.

The Medical Office Building will be a three story structure totaling 66,000 square feet. It will also be a conventional steel framed structure with the same exterior materials and features as the hospital. Thus, creating a campus feel with complimentary architectural design features. It will be attached to the hospital structure, allowing patient and visitors ease of accessing both facilities.

The hotel is also planned to be attached to the medical office building and the hospital. The hotel will be a select-service hotel that includes approximately 103 beds and will be about 81,500 square feet. The select service hotels offer a selection of services and amenities characterized by a full-service hotel property at a value-added price point. The hotel will offer about 7,000 square feet of conference/meeting space.

Additional phases will be forthcoming.

If Property is to be Subdivided, Show Division Planned:

See conceptual plan submitted. Actual preliminary plat to be determined in near future.
See Exhibit A

VI. Estimated Project Cost

Acquisition Costs:

A. Land

\$ 2,070,000

B. Building

\$0

Construction Costs:

A. Renovation or Building Costs

\$91,175,000

B. On-Site Improvements

\$13,456,849

Soft Costs:

A. Architectural & Engineering Fees:

\$ 6,600,111

B. Financing Fees:

\$4,430,000

C. Legal/Developer/Audit Fees:

\$3,394,641

D. Contingency Reserves:

\$4,896,256

E. Other (Please Specify)

\$0

Total: \$126,022,857

Total Estimated Value at Completion:

\$95,710,857

Source of Financing:

A. Developer Equity

\$21,509,143

B. Commercial Bank Loan:

\$75,613,714

Tax Credits:

1. N.I.F.A

\$0

2. Historic Tax Credits

\$0

D. Industrial Revenue Bonds:

\$0

E. Tax Increment Assistance:

\$28,900,000

F. Other:

\$0

Name, Address, Phone & Fax Numbers of Architect, Engineer and General Contractor:

Architect

Name: HDR
Phone: 402-399-1000
Fax Number: 402-392-6713
Address: 8404 Indian Hills Drive
Omaha, NE 68114

Engineer

Name: Olsson Associates
Phone: 308-384-8750
Fax Number: 308-384-8752
Address: 201 E. 2nd Street
Grand Island, NE 68801

General Contractor

Name: Chief Construction
Phone: 308-389-7222
Fax Number: 308-389-7393
Address: 2107 S. North Road
Grand Island, NE 68803

Estimated Real Estate Taxes on Project Site Upon Completion of the Project:

(Please Show Calculations)

Please See Exhibit B

Project Construction Schedule:

Construction Start Date

Phase 1: September 2016

Construction Completion Date

Phase 1: Fall 2018

If Phased Project:

Year Complete	%
---------------	---

Year Complete	%
---------------	---

This will be a phased project with phase one comprised of a healthcare/hospitality component and the site/utility work necessary for the development project. Three additional phases are planned and the times and sequencing of each respective phase will be dependent on market conditions. These phases may include a substantial retail component, multi-family/senior housing and an office component.

XII. Please Attach Construction Pro Forma

Due to confidential nature of the projects, construction proforma available for discussion.

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

Due to confidential nature of the projects, proforma available for discussion.

PROJECT REDEVELOPER INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is Requested:

28,900,000 dollars of tax increment financing is being requested to assist in the site preparation, demolition, utilities, construction costs and other necessary site preparation and development expenditures. This is a green field site that will need complete site work done before it is ready for any construction to commence. The TIF funds will enable project completion of phase 1, which will result in a vast improvement to the economic condition of the land and become a tax generating entity for the city of Grand Island. The opportunity to continue development in south Grand Island down corridor 281 towards the interstate has been a key objective for the city. This development will kick off this growth and be the catalyst for future developments. Between the hospital, MOB and hotel, significant personal property tax and sales tax will be generated due to extensive equipment purchases. This site will not only generate additional taxes for the city, but it will provide ample employment opportunities, healthcare alternatives and quality of life features. This site has significant elevation and utility challenges, which take a substantial investment to overcome. Without TIF assistance, this location will not be developed in this manner and the healthcare and hospitality projects will not be built.

Statement Identifying Financial Gap and necessity for use of Tax Increment Financing for Proposed Project:

The proposed site work and construction costs will result in an overall improvement to the area and allow for additional medical goods and services, employment opportunities, medical office space and a hospitality/conference area. Tax increment financing is an integral and essential component to the project completion which is contingent upon receipt of the expected tax increment assistance. Feasibility is dependent upon TIF funds that will enable the creation of adequate economics to make the necessary site improvements, utility extensions and new construction costs at a competitive rate in the area.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

Green Line Redevelopment

Current site of the Chief Construction Campus and Christensen Concrete.

Contact:

David Ostdiek
Chief Industries
Phone: 308-389-7246
Fax: 308-389-7352

Aurora Co-Op Redevelopment

Current site of Goodwill Industries Warehouse and Chief Fabrication.

Contact:

David Ostdiek
Chief Industries
Phone: 308-389-7246
Fax: 308-389-7352

Contact:

Chad Nabity
Regional Planning Department
Phone: 308-385-5444 ext. 210

Lincoln West Haymarket Phase 1 & Phase 2

Includes Canopy Lofts, The Railyard, The Hobson Place and the Hyatt hotel.

Contact:

Hallie Salem
Lincoln NE Urban Development
Department
Phone: 402-441-7864
Fax: 402-441-8711

Contact:

David Landis
Lincoln NE Urban Development
Department
Phone: 402-441-7864
Fax: 402-441-8711

Contact:

Mayor Chris Beutler
Mayor of Lincoln, NE
Phone: 402-441-7511
Fax: 402-441-7120

Hastings City Block Development

Includes conference link, hotel, student housing, medical office space, office space and mixed use.

Contact:

Dave Rippe
Hastings Economic Development
Corporation
Phone: 402-461-8403
Fax: 402-461-4400

Contact:

Mayor Vern Powers
Mayor of Hastings, NE
Phone: 402-461-2317
Fax: 402-461-2323

Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

To be provided.

Exhibit A



Exhibit B

**Chief Industries, Inc.
Tax Increment Financing Request
Estimated Real Estate on Project Site**

Existing Assessed Value and Real Estate Tax on Project Site

Total Investment:	\$112,601,008
Property Tax Basis:	\$339,997
Total Increment Created (Investment- Current Value) :	\$112,261,011
Assessed Tax Base	85.00%
Total Value :	\$95,421,859
 Tax Rate	 2.1123338%
Number of Payments (Years)	 15
 Increased Property Tax Revenue	 \$2,015,628
Current Property Tax Revenue	\$7,182
<hr/>	
Total Estimated Tax Bill	\$2,022,810
 Allowable TIF Assistance	 \$30,234,423
Requested TIF Assistance	\$28,900,000

Project TIF Eligible Expenses

Item	Cost
Permits	\$425,000
MOB Façade Upcharge	\$409,016
Hotel Façade Upcharge	\$356,832
Hospital Façade Upcharge	\$915,031
Hospital Site Paving	\$2,188,000
Hotel site paving	\$750,000
MOB Site paving	\$1,100,000
Hotel Conference Center	\$1,225,000
Legal Fees	\$100,000
Structural Demolition of homestead	\$60,000
Master Planning (West Development) Costs	\$39,500
Housing Study	\$12,000
Hotel Study	\$7,600
Architecture/Engineering/Survey/ Planning	\$7,356,011
Roads, sanitary/storm sewer, water, highway(OA Estimate)	\$12,821,849
Development Signage	\$350,000
Detention/Water Feature	\$795,000
Summary Total	\$28,910,839

**Redevelopment Plan Amendment
Grand Island CRA Area 17
June 2016**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 17 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 17.

Executive Summary:

Project Description

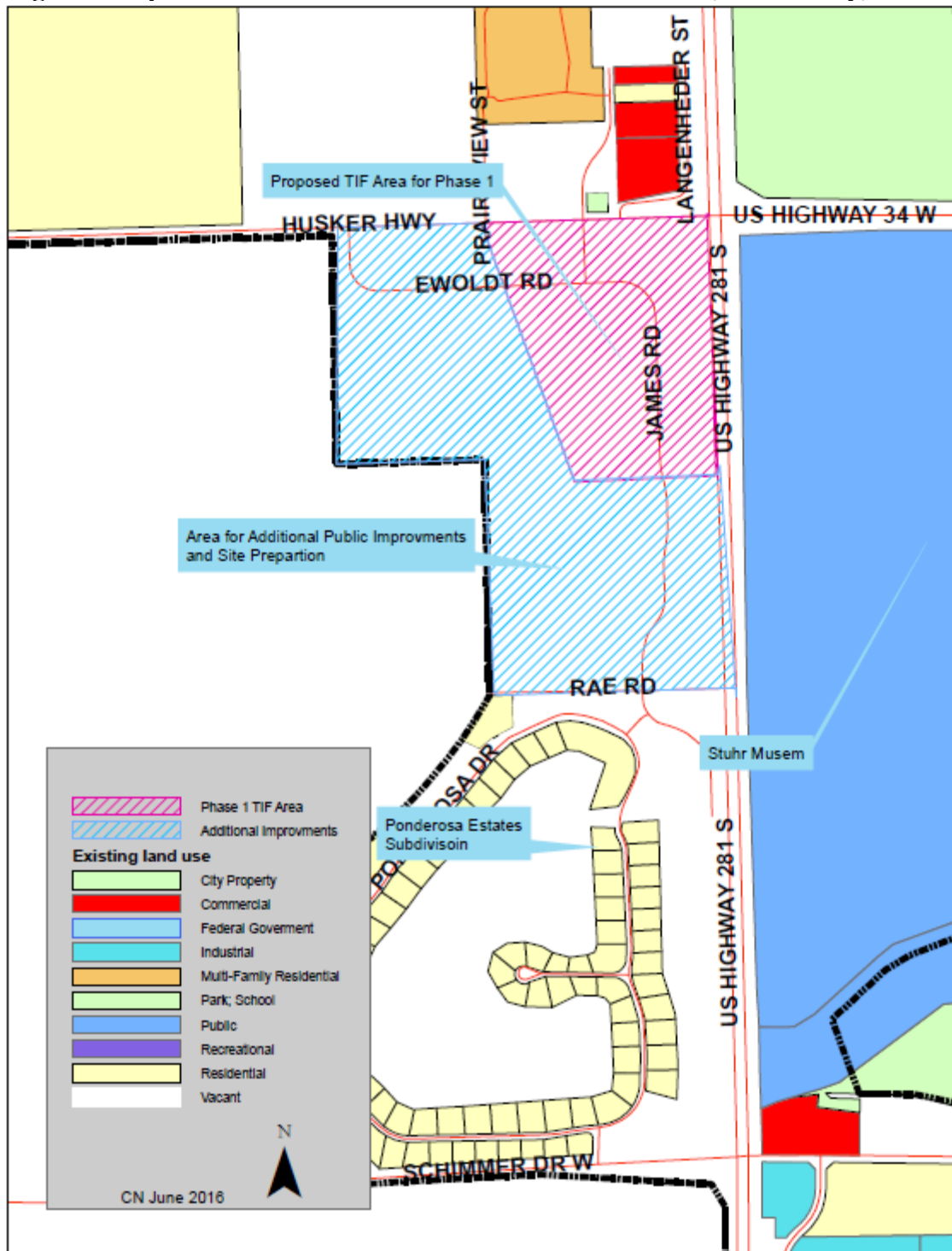
THE REDEVELOPMENT OF PROPERTY LOCATED SOUTH OF HUSKER HIGHWAY AND WEST OF U.S. HIGHWAY 281 (CURRENTLY PLATTED AS EWOLDT SUBDIVISION). THE PROJECT WILL CONSIST OF DEMOLITION OF EXISTING FARMS STRUCTURES, ALL SITE WORK AND GRADING TO PROMOTE AND ENHANCE DRAINAGE ACROSS THE SITE, INTALLATION OF ROADS, SEWER, WATER AND OTHER UTILITY INFRASTRUCTURE TO SUPPORT DEVELOPMENT OF THE SITE. THE INTIAL PHASE OF THIS DEVELOPMENT WILL CONSIST OF THE CONSTRUCTION OF A 4 STORY 64 BED HOSPITAL, A 66,000 SQUARE FOOT MEDICAL OFFICE BUILDING AND A 103 BED HOTEL WITH 7000 SQUARE FEET OF CONFERENCE/MEETING SPACE.

The use of Tax Increment Financing to aid in demolition, site clearance, and necessary infrastructure and grading improvements to redevelop the southwest corner of Husker Highway and U.S. Highway 281 currently platted as Ewoldt Sub in the City of Grand Island. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in the development of lots along this section of U.S. 281 toward U.S. Interstate 80. The proposed anchors for this development location are a private hospital, medical office building and hotel with conference space. Other potential uses of the remainder of the site include housing, office space and retail development. The developer has indicated that this development would not be considered for at this location without the use of TIF.

Prataria Ventures L.L.C., a wholly owned subsidiary of Chief Industries, Inc., owns the subject property. Chief Industries was founded in 1954 and is headquartered in Grand Island. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2018 towards the allowable costs.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:
Property Description (the “Redevelopment Project Area”)

Legal Descriptions: All of Ewoldt Subdivision in Grand Island, Hall County, Nebraska.



Existing Land Use and Subject Property

This plan amendment provides for the issuance TIF Notes, the proceeds of which will be granted to the Redeveloper. The tax increment will be captured for up to 15 tax years the payments for which become delinquent in years 2018 through 2032 inclusive or as otherwise dictated by the contract.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from the construction of a 64 bed private hospital, medical office building and hotel/conference center. This area is planned for commercial development with the Grand Island Comprehensive Plan and will need to be rezoned to either a B2 General Commercial or CD Commercial Development zone to accommodate the planned development.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on June 9, 2015.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

a. Land Acquisition:

This Redevelopment Plan for Area 17 does not anticipate real property acquisition by the developer. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan provides for the demolition and removal of the existing abandoned farm buildings on the property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. This property is in private ownership and is planned for commercial uses.[§18-2103(b) and §18-2111] A site plan of the area after the proposed redevelopment is also attached. [§18-2111(5)]

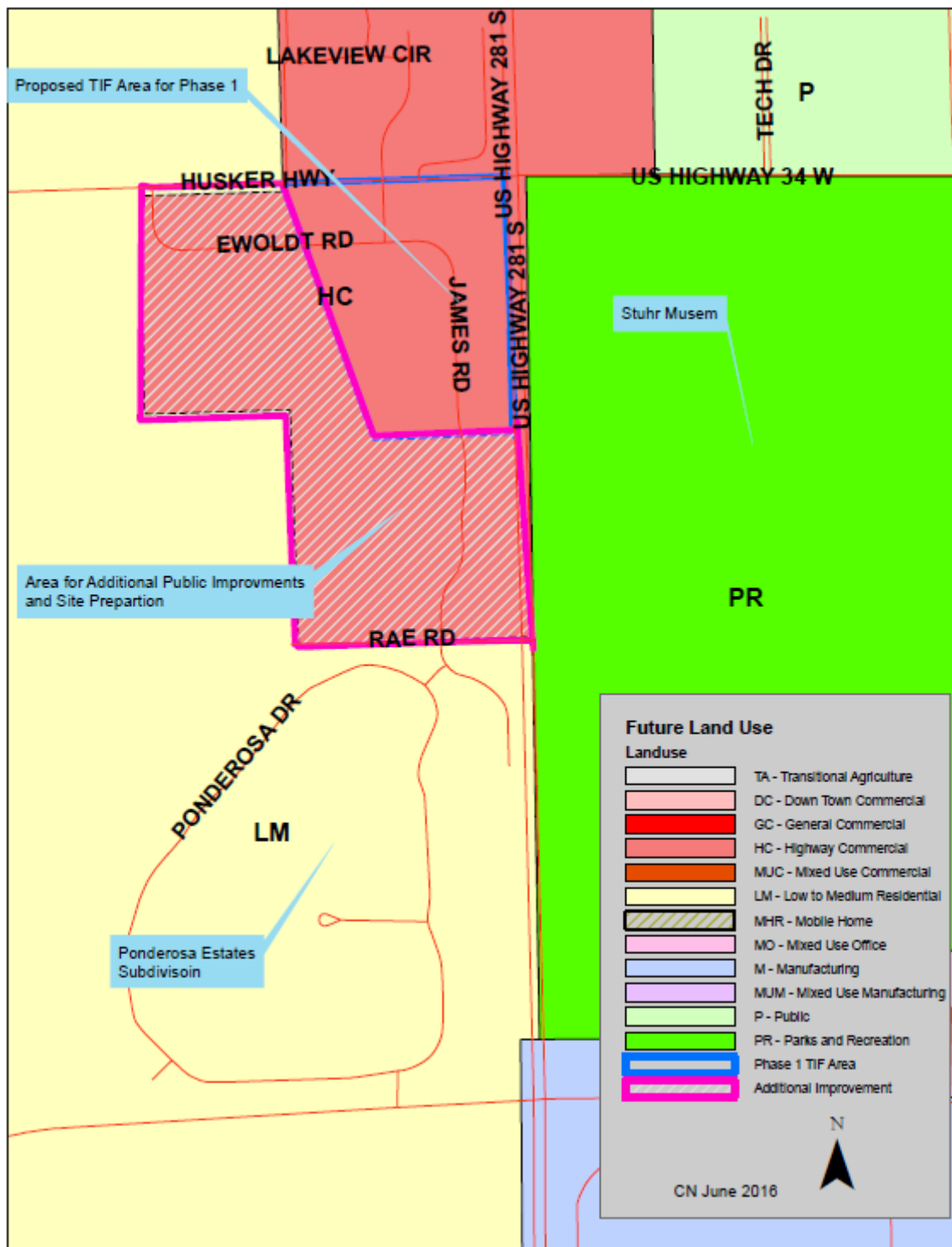


Exhibit A



Proposed Site Plan as developed.

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned TA Transitional Agriculture. It is anticipated that this area will be rezoned to accommodate the development to a B2 General Commercial or CD Commercial Development Zone. The westerly portions of the property may be rezoned to an RO Residential Office zone that allows apartments and office buildings and which would provide a buffer between anticipated lakefront residential development to the west. Internal streets will be platted to connect James Road on the north with the intersection of James Road (Prairie View Road) and Rae Road on the south. All properties will be graded to drain appropriately and streets will be designed based on final lot elevations. Streets, utility infrastructure and grading will be completed for the whole development during the first phase of this project. No changes are anticipated in building codes or ordinances. No other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to build on the site within the constraints allowed by the proposed zoning districts. The CD zoning district allows for up to 50% of the CD zone to be covered with buildings. The B2 zone would allow coverage of up to 100% of the lot less required landscaping and the RO zoning district would allow up to 75% coverage. Final zoning on the project site will have to be approved by the Grand Island City Council prior to construction. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. Sufficient capacity exists within these systems to support this development at completion. Sewer, water will be extended throughout the site. The developer will be responsible for engineering and installation of all required utilities. Said utilities are expected to become part of the city infrastructure and will be accepted into the city systems after construction and inspection. Electric infrastructure will be extended throughout the site according to typical commercial installation requirements. Natural gas and communications infrastructure will be installed according to the agreements formed with the private companies that provide those services. The City of Grand Island will secure all necessary easements for utility infrastructure with the platting and development processes.

[§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. No individuals or businesses will be relocated due to this development. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA has any interest in this property.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer owns this property. The developer has identified the following expenses shown as exhibit B as potentially eligible for TIF based on the costs for the first phase development and site preparation/grading, streets and utility infrastructure for the full 96 acre site at \$28,910,839. Additional TIF may be generated and used for complete development of the remainder of the site for site acquisition, planning, architecture, legal and other eligible activities.

Project TIF Eligible Expenses

Item	Cost
Land Cost	\$2,070,000
Permits	\$425,000
MOB Façade Upcharge	\$409,016
Hotel Façade Upcharge	\$356,832
Hospital Façade Upcharge	\$915,031
Hospital Site Paving	\$2,188,000
Hotel site paving	\$750,000
MOB Site paving	\$1,100,000
Hotel Conference Center	\$1,225,000
Legal Fees	\$100,000
Structural Demolition of homestead	\$60,000
Master Planning (West Development) Costs	\$39,500
Housing Study	\$12,000
Hotel Study	\$7,600
OA Civil/Site Design Engineering/Traffic Study	\$190,000
Architectural Fee (hospital, MOB, hotel)	\$5,631,011
Roads, sanitary/storm sewer, water, highway(OA Estimate)	\$12,821,849
Geotechnical Testing/Surveying/Etc.	\$35,000
Development Signage	\$350,000
Detention/Water Feature	\$225,000
Summary Total	\$28,910,839

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$28,910,839 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2017 through December 2031. The developer will use the TIF Note to secure debt financing in an amount not to exceed \$28,910,839 to be paid to the note holder during the term of the financing.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of blighted and substandard conditions within the area.

8. Time Frame for Development

Development of this project is anticipated to be completed between September of 2016 and December of 2018. Excess valuation should be available for this project for 15 years beginning with the 2017 tax year. Additional projects may be brought forward for separate consideration on parcels located outside of this initial phase.

9. Justification of Project

Demolition, extension of utilities, substantial site grading and installation of streets are necessary to facilitate redevelopment of this site. The redevelopment of this property by Prataria Ventures, LLC, will result in increased employment opportunities in the medical sector within Grand Island as well as expanded medical choices. This is a first step in extending development south along U.S. Highway 281 toward U.S. Interstate 80. The Grand Island City Council has made it clear with previous decisions that they support development toward the I-80/281 interchange.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$28,900,000 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$87,626,121 in private sector financing; a private investment of \$3.02 for every TIF dollar invested.

Sources and Use of Funds			
Description	TIF Funds	Private Funds	Total
Land Acquisition		\$ 2,070,000	\$ 2,070,000
Permits	\$ 425,000		\$ 425,000
Façade Upcharges	\$ 1,680,879		\$ 1,680,879
Site Paving	\$ 4,038,000		\$ 4,038,000
Conference Center	\$ 1,225,000		\$ 1,225,000
Legal Fees	\$ 100,000		\$ 100,000
Demolition	\$ 60,000		\$ 60,000
Study Costs	\$ 59,100		\$ 59,100
Architecture/Engineering/Survey Planning	\$ 7,356,011		\$ 7,356,011
Roads/Water/Sewer/Signage	\$ 13,171,849		\$ 13,171,849
Stormwater Detention/Water Feature	\$ 795,000		\$ 795,000
Hospital Building Base Cost		\$ 60,796,969	\$ 60,796,969
Hotel Building Base Cost		\$ 11,868,168	\$ 11,868,168
MOB Building Base Cost		\$ 12,790,984	\$ 12,790,984
Totals	\$ 28,910,839	\$ 87,526,121	\$ 116,436,960

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2016, valuation of approximately \$381,064. Based on the 2015 levy this would result in a real property tax of approximately \$8,421. It is anticipated that the assessed value will increase by \$95,421,589 upon full completion of phase 1, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$2,100,000 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2016 assessed value:	\$ 381,064
Estimated value after completion	\$95,421,859
Increment value	\$95,040,795
Annual TIF generated (estimated)	\$ 2,100,174
TIF bond issue	\$28,900,000

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$381,064. The proposed redevelopment will create additional valuation of \$95,040,795. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

This plan provides extension of city water, sewer, storm sewer and streets to accommodate the development of this site. No additional public service needs have been identified. Existing water and waste water facilities will not be negatively impacted by this development; city systems are sized to accommodate this growth. The electric utility has sufficient capacity to support the development. This phase of the development will not have any direct impact on schools. No residential units are proposed at this time. Fire and police protection are available and should not be negatively impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

There are not currently any employers or employees within the area of the redevelopment project. This project will provide substantial opportunity for a variety of jobs ranging from service/custodial jobs to those requiring professional degrees such as doctors and nurses.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project will create direct competition in the medical market. Grand Island currently has only one full service hospital, St. Francis. St. Francis is owned and operated by Catholic Health Initiative (CHI). Opening an additional hospital will create additional competition for staff. Grand Island has typically had a very low unemployment rate overall. The positive impact to this competition is a choice in service providers and the ability of individuals to choose a wider variety of medical procedures and less likelihood that conflicts between a hospital organization and insurance organization will leave consumers without a choice for local hospitalization covered by their insurance.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

Ultimately as a for profit development this project will have a substantial impact on the valuation of the City. The proposed development includes upgraded facades and material choices that will complement and enhance this entrance to the City of Grand Island. The proposed hospital development will increase the choice for medical service providers in Grand Island and the region. Medical services are a significant attraction, bringing people living outside of Grand Island into Grand Island. Those visits translate to hotel stays, restaurant purchases and retail purchases all increasing the sale and occupation taxes collected across the city.

Time Frame for Development

Development of this project is anticipated to be completed between September of 2016 and December of 2018. The base tax year should be calculated on the value of the property as of January 1, 2017. Excess valuation should be available for this project for 15 years beginning in 2017 with taxes due in 2018. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$28,900,000 the projected amount of increment based upon the anticipated value of the project and current tax rate.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 220

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

Prataria Ventures, LLC

**COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 221

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area 17, from Prataria Ventures, LLC, (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 17;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

Prataria Ventures, LLC



Community Redevelopment Authority (CRA)

**Wednesday, July 13, 2016
Regular Meeting**

Item H3

TIF App - T.W. Ziller Properties, LLC

Staff Contact: Chad Nabity

BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: **T.W. ZILLER PROPERTIES, LLC**

Address: **324 W. 18th St. Grand Island, NE. 68801**

Telephone No.: **308-380-0579**

Contact: **Thomas Ziller**

Brief Description of Applicant's Business: **The Federation of Labor Temple building will be gutted on the interior and converted into 11 apartments, which includes 9 one bedroom units and 2 two bedroom units. All new electrical, plumbing, HVAC, sprinkler system and finishes will be installed. The exterior will be rehabbed to include, new windows, roof, doors, and brick cleaning and tuckpointing.**

Present Ownership Proposed Project Site: **T.W. Ziller Properties, LLC**

Proposed Project: Building square footage, size of property, description of buildings – materials, etc. Please attach site plan, if available.

Building Square Footage:	8,841 sqft
Size of Property:	2,904 sqft
Description of Buildings:	3 story, brick and stone veneer
Materials:	Wood framed

Site Plan-See Exhibit A.

If Property is to be Subdivided, Show Division Planned: **N/A**

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$0
B. Building	\$2,500

Construction Costs:

A. Renovation or Building Costs:	\$1,145,914
B. On-Site Improvements:	Included in the Renovation amount.

Soft Costs:

A. Architectural & Engineering Fees:	\$46,100
B. Financing Fees:	\$8,735
C. Legal/Developer/Audit Fees:	\$33,690
D. Contingency Reserves:	\$74,154
E. Other (Please Specify)	\$0
TOTAL	\$1,311,093

Total Estimated Market Value at Completion: \$721,471
(Per Janet Pelland-See Exhibit B)

Source of Financing:

A. Developer Equity:	\$278,691
B. Commercial Bank Loan:	\$645,202

C. Tax Credits:

1. N.I.F.A.	\$ 0
2. Historic Tax Credits	\$ 0
D. Industrial Revenue Bonds:	\$ 0
E. Tax Increment Assistance (Loan):	\$159,000
F. Life Safety & Façade Grants	\$228,200

Name, Address, Phone & Fax Numbers of Architect, Engineer and General Contractor:

Architect: **Alley Poyner Macchietto Architecture**
Contact: **Jay Palu**
Address: **1516 Cuming St. Omaha, NE 68102**
Phone: **402-341-1544**
Email: **jpalu@alleypoyner.com**

Engineer: **Olsson Associates**
Contact: **Mike Spilinek**
Address: **1515 West 2nd Street, Grand Island, NE 68801**
Phone: **308-384-8750**
Email: **mspilinek@oaconsulting.com**

General Contractor: **Thomas W. Ziller**
Contact: **Thomas W. Ziller**
Address: **324 W. 18th Grand Island, NE 68801**
Phone: **308-380-0579**
Email: **twzill@yahoo.com**

Estimated Real Estate Taxes on Project Site Upon Completion of Project:

See Exhibit B from Janet Pelland-Assessor

Project Construction Schedule:

Construction Start Date: **Sept. 15, 2016**

Construction Completion Date: **June 15, 2017**

If Phased Project:

<u>N/A</u>	Year	<u>N/A</u>	% Complete
<u>N/A</u>	Year	<u>N/A</u>	% Complete

XII. Please Attach Construction Pro Forma **See Attached Exhibit C.**

XIII. Please Attach Annual Income & Expense Pro Forma **See Attached Exhibit D.**
(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is Requested:
Tax Increment Financing in the amount of \$220,000, resulting in a \$159,000 TIF loan, is requested to be used for renovations.

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for
Proposed Project: **Temple Lofts**

A large financial gap exists on this project after conventional financing is utilized. A combination of additional owner equity, grants and TIF are needed to make the return sufficient. The owner is contributing \$278,691 and there are grants of \$228,200. TIF will fill the remaining gap, making this project feasible. The project is asking for \$220,000 in TIF, resulting in \$159,000 TIF loan amortized over 15 years.

Without the availability of TIF funding for the project, it would not be feasible for the developer to proceed with this redevelopment. Please see Exhibit "D", it shows a negative cash flow and return without the use of TIF.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

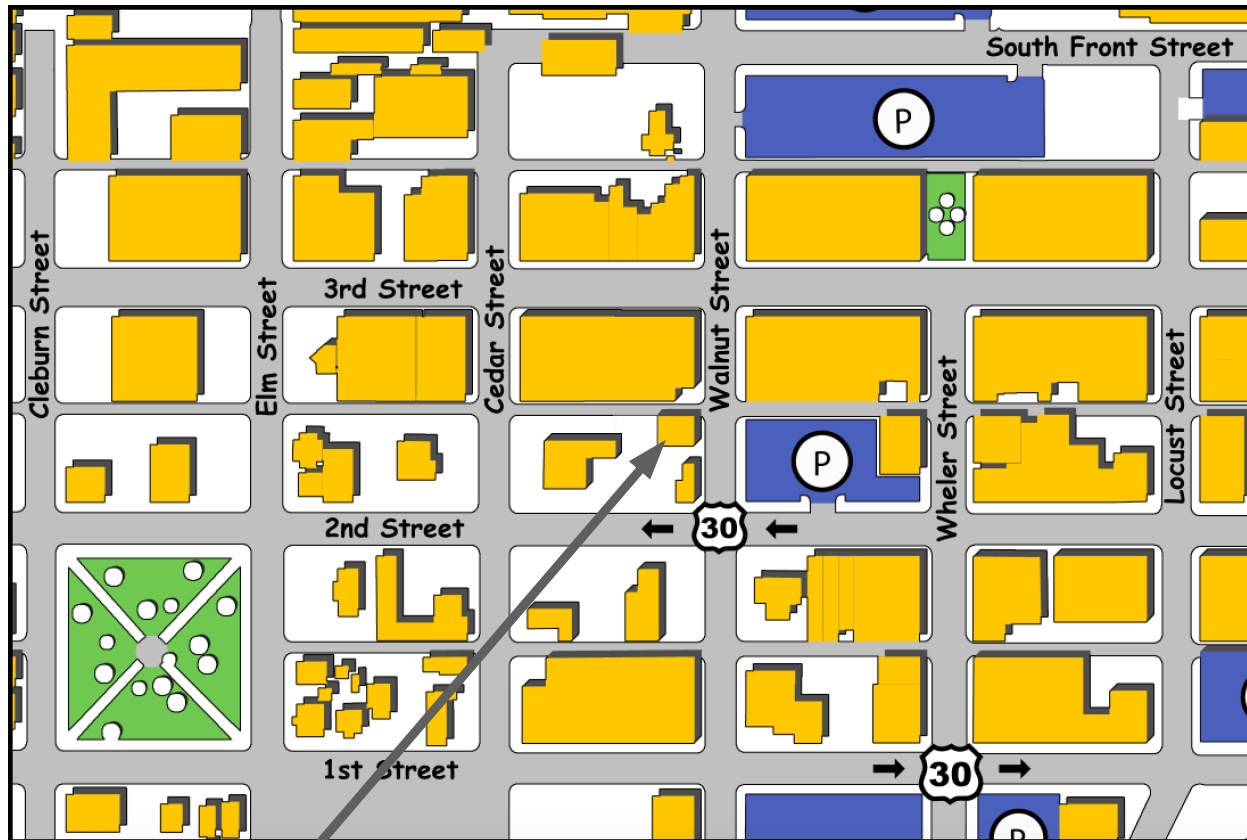
Grand Theatre Renovations
Craig Hand, President of the Grand Theatre
308-380-0612
Craig-rita@hotmail.com

Central Nebraska Regional Airport Terminal Construction
Ziller Tile Inc.
Tom Ziller
308-382-0671

Michelson Building Renovation (Ongoing)
TW Ziller Properties
Tom Ziller
308-380-0579

Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com

Exhibit A



TEMPLE LOFT APARTMENTS
210 N. WALNUT ST.
GRAND ISLAND, NE 68801



HALL COUNTY ASSESSOR'S OFFICE

Exhibit B



Commercial Property Record Card -Inactive Record

THOMSON REUTERS

Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/02/2016 at 10:35:59A

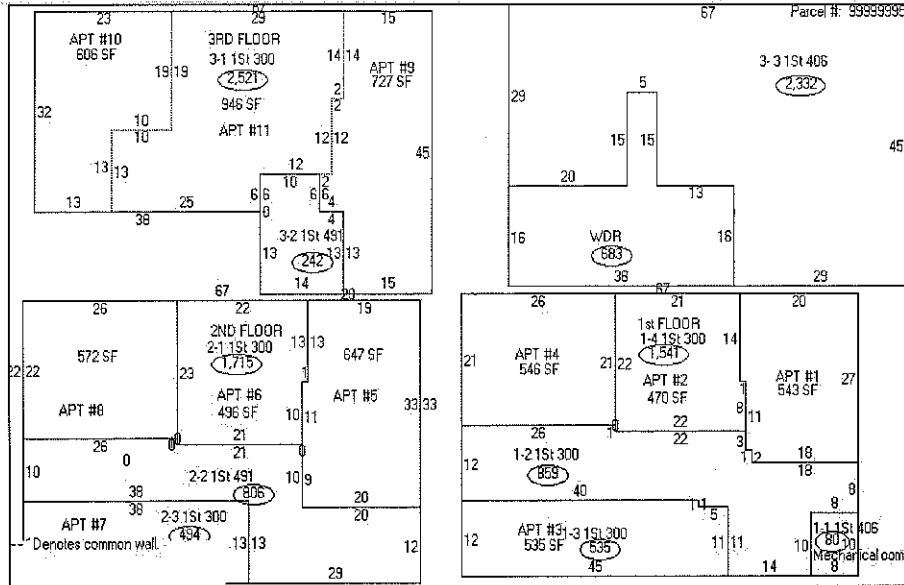
Parcel Information

Ownership Information

Parcel Number	999999954	Current Owner	
Map Number		Address	
Situs	210 N WALNUT	City St. Zip	
Legal	WHAT IF FOR ZILLER (TEMPLE APTS)	Cadastral #	

Property Data

Neighborhood	105	Topography		Number of Units	
Lot Width		Street		Unit Value	
Lot Depth		Utilities		Adjustment	
Units Buildable		Amenities 1		Lot Value	
Value Method		Amenities 2			



Building Data

Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
1	1	406	SPRINK SYS WET PIP	2016				11,125				26,255		26,255
			WAREHOUSE, STORAGE	1911	C		200	40	80	36	1	4,144	15%	3,522
			WOOD DECK W/ROOF	2016				683				7,021		7,021
1	2	491	COMMUNITY SERVICE-BUILD	1911	C		200	40	859	182	1	76,726	15%	65,217
1	3	300	APARTMENT	1911	C		200	40	535	114	1	46,192	15%	39,263
1	4	300	APARTMENT	1911	C		200	40	1,541	188	1	113,448	15%	96,431
2	1	300	APARTMENT	1911	C		200	40	1,715	200	1	137,131	15%	116,561
2	2	491	COMMUNITY SERVICE-BUILD	1911	C		200	40	806	180	1	78,875	15%	67,044
2	3	300	APARTMENT	1911	C		200	40	494	102	1	46,184	15%	39,256
3	1	300	APARTMENT	1911	C		200	40	2,521	236	1	192,125	15%	163,306
3	2	491	COMMUNITY SERVICE-BUILD	1911	C		200	40	242	62	1	23,682	15%	20,130
3	3	406	WAREHOUSE, STORAGE	1911	C		200	40	2,332	239	1	91,135	15%	77,465

Cost Approach From Marshall & Swift

Potential Gross Income

Total Building Area	11,125	Contract		Market	
Total Building RCN	809,642	Vacancy & Collection Loss			
Total Refinements	33,276	Effective Income			
Total Replacement Cost New	842,918	Total Expenses			
Total Phys. & Func. Depreciation	(121,447)	Net Operating Income			
RCN Less Phys. & Func.	721,471	Capitalization Rate			
Economic Depreciation		Income Approach			
Accrued Economic depreciation		Final Value Reconciliation			721,471
Total RCN Less Depreciation	721,471				
Additional Lump Sums					
Land Value					
Total Cost Value	721,471				
Value Per Res Unit					
Value Per Sq. Ft.	64.85				

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

LABOR TEMPLE CONSTRUCTION ESTIMATE
CONSTRUCTION ESTIMATE

Exhibit C

DESCRIPTION	QUANTITY	UNIT	TOTAL
SITE PREPERATION, IMPROVEMENTS, UTILITIES			
Water Main			\$53,638
TOTAL SITE PREPERATION, IMPROVEMENTS, UTILITIES			\$53,638
SUPERSTRUCTURE			
Basement Fill & Concrete		SF	\$34,420
Roof Deck Structures	150	SF	\$6,200
Steel Spiral Staircase	12	RS	\$6,000
TOTAL SUPERSTRUCTURE			\$46,620
EXTERIOR ENCLOSURE			
Masonry Restoration	8,000	SF	\$10,000
Fiber Cement Siding, incl. paint	800	SF	\$0
Storefront Doors	0	SF	\$0
Aluminum Window	966	SF	\$82,900
HM Door, Frame & Hardware	2	EA	\$1,500
Joint Sealants		SF	\$0
Balcony Railing	28	LF	\$3,500
Bldg. Insulation	5,100	SF	\$10,500
TOTAL EXTERIOR ENCLOSURE			\$108,400
ROOFING			
EPDM, Flashing, Roof Edge and gutters	520	SF	\$6,886
Walkable Roof Deck	520	SF	\$6,300
TOTAL ROOFING			\$13,186
INTERIOR FINISH			
Framing & GWB Assemblies	16,208	SF	\$229,000
GWB Ceiling	1,000	SF	\$4,000
Carpet	547	SY	\$14,222
Tile		SF	\$24,143
Cabinets & Casework	252	LF	\$43,291
Solid Surface Countertops	702	SF	\$29,239
Painting	33,416	SF	\$57,210
Bath Accessories	12	EA	\$500
Doors, Frames & Hardware	60	EA	\$33,000
Finish Carpentry & Trim	8,000	SF	\$0
Mirrors	12	EA	\$1,161
Shelving	200	LF	\$2,500
Shower Curtains	12	EA	\$200
TOTAL INTERIOR CONSTRUCTION			\$438,466
PLUMBING			
Distribution & Fixtures	8,000	SF	\$106,000
TOTAL PLUMBING			\$106,000
HVAC			
HVAC	8,000	SF	\$82,500
TOTAL HVAC			\$82,500
FIRE PROTECTION			
Fire Sprinkler	8,000	SF	\$13,980
TOTAL FIRE PROTECTION			\$13,980
ELECTRICAL			
Electrical, Service, Lighting, Controls	8,000	SF	\$96,210
TOTAL ELECTRICAL			\$96,210
EQUIPMENT			
Intercom System	11	UNIT	\$2,500
TOTAL EQUIPMENT			\$2,500
FURNISHINGS			
Refurbish Exterior Cornice & Signage	1	AL	\$6,400
Appliances	8,000	SF	\$46,447
Window Blinds	8,000	SF	\$4,000
TOTAL FURNISHINGS			\$56,847
DEMOLITION			
DEMO			\$32,500
TOTAL SELECTIVE BUILDING DEMOLITION			\$32,500
GENERAL REQUIREMENTS			
General Conditions	1,050,847	%	\$35,000
Building Permit	1	EA	\$5,500
Bond	1,050,847	%	\$0
TOTAL GENERAL REQUIREMENTS			\$40,500
TOTAL CONSTRUCTION			\$1,091,347
CONTRACTOR OVERHEAD & PROFIT	1,091,347	%	\$54,567
TOTAL			\$1,145,914

Exhibit D

Stabilized Proforma Operating Statement

	<u>With TIF</u>	<u>W/O TIF</u>
Gross Residential Rent	+ \$ 98,287	\$ 98,287
Residential Vacancy	- \$ 4,914	\$ 4,914
Residential Income	= \$ 93,373	\$ 93,373
 TIF Rebate	 + \$ 14,779	 \$ -
Effective Gross Income	= \$ 108,152	\$ 93,373
 Total Operating Expenses	 - \$ 30,869	 \$ 30,869
Net Operating Income	= \$ 77,283	\$ 62,504
 Debt Service (P+I) Bank	 - \$ 48,982	 \$ 48,982
TIF Debt Service (P+I)	- \$ 14,353	\$ -
*Other Debt Service (P+I)	- \$ -	\$ 21,665
Cash Flow Available for Distribution	= \$ 13,948	\$ (8,143) *
 Cash on Cash Return	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5.00%</div>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">-2.92%</div>

(*) Assumes the \$159,000 shortfall in TIF Financing would be made up by a 2nd mortgage with a 10 year amortization at a 6.5% interest rate. The annual payment on such a loan is included as "Other Debt Service".

Without TIF financing for the proposed project, the cash-on-cash return to the Owner is projected at a negative amount, which is not sufficient to attract equity investors to the project.

Redevelopment Plan Amendment Grand Island CRA Area 1 July 2016

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 1 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 1.

Executive Summary:

Project Description

THE REDEVELOPMENT OF THE BUILDING LOCATED AT 210 N. WALNUT STREET FOR RESIDENTIAL USES, INCLUDING FIRE/LIFE SAFETY IMPROVEMENTS AND BUILDING REHABILITATION AND REMODELING.

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the Federation Labor Temple Building located at 210 N. Walnut Street into an apartment building with 4 garden level apartments and 7 upper story apartments. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in renovating this historic telephone exchange and office building into quality market rate residential units consistent with the downtown redevelopment plan and priorities to add 50 residential units downtown by 2019. This project would not be possible without the use of TIF.

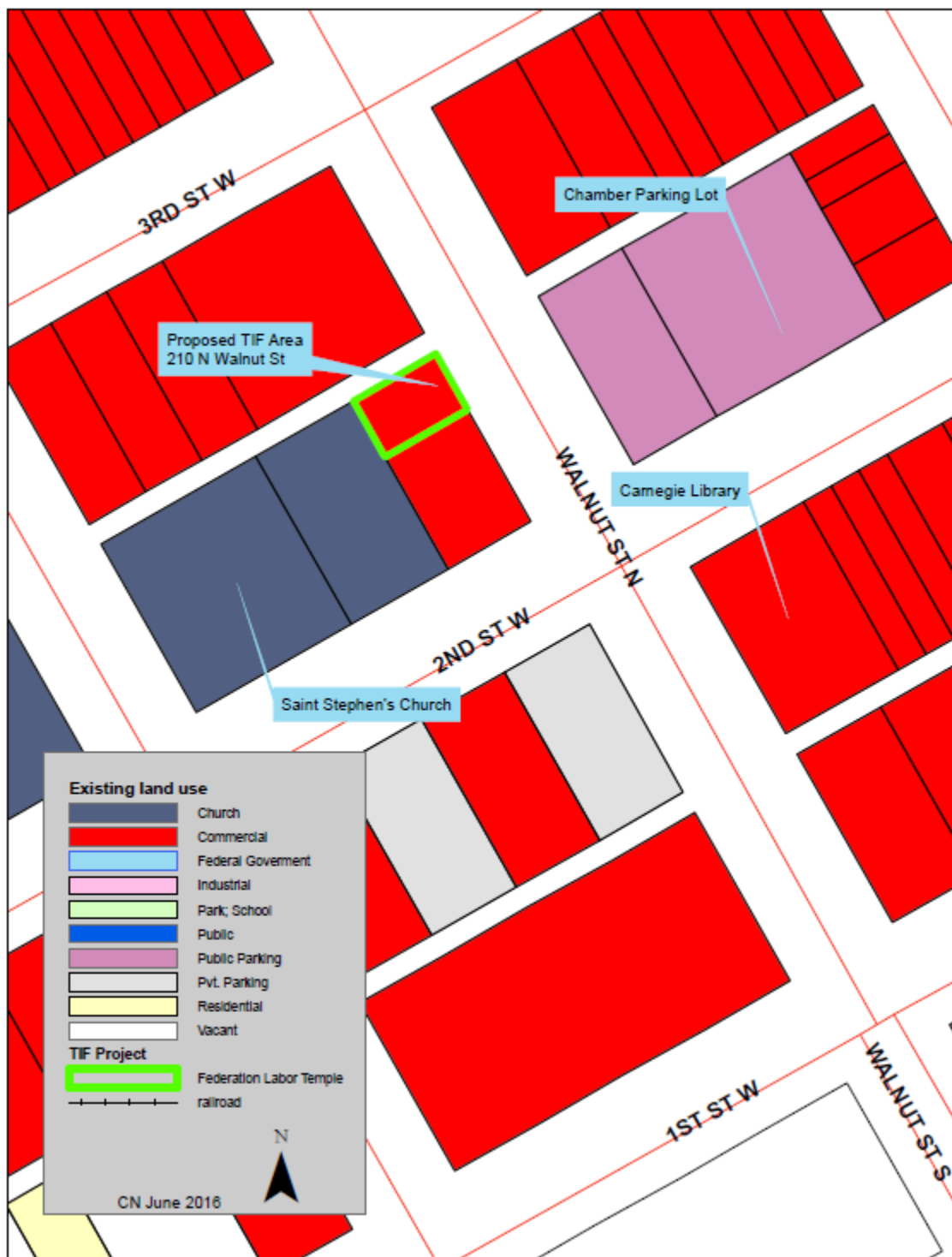
T.W. Ziller Properties, LLC is the owner of the property. T.W. Ziller Properties, LLC., purchased this property in 2014. The purchase price is not included as an eligible TIF activity. The building is currently vacant. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the remodeling and rehabilitation of this building. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2017 towards the allowable costs and associated financing for the acquisition and site work.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

210 N Walnut Street in Grand Island Nebraska (Federation Labor Temple Exchange Building)

Legal Descriptions: North 44 feet of Lot 8, Block 63, Original Town of Grand Island, Hall County, Nebraska.



Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2017 through 2031 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of this vacant historic building for residential uses as permitted in the B3 Heavy Business Zoning District.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on December 19, 2000.[§18-2109] Such

declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

a. Land Acquisition:

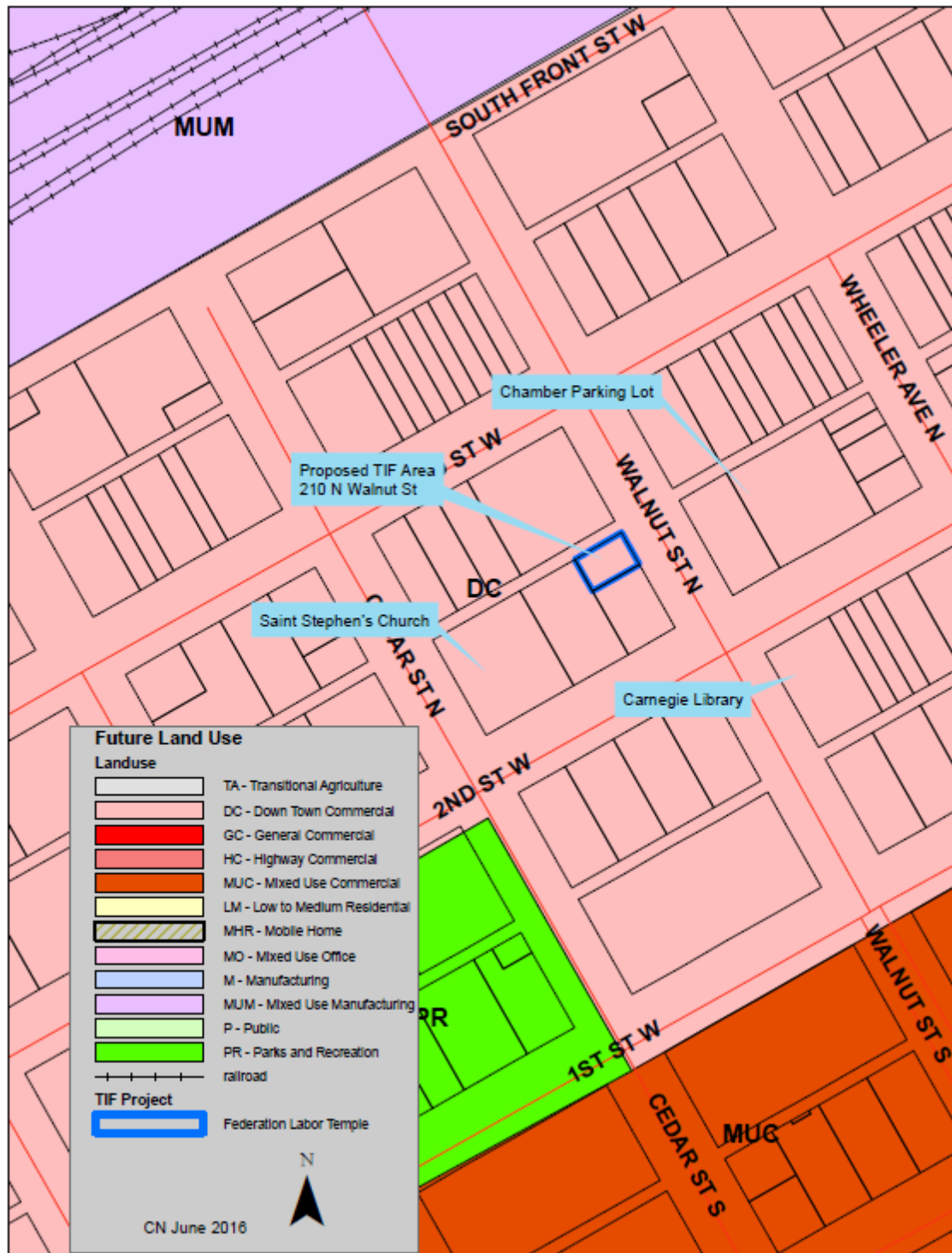
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not provide for the demolition and removal any structures on this property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for Downtown Commercial development; this includes housing and commercial uses within the same structure. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned B3-Heavy Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is rehabilitating the existing building. The developer is not proposing to increase the size of the building and current building meets the applicable regulations regarding site coverage and intensity of use. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. The developer will be required to extend a water line capable of providing sufficient water for the sprinkler system required to convert this building in a multifamily apartment building.

Electric utilities are sufficient for the proposed use of this building.

No other utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property, owned by the developer, is vacant and has been vacant for more than 1 year; no relocation is contemplated or necessary. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA have any interest in this property.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer owns this property and acquisition is not part of the request for tax increment financing. The estimated costs of rehabilitation of this property is \$1,145,914

planning related expenses for Architectural and Engineering services of \$46,100 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$33,690 are included as TIF eligible expense. The total of eligible expenses for this project is \$1,225,604. The CRA has granted \$175,000 to this project to offset the cost of life safety improvements and will consider a façade application for \$53,200. The total eligible expenses for this project less other grant funds by the CRA is \$997,404.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$220,000 from the proceeds of the TIF Indebtedness issued by the Authority based on projections from the lender this will result in a loan for the TIF proceeds of \$159,000. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2017 through December 2032.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions. This will accomplish the goal of both the Downtown Business

Improvement District and the Grand Island City Council of increasing the number of residential units available in the Downtown area.

8. Time Frame for Development

Development of this project is anticipated to be completed between August 2016 and December of 2017. Excess valuation should be available for this project for 15 years beginning with the 2017 tax year.

9. Justification of Project

This is an historic building in downtown Grand Island that will be preserved with this project. The addition of a new upper story residential unit is consistent with goals to build 50 new residential units in downtown Grand Island by 2019 and with the goals of the 2014 Grand Island housing study and Grow Grand Island. Since this is a split entry building with garden level and upper story floors it is not practical to include commercial space at the ground level. The use of this entire building for residential is appropriate.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$220,000 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This property has requests façade improvement funding of \$53,200 and received a life/safety grant of \$175,000. This investment by the Authority will leverage \$777,000 in private sector financing; a private investment of \$1.73 for every TIF and grant dollar investment.

Description	Use of Funds.			
	TIF Funds	Other Grants	Private Funds	Total
Site Acquisition			\$2,500	\$2,500
Legal and Plan*			\$33,690	\$33,690
Engineering/Arch			\$46,100	\$46,100
Renovation	\$220,000	\$228,200	\$697,714	\$1,145,914
Financing Fees			\$8,735	\$8,735
Contingency			\$74,154	\$74,154
TOTALS	\$220,000	\$228,200	\$862,893	\$1,311,093

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2016, valuation of approximately \$64,628. Based on the 2015 levy this would result in a real

property tax of approximately \$1,235. It is anticipated that the assessed value will increase by \$656,843 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$14,515 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2016 assessed value:	\$ 64,628
Estimated value after completion	\$ 721,471
Increment value	\$ 656,843
Annual TIF generated (estimated)	\$ 14,515
TIF bond issue	\$ 220,000

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$64,628. The proposed redevelopment will create additional valuation of \$656,843. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be negatively impacted by this development. The addition of life safety elements to this building including fire sprinklers and a second exit actually reduce the chances of negative impacts to the fire department.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

This will provide additional housing options in the downtown area consistent with the planned development in Downtown Grand Island.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area. This will

provide housing options for employees of Downtown businesses that wish to live Downtown.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This project is consistent the goals of the Council, the Downtown BID, the CRA, and Grow Grand Island to create additional housing units in downtown Grand Island.

Time Frame for Development

Development of this project is anticipated to be completed during between April of 2016 and December 31 of 2017. The base tax year should be calculated on the value of the property as of January 1, 2016. Excess valuation should be available for this project for 15 years beginning in 2017 with taxes due in 2018. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$220,000 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the rehabilitation the developer will spend at least \$997,000 on TIF eligible activities in excess of other grants given. The CRA will reserve the right to issue additional debt for this project upon notification by the developer of sufficient expenses and valuation to support such debt in the form of a second or third bond issuance.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 222

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION**

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

TW Ziller Properties, LLC

**COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 223

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area 1, from TW Ziller Properties, LLC, (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 1;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

TW Ziller Properties, LLC



Community Redevelopment Authority (CRA)

Wednesday, July 13, 2016
Regular Meeting

Item H4

Middleton Properties II, LLC

Staff Contact: Chad Nabity

BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Middleton Properties II, LLC

Address: 2716 West Old Hwy 30, Grand Island, NE 68803

Telephone No.: (308) 382-2550

Fax No.: (308) 382-3442

Contact: Tom Middleton

Brief Description of Applicant's Business: Ownership and rental of commercial real estate properties located at 2716 West Old Highway 30 in Grand Island, Nebraska.

Present Ownership Proposed Project Site: Middleton Properties, LLC

Proposed Project: Building square footage, size of property, description of buildings – materials, etc. Please attach site plan, if available.

The primary project site is a warehouse and office facility located at 2716 West Old Highway 30 in Grand Island, Nebraska. One of the existing structures will be demolished along with nearby concrete parking and drives. The lot will be raised 18" to match adjacent grade and improve drainage with new concrete parking and drives installed. A new 65' X 230' (14,950 square foot) steel building will be erected containing approximately 11,580 square feet of warehousing with the remaining 3,370 square feet of space dedicated to office space, conference rooms, and restrooms. In addition, the exterior of an existing building that is not being demolished will be repainted along with the installation of new interior carpeting and lighting (see site plan Exhibit A).

If Property is to be Subdivided, Show Division Planned: N/A

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ -
B. Building	\$ -

Construction Costs:

A. Renovation or Building Costs:	\$434,907
B. On-Site Improvements:	\$414,942

Soft Costs:

A. Architectural & Engineering Fees:	\$ 38,460
B. Financing Fees:	\$ -
C. Legal/Developer/Audit Fees:	\$ 3,000
D. Contingency Reserves:	\$ 4,000
E. Other (Please Specify) – Blight Study	\$ 5,000
City Subdivision Work	\$ 25,000
Soil Test	\$ 1,967
TOTAL	\$927,276

Total Estimated Market Value at Completion per assessor: \$936,667

Source of Financing:

A. Developer Equity:	\$248,889
B. Commercial Bank Loan:	\$504,468

Tax Credits:

1. N.I.F.A.	\$ -
2. Historic Tax Credits	\$ -
D. Industrial Revenue Bonds:	\$ -
E. Tax Increment Assistance (See Note 1):	\$173,919
F. Other	\$ _____

Note 1: TIF requested at zero percent lending rate is \$247,561. Amount referenced in item E above is principal only portion after applying a 5% lending rate on a 15 year term note with monthly payments (interest component is \$73,642).

Name, Address, Phone & Fax Numbers of Architect, Engineer and General Contractor:

Architect: Mike Kennedy
1722 Holland Drive
Grand Island, NE 68803
(308) 380-2991

Engineer: Olsson Associates
201 East 2nd Street
Grand Island, NE 68801
(308) 384-8750

General Contractor: Starostka Group Unlimited
429 Industrial Lane
Grand Island, NE 68803
(308) 385-0636

Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(Please Show Calculations)
\$18,859 (See Exhibit B for detailed calculation)

Project Construction Schedule:

Construction Start Date: Upon TIF application acceptance

Construction Completion Date: 180 days after acceptance

If Phased Project:

_____ Year	_____ % Complete
_____ Year	_____ % Complete
_____ Year	_____ % Complete

XII. Please Attach Construction Pro Forma (see Exhibit C)

XIII. Please Attach Annual Income & Expense Pro Forma (see Exhibit D)
(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is Requested:

\$247,561 of tax increment financing (based on a 0% lending rate) is being requested to assist in the construction and renovation of commercial warehouse and office space located at 2716 West Old Highway 30 in Grand Island, Nebraska. The project involves the demolition and replacement of an existing office and warehousing structure and concrete parking with a new steel building and parking along with grading work to improve drainage. The TIF funds will enable the project to be undertaken, resulting in vast improvements to the condition of the current location.

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed Project:

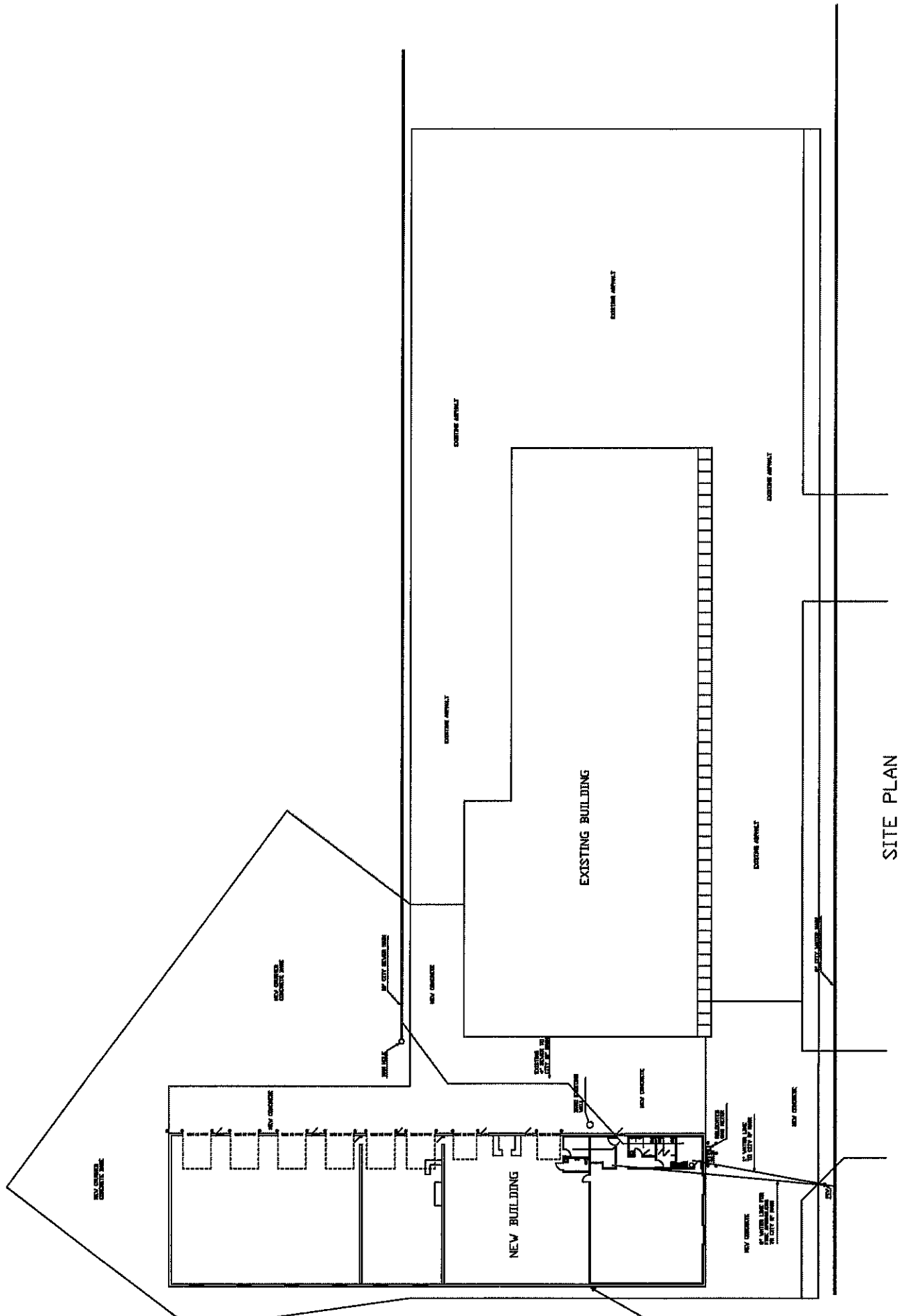
Tax increment financing is an integral and essential component to project completion which is contingent upon receipt of the expected tax increment assistance. Feasibility is dependent on TIF funds that will enable the creation of adequate economics in leasing the property at a competitive rate in the specified area (See also Exhibit E for capitalization rate analysis).

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone, and fax numbers for each:

See Exhibit F

XIV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

N/A – applicant is a new legal entity



**Middleton Properties II, LLC
Tax Increment Financing Request
Estimated Real Estate Taxes on Project Site Upon Completion of Project**

Existing Assessed Value and Real Estate Tax on Project Site

<u>Parcel Number</u>	<u>Assessed Value (2015)</u>			<u>Taxes</u>
	<u>Improvements</u>	<u>Land</u>	<u>Total</u>	
400146762	95,961	20,999	116,960	2,355
	<u>95,961</u>	<u>20,999</u>	<u>116,960</u>	<u>2,355</u>


Estimated Real Estate Taxes on Project Site Upon Completion of Project

	<u>2015 Assessment</u>
2015 taxes assessed on site prior to project commencement	2,355
Divided by base assessed value	<u>116,960</u>
Estimated tax rate	2.013410%
 Proposed assessed value	 <u>936,667</u>
 Estimated annual real estate tax after project completion	 18,859
Less existing annual real estate tax	<u>(2,355)</u>
Estimated increase in annual real estate tax	16,504
 Requested TIF assistance at zero percent lending rate	 <u>15</u> 247,561

<u>Principal debt service at indicated rate</u>		<u>Rate</u>	<u>Principal</u>
With annual note payments	PVA	5.00%	171,307
With monthly note payments	PVA	5.00%	173,919

Exhibit B

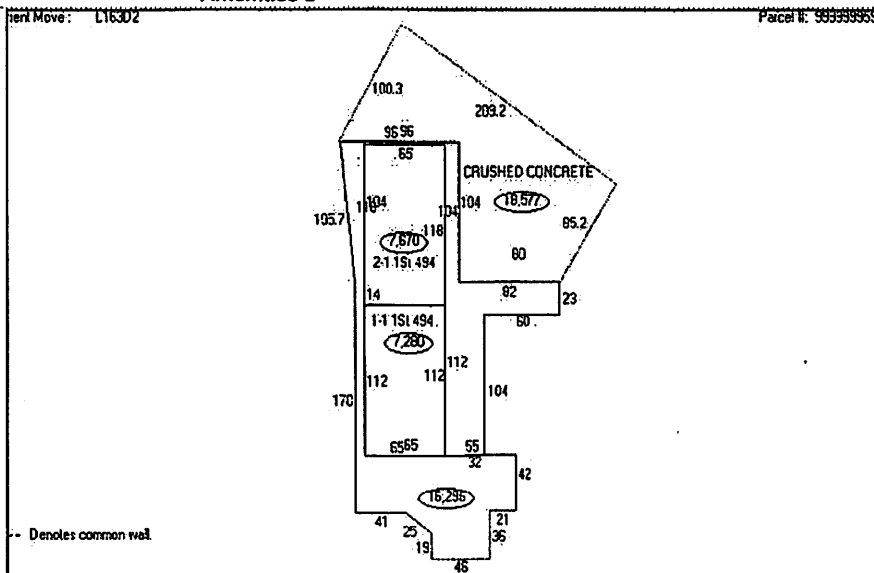
11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 10

 THOMSON

Parcel Information

Ownership Information

Neighborhood		Property Data		Number of Units	
495	Topography			49823	
Lot Width	Street			Unit Value	1.20
Lot Depth	Utilities			Adjustment	
Units Buildable	Amenities 1	2	LAND VALUE	Lot Value	59,784
Value Method	Amenities 2				



Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec.RCN	Phys. Func.	RCNLD
			CRUSHED CONCRETE B	2016				18,577				13,933	-33%	18,531
			PAVING, CONCRETE	2016				16,296				68,280		68,280
1	1	494	INDUSTRIALS, LIGHT-MFG.	2016	S	300	40	7,280	354	1	13	368,222		368,222
2	1	494	INDUSTRIALS, LIGHT-MFG.	2016	S	300	40	7,670	366	1	18	421,850		421,850

Cost Approach From Marshall & Swift		Potential Gross Income	
		Contract	Market
Total Building Area	14,950		
Total Building RCN	790,072	Vacancy & Collection Loss	
Total Refinements	82,213	Effective Income	
Total Replacement Cost New	872,285	Total Expenses	
Total Phys. & Func. Depreciation	4,598	Net Operating Income	
RCN Less Phys. & Func.	876,883	Capitalization Rate	
Economic Depreciation		Income Approach	
Accrued Economic depreciation		Final Value Reconciliation	936,667
Total RCN Less Depreciation	876,883		
Additional Lump Sums			
Land Value	59,784		
Total Cost Value	936,667		
Value Per Res Unit			
Value Per Sq. Ft.	62.65		

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

		BUDGET			
		MIDDLETON ELECTRIC			
		STAROSTKA GROUP UNLIMITED			
		429 INDUSTRIAL LANE			
		GRAND ISLAND, NE 68803			
1.005	BLIGHTED STUDY	\$5,000.00			
1.007	ATTORNEY FEES	\$3,000.00			
1.008	MISC OFFICE				
1.020	SEMI TRUCK HAULS				
1.030	MOTEL COSTS				
1.046	FUEL, TRAVEL				
1.048	WELL ADBANDONMENT	\$3,301.00			
1.051	CIVIL ENGINEER	\$2,500.00			
1.052	SURVEY / AND TOPO	\$2,200.00			
1.053	SOIL TEST	\$1,967.00			
1.055	ARCHITECT FEES	\$33,760.00			
1.060	BUILDING PERMIT				
1.100	PER DIEM				
1.300	BLUEPRINTS/REPRODUCTIONS				
1.510	TEMPORARY POWER				
1.515	DUMPSTER FEES				
1.527	WINTER PROTECTION				
1.580	JOB TRAILER				
1.600	SMALL TOOLS / EQUIPMENT				
1.610	RENTAL EQUIPMENT				
	SITework:				
2.059	DEMO	\$49,038.00			
2.200	DIRTWORK ALLOWANCE	\$85,027.00			
2.509	ASPHALT / CONCRETE PAVING (Driveways)	\$26,515.00			
3.120	TRASH ENCLOSURE				
3.550	CONCRETE PUMPING				
15.600	UTILITIES TO BUILDING	\$30,366.00	gas line, water, sewer, fire main, electrical		
15.700	UTILITIES FOR CITY	\$2,782.00	man hole		
	BUILDING CONSTRUCTION:				
3.154	ANCHOR BOLT 2" INS.				
3.200	REBAR - MESH				
3.386	SITE RAMP - DOCK				
4.200	MASONRY				
5.100	STEEL BLDG				
5.400	STEEL ERECTION				
5.500	STEPS				
5.600	DOCK LEVELER				
6.100	ROUGH CARPENTRY				
6.120	LUMBER & ACCESSORIES				
6.240	CABINETS				
7.920	CAULKING / SEALANTS				
8.360	ROLLUP WDW - OH DOOR				
8.410	ALUM. STORE FRONTS				
8.510	WINDOW 10 EACH				
8.511	DRIVE UP WINDOW LABOR				
8.700	H.M. DRS / FRS/ HDWE				
9.200	DRYWALL SUB				
9.510	ACOUSTICAL CEILINGS				
9.910	PAINTING				
9.970	TILE BATH				
10.800	TOILET PARTITIONS-ACCESS				
9.520	CARPET IN VESTIBULE				
13.915	FIRE PROTECTION				
15.500	HVAC				
15.400	PLUMBING				
16.100	ELECTRICAL				
17.100	EXTRA WORK	\$19,450.00	asbestos abatement		
	CITY SUBDIVISION WORK	\$25,000.00			
	TOTAL:	\$289,906.00			
	Site work on new building from above	\$289,906.00			
	Rehabilitation of existing building	\$46,044.25			
	TIF Qualified Costs	\$335,950.25			
1.065	CONTINGENCY	\$4,000.00			
2.509	ASPHALT / CONCRETE PAVING (Parking)	\$106,061.00			
2.900	LANDSCAPING	\$6,483.00			
2.901	SITE LIGHTING	\$7,426.00			
3.100	CONCRETE SUB - BLDG	\$78,493.00	footing		
	Steel Building cost	\$388,863.00			
	Total Costs	\$927,276.25			

Exhibit C

Exhibit D
Annual Income & Expense Pro Forma

MIDDLETON PROPERTIES II, LLC

**PROJECTED STATEMENTS OF RECEIPTS AND DISBURSEMENTS UNDER VARIOUS TAX INCREMENT FINANCING
SCENARIOS DETAILED IN NOTE A – CASH BASIS**

Year Ending December 31, 2017

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PROJECTED STATEMENTS OF RECEIPTS AND DISBURSEMENTS UNDER VARIOUS TAX INCREMENT FINANCING SCENARIOS DETAILED IN NOTE A – CASH BASIS	5
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS	6

INTRODUCTION

The projection in this illustration presents the entity's, Middleton Properties II, LLC, projected receipts and disbursements under the hypothetical assumptions in Note A on the cash basis for the twelve months ending December 31, 2017.



INDEPENDENT ACCOUNTANTS' REPORT

Middleton Properties II, LLC
Grand Island, NE

We have compiled the accompanying projected statements of receipts and disbursements under various tax increment financing scenarios detailed in note A – cash basis of Middleton Properties II, LLC (see Introduction), for the year ending December 31, 2017, in accordance with attestation standards established by the American Institute of Certified Public Accountants. The accompanying projected information was prepared for use in a tax increment financing request to the Grand Island, NE Community Redevelopment Authority.

A compilation is limited to presenting in the form of a projection information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. We have not examined the projection and, accordingly, do not express an opinion or any other form of assurance on the accompanying statement or assumptions. Furthermore, even if the tax increment financing (TIF) scenarios outlined did not take place, there will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a projection established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the projection, they might influence the user's conclusions about the Company's net cash receipts and disbursements for the projection period. Accordingly, this projection is not designed for those who are not informed about such matters.

This accompanying projection and this report are intended solely for the information and use of Middleton Properties II, LLC, the Grand Island, NE Community Redevelopment Authority, the Grand Island City Council, and certain individuals and organizations involved in the tax increment financing application process and are not intended to be and should not be used by anyone other than these specified parties.

2535 N. Carleton Ave.

Suite B

Grand Island, NE

68803

P.O. Box 520

Grand Island, NE

68802-0520

PH: 308-381-1355

FAX: 308-381-6557

EMAIL:
info@ss-cpas.com

WEBSITE:

Schroeder & Schreiner, P.C.

Grand Island, NE
May 24, 2016

MIDDLETON PROPERTIES II, LLC

PROJECTED STATEMENTS OF RECEIPTS AND DISBURSEMENTS UNDER VARIOUS TAX INCREMENT FINANCING SCENARIOS DETAILED IN NOTE A - CASH BASIS

Year Ending December 31, 2017

	With Tax Increment Financing	Without Tax Increment Financing
Gross Taxable Income:		
Rental income	\$ 89,700	\$ 89,700
Tenant real estate tax reimbursement	-	-
	<u>89,700</u>	<u>89,700</u>
Tax Deductions:		
Interest expense - TIF debt	8,515	-
Interest expense - Non-TIF debt	24,697	31,509
Snow removal	2,000	2,000
Real estate tax (existing)	2,355	2,355
Real estate tax (TIF increment)	16,504	16,504
Repairs and maintenance	10,000	10,000
Professional fees	2,500	2,500
Depreciation and amortization	18,772	25,120
	<u>85,343</u>	<u>89,988</u>
Taxable income	4,357	(288)
Adjustments to Arrive at Net Cash Receipts (Disbursements)		
Depreciation & amortization	18,772	25,120
TIF non-shareholder capital contribution	16,504	-
Principal debt service - TIF	(7,989)	-
Principal debt service - Non-TIF	(23,175)	(29,566)
Member contribution (distribution):		
Estimated for Federal Income Tax benefit (expense)	(1,725)	114
Estimated for State Income Tax benefit (expense)	(298)	20
	<u>2,089</u>	<u>(4,312)</u>
Net cash receipts (disbursements)	<u>\$ 6,446</u>	<u>\$ (4,600)</u>

See the summary of significant assumptions and the independent accountants' report.
Schroeder & Schreiner, P.C.

MIDDLETON PROPERTIES II, LLC

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS

Year Ending December 31, 2017

NOTE A – NATURE AND LIMITATION OF PROJECTIONS

The accompanying projection presents, to the best of Middleton Properties II, LLC's, (Middleton's) knowledge and belief, cash receipts and disbursements for the year ending December 31, 2017 to be generated by a warehouse and office facility (e.g. "the project") located in Grand Island, Nebraska. Stated cash receipts and disbursements are intended to convey results of operations after the anticipated 2016 completion of the project assuming funding of the estimated construction costs of \$927,276 both with, and in the absence of, tax increment financing assistance. The projection reflects their judgment as of May 24, 2016, the date of this projection, of the expected conditions and their expected course of action. Actual results are likely to differ from the projected results because events and circumstances frequently do not occur as expected. Those differences may be material. The assumptions disclosed herein are those that management believes are significant to the projections. The projected information was prepared for use in a tax increment financing request to the Grand Island, Nebraska Community Redevelopment Authority.

NOTE B – BASIS OF ACCOUNTING

The presentations of cash receipts and disbursements for the projection period and the year ending December 31, 2017 portray results using the cash basis of accounting. The results of this basis differ from those using generally accepted accounting principles primarily because the cash basis does not recognize assets other than cash and the debt principal outstanding under the tax increment financing or construction or building loan(s).

NOTE C – CASH RECEIPTS

Middleton Properties II, LLC is a lessor of a 14,950 square foot warehouse and office building. Rental revenue has been determined based on the historical experience of the company (and related parties) in leasing space to tenants in the existing location as well as prevailing rent per square foot for similar real estate in the same locale. The projection assumes full occupancy of the available space. It is assumed that no disparity exists between office and warehouse spaces in arriving at the \$6 per square foot annual rental rate applied.

The projection includes two scenarios dependent on whether or not the tax increment financing (TIF) request is approved. In the event of TIF approval, Middleton will receive additional TIF revenue from the County based on the anticipated increase in the assessed value generated by the proposed project and the additional real estate tax that increase will generate. Both the TIF financing and real estate taxes are subject to the final determination of assessed value.

NOTE D – CASH DISBURSEMENTS

Interest expense and principal debt service are based on the assumption that with the exception of any TIF financing assistance, the entire renovation project will be financed through capital contributions from the owners and additional debt incurred to cover the anticipated construction costs.

TIF debt is based on an initial \$173,919 principal balance that can be serviced with the anticipated incremental real estate tax generated by the project. The loan is expected to have a 15-year term with scheduled monthly payments of \$1,375 (annual \$16,504) and an interest rate of approximately 5.0 percent.

See independent accountants' report
Schroeder & Schreiner, P.C.

MIDDLETON PROPERTIES II, LLC

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS, Continued

Year Ending December 31, 2017

NOTE D – CASH DISBURSEMENTS, continued

The remaining construction costs, not funded through tax increment financing, will be satisfied with \$248,889 of additional capital contributions and bank debt for the residual obligation. These loans are expected to have a 15-year term with an interest rate of approximately 5.0 percent. Scenarios contemplating the denial of tax increment financing will assume bank debt with the same terms as that on the TIF debt.

Projected real estate tax is expected to equal the current tax (for the 2015 year) plus additional tax generated by applying the current levy rate to the anticipated increase in assessed value to be generated by the renovation project.

Projected costs for snow removal, repairs and maintenance, and professional fees are all based on Middleton's experience in renting similar real estate in the same local or estimates arrived at from knowledge of comparable lessors. Utilities, insurance, and other unstated costs are to be paid by the tenant.

Projected member distributions to cover estimated individual income tax (or contributions to reflect estimated income tax benefits) are based on anticipated taxable pass-through income and the highest marginal Federal and State income tax rates of 39.6 percent and 6.84 percent respectively, expected to be in effect during the projection period. Although not a cash expenditure, estimated depreciation has been calculated and included in the projection to arrive at net taxable income used in determining these member distributions / contributions. Estimated capitalized costs are depreciated under either the straight line method for 39-year life building components or the 150 percent declining balance method for 15-year life paving components. In the scenario assuming tax increment financing, the estimated depreciable basis of the building component has been reduced to reflect non-depreciable costs financed by non-shareholder TIF capital contributions.

See independent accountants' report
Schroeder & Schreiner, P.C.

**Middleton Properties II, LLC
Tax Increment Financing Application
Capitalization Rate Analysis**

	<u>With Tax Increment Financing</u>	<u>Without Tax Increment Financing</u>
Net operating income	70,822	56,475
Divided by fair market value	1,040,741	1,040,741
Equals capitalization rate	6.80%	5.43%

Exhibit E

**Middleton Properties, LLC
Tax Increment Financing Request
Municipal and Corporate References**

Name of Reference	Contact Person	Telephone Number	Fax Number
Chief Construction Company	Roger Bullington	(308) 389-7222	
Exchange Bank	Tony Porter	(308) 382-2900	
Five Points Bank	Ed O'Boyle	(308) 384-5350	
Five Points Bank	Tim Wojcik	(308) 384-5350	
Insur Insurance	Jeff Schultz	(308) 382-8000	
Jerry's Sheet Metal Heating & Cooling, Inc.	KC Hehnke	(308) 384-2881	
Leininger, Smith, Johnson, Baack, Placzek & Allen Law Firm	Andy Baack	(308) 382-1930	
O'Connor Enterprises	Ray O'Connor	(308) 381-2497	
Schroeder & Schreiner, P.C.	Bruce Schreiner	(308) 381-1355	
Shamberg, Wolf, McDermott & Depue	Ron Depue	(308) 384-1635	

Exhibit F

Redevelopment Plan Amendment Grand Island CRA Area 18

**July
2016**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 18 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 18.

Executive Summary:

Project Description

THE REDEVELOPMENT OF PROPERTY LOCATED NORTH OF OLD U.S. HIGHWAY 30 AND EAST OF INDUSTRIAL LANE (LOTS 2 AND 3 OF COMMERCIAL INDUSTRIAL PARK SIXTH SUBDIVISION). A NEW WAREHOUSE AND RENOVATED OFFICE SPACE FOR MIDDLETON ELECTRIC,(A LOCAL BUSINESS) INCLUDING DEMOLITION OF AN EXISTING OBSOLETE STRUCTURE, RENOVATION OF THE EXISTING OFFICE BUILDING AND NECESSARY INFRASTRUCTURE AND GRADING IMPROVEMENTS.

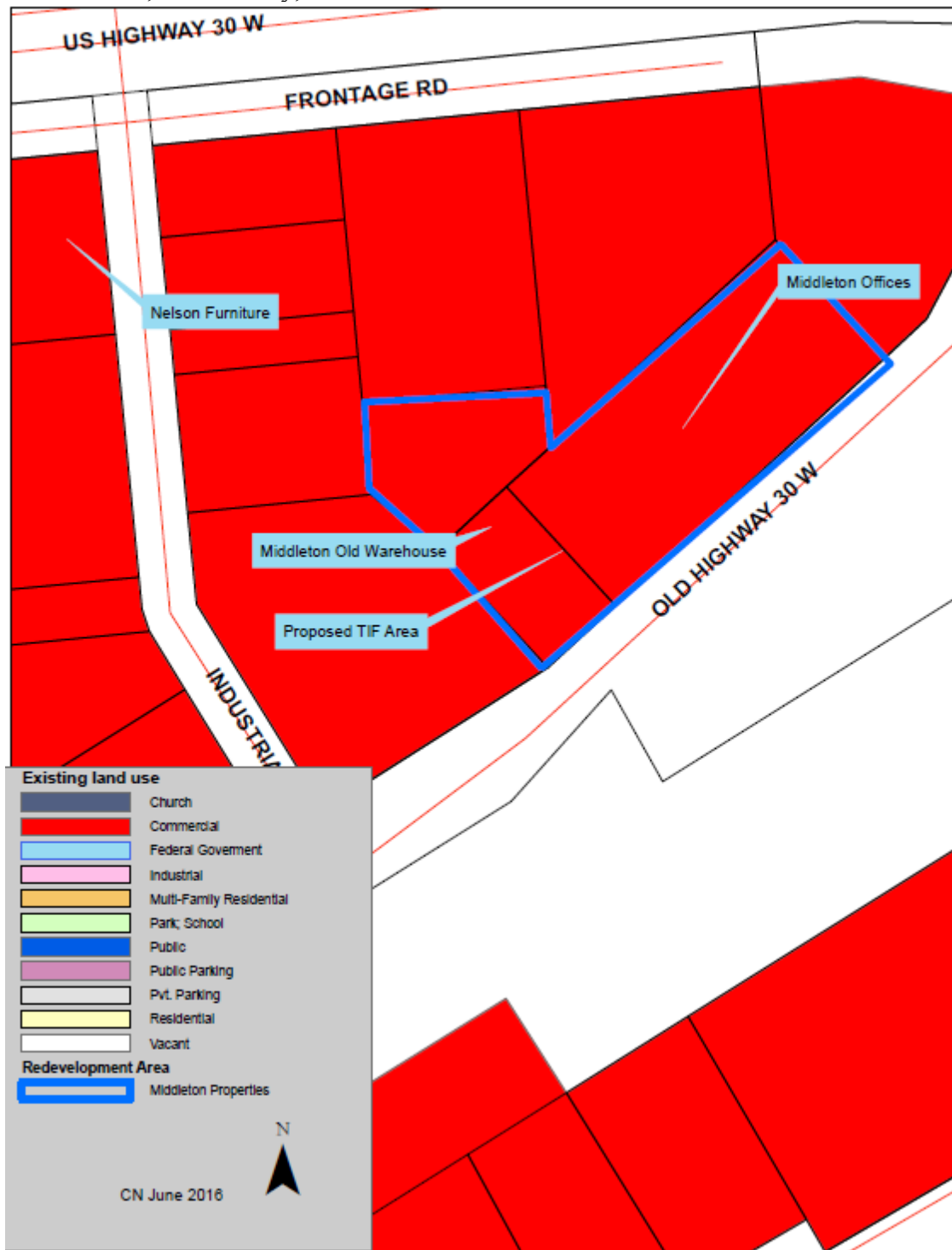
The use of Tax Increment Financing to aid in demolition, site clearance, rehabilitation and necessary infrastructure and grading improvements to redevelop 2716 and 2802 W. Old Highway 30 (Lots 2 and 3 of Commercial Industrial Park Sixth Subdivision in the City of Grand Island). The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in the construction of a new central warehouse and renovated office space for Middleton Electric. The developer has indicated that this development would not be considered for at this location without the use of TIF.

Middleton Properties L.L.C. owns the subject property and currently operates the Grand Island offices of Middleton Electric from this location. Middleton Electric also has offices and operations in Lincoln and Kearney. There is an old warehouse and off ice building on this property. The developer is proposing to replace the existing warehouse with one capable of serving as centralized storage for all three Middleton Electric locations and renovating the office space at the Grand Island offices. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2018 towards the allowable costs.

**TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:
Property Description (the “Redevelopment Project Area”)**

2716 and 2802 W. Old Highway 30 in Grand Island Nebraska

Legal Descriptions: Lots 2 and 3 of Commercial Industrial Park Sixth Subdivision in Grand Island, Hall County, Nebraska.



Existing Land Use and Subject Property

This plan amendment provides for the issuance TIF Notes, the proceeds of which will be granted to the Redeveloper. The tax increment will be captured for up to 15 tax years the payments for which become delinquent in years 2018 through 2032 inclusive or as otherwise dictated by the contract.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from the construction of a new ware housing space and remodeling of an existing office at this location as permitted in the M2 Heavy Manufacturing Zoning District.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on August 25, 2015.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

a. Land Acquisition:

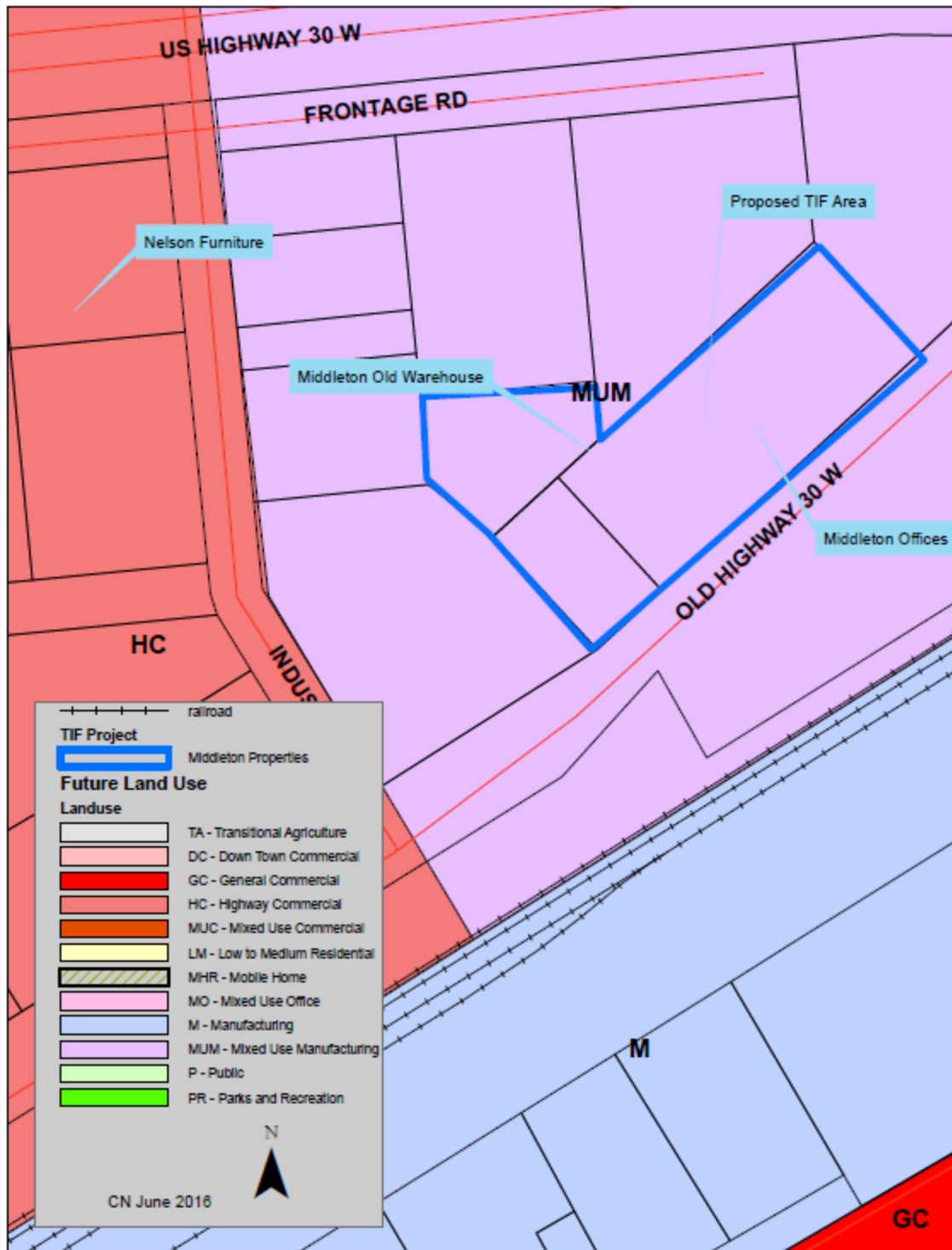
This Redevelopment Plan for Area 18 does not anticipate real property acquisition by the developer. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan provides for the demolition and removal of the existing warehouse on the property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. This property is in private ownership and surrounding properties are planned for mixed use manufacturing. The property south of Old Highway 30 is owned by the Union Pacific Rail Road. [§18-2103(b) and §18-2111] A site plan of the area after redevelopment is also attached as Exhibit A. [§18-2111(5)]



City of Grand Island Future Land Use Map

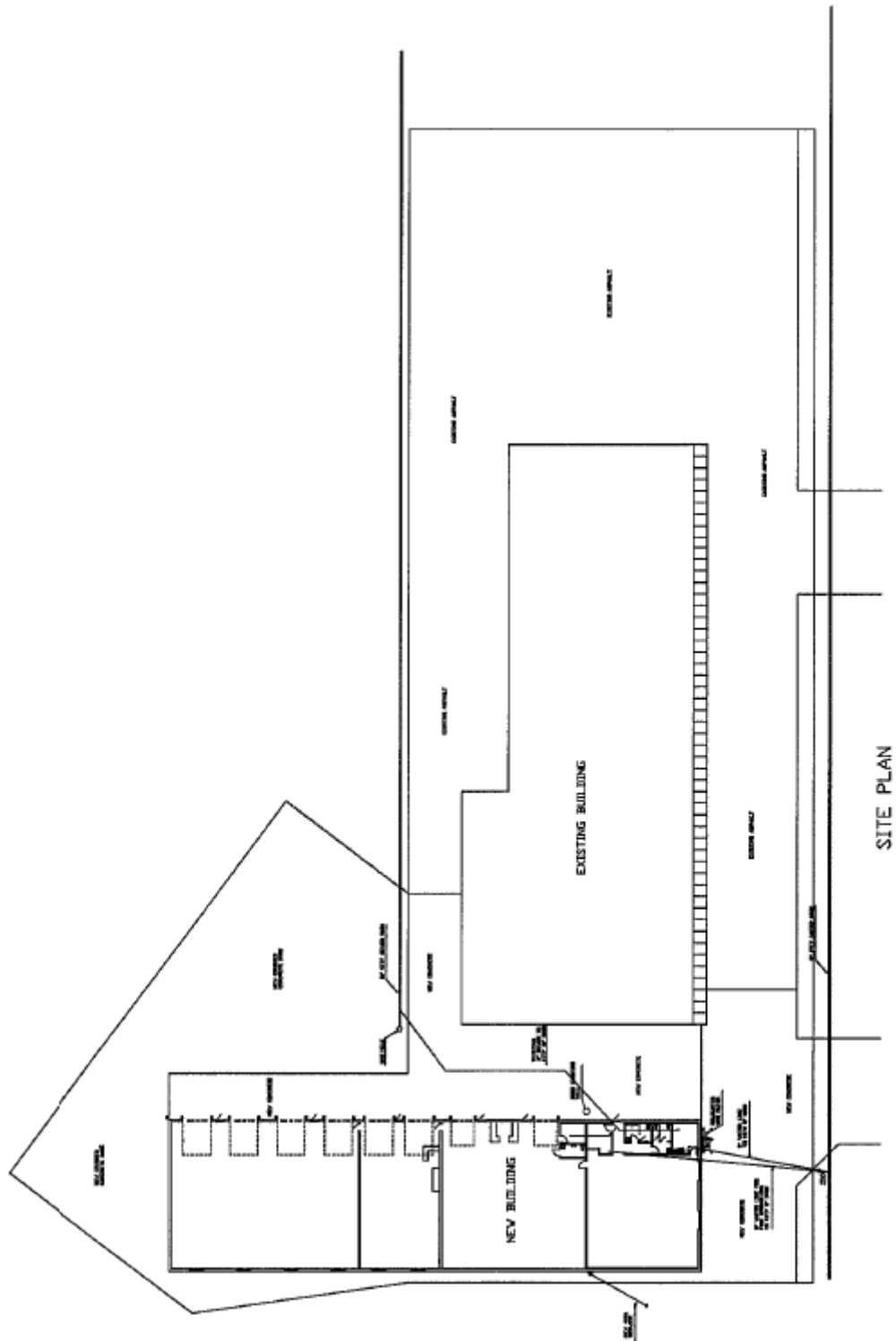


Exhibit A

Proposed Site Plan as developed.

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned M2 Heavy Manufacturing zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to build on the site within the constraints allowed by the current zoning district. The M2 zoning district allows for up to 65% of each lot to be covered with buildings. The proposed warehouse on lot 2 will cover approximately 48% of the lot. The office building on lot 3 will not be increased in size and is a conforming building. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. No new services are anticipated with this development. However, the Redeveloper will install new gas, sewer, water and electrical lines to the new warehouse. Those improvements will be on site and not impact the city's main lines. Additionally, the Redeveloper will install a new manhole on the city sewer line.

. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. No individuals or businesses will be relocated due to this development. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA has any interest in this property.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer owns this property. Demolition of the existing warehouse including asbestos removal is estimated at \$69,000 and is a TIF eligible expense. Site preparation including grading, dirt work, and well abandonment is expected to cost about \$90,000 and is a TIF eligible expense. Architecture, engineering and survey cost for the project are estimated at \$63,400. Utility connections and extensions and drive access for the new warehouse are estimated to cost \$60,000 and are a TIF eligible expense. Renovation of the existing office building is expected to cost about \$46,000 and is an eligible expense.

The blight study for this area along with attorney's fees for the applicant, are \$8,000. Costs for legal services fees advertising and accounting for the CRA and City of Grand Island are an additional \$ 5,600 of eligible expenses. The total of eligible expenses for this project is \$ 342,000.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$247,561 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2017 through December 2031. The developer will use the TIF Note to secure debt financing in the amount of \$173,919 with \$ 247,561 to be paid to the note holder during the term of the financing.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of blighted conditions including renovating and rebuilding older buildings within the area.

8. Time Frame for Development

Development of this project is anticipated to be completed between September of 2016 and December of 2017. Excess valuation should be available for this project for 15 years beginning with the 2017 tax year.

9. Justification of Project

Demolition, extension of utilities and substantial site grading are necessary to facilitate rebuilding at this site. The redevelopment of this property by Middleton Electric will result in greater investment by the company in their Grand Island location and will keep their employee base within the Grand Island area.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$247,561 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$662,715 in private sector financing; a private investment of \$2.74 for every TIF dollar invested.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Demolition	\$68,488		\$68,488
Site Preparation	\$90,295		\$90,295
Utilities and Drive Access	\$16,148	\$53,515	\$59,663
Arch/Engineering/Planning	\$18,586	\$44,874	\$63,460
Building Costs		\$467,356	\$467,356
Renovation	\$46,044		\$46,044
Landscaping/Lighting/Parking		\$123,970	\$123,970
Fees Legal Study	\$18,000		\$18,000
TOTALS	\$247,561	\$689,715	\$937,276

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2016, valuation of approximately \$116,960. Based on the 2015 levy this would result in a real property tax of approximately \$2,365. It is anticipated that the assessed value will increase by \$820,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$16,500 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be

required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2016 assessed value:	\$ 116,960
Estimated value after completion	\$ 936,667
Increment value	\$ 819,707
Annual TIF generated (estimated)	\$ 16,504
TIF bond issue	\$ 247,561

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$116,960. The proposed redevelopment will create additional valuation of \$819,707. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

This plan provides for the placement of a new manhole in the city's sewer line. No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be negatively impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

This will have minimal impact on employers or employees within the redevelopment project area. It will create the opportunity for additional employees within Middleton Electric in the Grand Island area.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area. The Grand Island labor market is tight but this will create additional full time jobs in the regions. This will allow a local company to expand in our community.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

Time Frame for Development

Development of this project is anticipated to be completed between September of 2016 and August of 2017. The base tax year should be calculated on the value of the property as of January 1, 2016. Excess valuation should be available for this project for 15 years beginning in 2017 with taxes due in 2018. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$247,561 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the rehabilitation the developer will spend more than \$340,000 on TIF eligible activities.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 224

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

Middleton Properties II, LLC

**COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 225

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area 18, from Middleton Properties II, LLC, (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 18;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

Middleton Properties II, LLC