



City of Grand Island

Tuesday, November 28, 2017

Council Session

Item G-6

#2017-337 - Approving Redevelopment Contract with CRA and O'Neill Wood Resources for Redevelopment Area #20

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: November 28, 2017

Subject: Amendment to Redevelopment Plan for CRA Area #20

Presenter(s): Chad Nabity, AICP CRA Director

Background

In 2017, the Grand Island City Council declared property referred to as CRA Area #20 as blighted and substandard and approved a generalized redevelopment plan for the property. The enclosed redevelopment plan proposes to authorize the use of Tax Increment Financing (TIF) for the acquisition of property and redevelopment of property within this redevelopment area.

O'Neill Wood Resources, owns property in this area and is proposing to purchase and develop additional property within the area and has submitted a site specific redevelopment plan that would provide for acquisition of this property for a recycling center and construction and demolition landfill at the Cornhusker Army Ammunition Plant, a formerly used defense site outside of Grand Island, Nebraska but within Hall County, Nebraska.

The CRA reviewed the proposed development plan on September 20, 2017 and forwarded it to the Hall County Regional Planning Commission for recommendation at its meeting on October 11, 2017. The CRA also sent notification to the City Clerk of its intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on October 11, 2017. The Planning Commission approved Resolution 2018-02 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island. The CRA approved and forwarded the redevelopment plan along with the recommendation of the planning commission to the City Council for consideration at its meeting on October 18, 2017.

Council held a public hearing and approved the redevelopment plan for this project on October 24, 2017. The CRA approved a redevelopment contract with O'Neill Wood Resources at their meeting on November 8, 2017. As this project is on a Formerly Used

Defense site legal counsel has determined that the City of Grand Island needs to be a party to the redevelopment contract and said contract is presented to Council. If the attached resolution is approved the Mayor will be authorized to sign the contract on behalf of the City and the project can move forward.

Discussion

Tonight Council is being asked to approve a resolution give the Mayor authority to sign the attached contract consistent with the redevelopment plan for CRA Area #20 submitted by O'Neill Wood Resources. The redevelopment plan specifies that the TIF will be used to offset allowed costs for acquisition of property. Eligible expenses are estimated at over \$1,000,000 for identified expenses eligible for tax increment financing associated with the proposed redevelopment plan. The bond for this project will be issued for a period of 15 years and will end upon final payment of the bond principal and any associated interest. The proposed bond for this project will be issued for the expected TIF proceeds for the 15 year period of \$209,000. It is estimated that this project will have an increment of \$13,919 per year.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the resolution
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the approval of the redevelopment contract.

Sample Motion

Move to approve the resolution as submitted.

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2017, by and between the City of Grand Island, Nebraska, (the "City") the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and O'Neill Wood Resources, LLC, a Nebraska limited liability company ("Redeveloper").

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska, 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, described on attached Exhibit "A", outside of the City, but within Hall County, Nebraska, and being a formerly used defense site, 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 #20 (CAAP) May 2017" (the "Redevelopment Plan") a copy of which is attached hereto as Exhibit "A";

WHEREAS, the area described on Exhibit "A" (the "Redevelopment Project Area") lies within Hall County Sanitary Improvement District Number 4 (SID #4), which district was created and approved by the Hall County, Nebraska District Court on _____, 2017;

WHEREAS, the Redevelopment Project Area, was formerly owned by, leased to or otherwise possessed by the United States under the jurisdiction of the United States Secretary of Defense and was part of the Cornhusker Army Ammunition Plant;

WHEREAS, the City adopted ordinance #9645, a copy of which is attached hereto as Exhibit "B", on August 22, 2017, expressing the intent of the City to annex the Redevelopment Project Area when the same shall become eligible for annexation;

WHEREAS, Section 18-2123.01(1) of the Act authorizes a city to undertake a redevelopment project that involves a formerly used defense site and the City desires that the Authority be the entity, under the Act, to act on behalf of the City in undertaking certain obligations under the Redevelopment Plan and assist the Redeveloper by partially financing the costs of redevelopment project improvements to the Redevelopment Project Area (Redevelopment Project Costs);

O'Neill Wood Resources, LLC

WHEREAS, the Redevelopment Plan calls for the Authority to support Redeveloper's acquisition and redevelopment efforts on real estate to be acquired or owned by the Redeveloper which is legally described on Exhibit "C" attached hereto and incorporated herein by this reference ("Redevelopment Project Area");

WHEREAS, the Redevelopment Project Area incorporates all of the Redeveloper Property as shown on Exhibit "C" attached hereto and incorporated herein by this reference ("Project Site");

WHEREAS, Section 18-2103(12) of the Act authorizes the Authority to carry out plans for a program of acquisition, and improvements in connection with redevelopment of the Project Site and to pay for the same from TIF Proceeds (as defined herein). The Redeveloper intends to utilize the TIF Proceeds from the Project Site to pay for the Project Site acquisition as part of the Redevelopment Project Costs as defined herein;

WHEREAS, Section 18-2107 of the Act authorizes the Authority to enter into contracts with redevelopers of property containing covenants and conditions regarding the use of such property as the Authority may deem necessary to prevent the recurrence of substandard and blighted areas;

WHEREAS, Redeveloper is willing to enter into this Contract and invest approximately Four Million Five Hundred Eighty Thousand Dollars (\$4,580,000) on the Project Site redevelopment which includes site acquisition demolition and preparation of the Project Site, planning for redevelopment;

WHEREAS, in order to help remove blight and substandard conditions and improve conditions in an economically underutilized area, the Authority is willing to enter into this Contract and to utilize TIF Proceeds to fund a portion of the Project Costs in order to induce the Redeveloper to undertake the Private Improvements ("Private Improvements") described below;

WHEREAS, the costs of the Redevelopment Project Improvements are collectively known as the "Redevelopment Project Costs" and are shown on the Sources and Uses of Funds in Exhibit "D", which is attached hereto and incorporated herein by this reference. The Authority and Redeveloper agree that assistance with the Redevelopment Project Costs is deemed essential and the Redevelopment Project would not be economically feasible without it;

WHEREAS, the City and Authority are willing to support the above described redevelopment of the Project Site in accordance with the Redevelopment Plan; provided that, Redeveloper is willing to agree to covenants and conditions regarding compulsory maintenance and upkeep of the Private Improvements to prevent a recurrence of substandard and blighted conditions;

O'Neill Wood Resources, LLC

WHEREAS, City, Authority and Redeveloper desire to enter into this Redevelopment Contract in order to implement the Redevelopment Plan and provide for the redevelopment of the Project Site;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, City, 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.

"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.

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

"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 a Series 2017 note in the form of the attached hereto as Exhibit "E" and purchased by the Redeveloper or Redeveloper's lender as set forth in Section 3.04 of this Redevelopment Contract.

"Liquidated Damages Amount" means the amounts to be repaid to Authority by Redeveloper pursuant to Section 7.02 of this Redevelopment Contract.

"Redevelopment Project" means the improvements to the Redevelopment Project Area, as further described in Exhibit A attached hereto and incorporated herein by reference and, as used

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herein, shall include the Redevelopment Project Property and additions and improvements thereto. Without limitation, those improvements include the following public and private improvements:

“Private improvements” means the improvements described on Exhibit “A”.

"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), 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 site acquisition, demolition and site preparation expenditures, project planning and engineering and costs of the Authority all as described in Section 3.04 of this Redevelopment Contract.

"Redeveloper" means O’Neill Wood Resources, LLC, a Nebraska limited liability company, and its successors and assigns.

"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 “C” 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 “C” 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 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 “A”, 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 the Indebtedness, as supplemented from time to time, and also approving this Redevelopment Contract.

“TIF Proceeds” means the Note proceeds described in Section 3.02.

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"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 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.

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(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 and Redevelopment Project Area as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(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 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 Redevelopment Area 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:

O'Neill Wood Resources, LLC

(a) The Redeveloper is a Nebraska limited liability company 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 operating agreement 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 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 the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date which shall be January 1, 2019, as described in Section 18-2147 (1) of the Act and as more specifically defined below Said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on the real estate located within the Redevelopment Project Area 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 Redevelopment Project Area 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

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(b) That portion of the ad valorem tax on real property within the Redevelopment Project Area 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 "O'Neill Wood Resources Note Fund") to pay the principal of, the interest on, and any premium due in connection with the Note. When such Note, 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 within the Redevelopment Project Area shall be paid into the funds of the respective public bodies.

Section 3.02 Issuance of Indebtedness

The Authority shall authorize the issuance of the Indebtedness in the form and stated principal amount and bearing interest and being subject to such terms and conditions as are specified in the Resolution and this Redevelopment Contract; 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 all 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.

Subject to the foregoing, prior to February 15, 2018, the Authority shall issue a single taxable Tax Increment Development Revenue Note, in a maximum principal amount of \$209,000, in substantially the form shown on the attached Exhibit "E" ("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.

The Redeveloper agrees to purchase 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 effect 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.

Section 3.03 Pledge of Revenues.

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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 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. 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 public infrastructure costs, site preparation costs, utility extensions 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 not to exceed \$209,000. 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 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.

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:

- (a) a special trust fund called the "O'Neill Wood Resources Redevelopment Project Note Fund" (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, 2035 shall be used solely for the payments required herein and by the Resolution; and
- (b) a special trust fund called the "O'Neill Wood Resources Redevelopment Project Fund" (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

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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 CITY

Section 4.01 Appointment of Authority to Undertake Redevelopment Project.

City hereby appoints and designates the Authority to implement the Redevelopment Plan and Redevelopment Project pursuant to Section 18-2123.01 of the Act.

ARTICLE V

OBLIGATIONS OF REDEVELOPER

Section 5.01 Construction of Project:

(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 accordance with the plans and specifications provided to the Authority. The Redeveloper shall provide and pay for infrastructure installation.

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

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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 February 1, 2018, 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 \$25,000. The City and Authority shall be named as beneficiaries under such bond.

Section 5.02 Cost Certification & Disbursement of TIF Note Proceeds.

Proceeds of the TIF 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 or applicable successor or assign with respect to each phase, (i) certifying that a portion 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 Redevelopment Law, the Authority shall evidence such allocation in writing and inform the owner of the TIF Note of any amounts allocated to the TIF Note.

(c) Upon notification from the Authority as described in Section 5.02(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 the Project Fund from proceeds of the Note shall not exceed \$209,000.

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Section 5.03 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 5.04 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 5.05 Payment of Authority Costs.

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

- a. Legal expenses of Authority for representation related to this Redevelopment Contract and the issuance of the TIF Note and other matters.
- b. \$ _____ for City and Authority administrative accounting of incremental tax payments.

Section 5.06. Obligation to Restore.

In the event of any damage or destruction to the Private Improvements during the Tax Increment Period, Redeveloper agrees to use good faith efforts to commence restoration of the Private Improvements to its prior condition within twelve (12) months from the date of the damage or destruction, and shall pursue the same to completion.

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ARTICLE VI

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 6.01 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 VII

DEFAULT, REMEDIES; INDEMNIFICATION

Section 7.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VII, 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 7.02 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 March 1, 2018, or shall abandon construction work related to the Project Costs, once commenced, for any period of 180 days, excepting delays caused by inclement weather,

O'Neill Wood Resources, LLC

(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

(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 payment 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 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 7.03 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 7.02), 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

O'Neill Wood Resources, LLC

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.

Section 7.04 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 7.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VII or this Redevelopment Contract to the contrary, neither the City, the Authority, nor their respective elected officials, officers, directors, appointed officials, employees, attorneys, agents or 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

O'Neill Wood Resources, LLC

activities of the Redeveloper or its agents during the construction of the public infrastructure or public right of ways in the Project.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 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 8.02 Governing Law.

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

Section 8.03 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 8.04 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, the City and the Authority.

Section 8.05 Notices to Parties.

Notices to Parties shall be mailed by U. S. Mail to the following addresses:
Redeveloper:
O'Neill Wood Resources, LLC
P.O. box 2202
Grand Island, NE 68802

O'Neill Wood Resources, LLC

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

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

CITY OF GRAND ISLAND

By: _____
Mayor

ATTEST:

City Clerk

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, by _____ and _____, Mayor and City Clerk, respectively, of the City of Grand Island, Nebraska, on behalf of the Authority.

Notary Public

O'Neill Wood Resources, LLC

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

ATTEST:

Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, 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

O'Neill Wood Resources, LLC

O'Neill Wood Resources, LLC

By: _____

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by Patrick O'Neill, manager of O'Neill Wood Resources, LLC, on behalf of the limited liability company.

Notary Public

O'Neill Wood Resources, LLC

EXHIBIT A
REDEVELOPMENT PLAN

O'Neill Wood Resources, LLC

EXHIBIT B
ORDINANCE #9645

O'Neill Wood Resources, LLC

EXHIBIT C

DESCRIPTION OF REDEVELOPMENT PROJECT AREA

A TRACT OF LAND LOCATED IN PART OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION EIGHTEEN (18), TOWNSHIP ELEVEN (11) NORTH, RANGE TEN (10) WEST OF THE 6TH P.M., HALL COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 18; THENCE ON AN ASSUMED BEARING OF N01°18'49"W, ALONG THE EAST LINE OF SAID E1/2 OF SECTION 18, A DISTANCE OF 591.59 FEET; THENCE S88°41'11"W A DISTANCE OF 4.22 FEET TO THE POINT OF BEGINNING; THENCE S89°02'09"W A DISTANCE OF 2510.04 FEET; THENCE N00°59'37"W A DISTANCE OF 927.97 FEET; THENCE N89°02'52"E A DISTANCE OF 820.31 FEET TO A POINT ON THE WEST LINE OF 86 FT. DRAINAGE EASEMENT; THENCE N01°11'12"W, ALONG SAID WEST LINE OF DRAINAGE EASEMENT, A DISTANCE OF 76.55 FEET; THENCE N89°24'56"E A DISTANCE OF 1639.82 FEET TO A POINT OF CURVATURE; THENCE AROUND A CURVE IN A CLOCKWISE DIRECTION, HAVING AN ANGLE OF 20°33'43", HAVING A RADIUS OF 722.17 FEET, AND CHORD BEARING S11°30'01"E A CHORD DISTANCE OF 257.78 FEET; THENCE S01°14'28"E A DISTANCE OF 740.06 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS A CALCULATED AREA OF 2,442,827.01 SQUARE FEET OR 56.080 ACRES MORE OR LESS, OF WHICH 1.02 ACRES ARE COUNTY ROAD RIGHT-OF-WAY.

O'Neill Wood Resources, LLC

EXHIBIT D

SOURCES AND USES

Description	Use of Funds.		
	TIF Funds	Private Funds	Total
Site Acquisition	\$209,000	\$103,000	\$312,000
Legal and Plan*		\$34,000	\$34,000
Engineering/Arch		\$73,000	\$73,000
On-Site Improvements		\$615,000	\$615,000
New Construction		\$1,375,000	\$1,375,000
Equipment		\$2,250,000	\$2,250,000
Financing		\$30,000	\$30,000
Contingency		\$100,000	\$100,000
TOTALS	\$209,000	\$4,580,000	\$4,789,000

O'Neill Wood Resources, LLC

EXHIBIT E

(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
(O'NEILL WOOD RESOURCES, LLC REDEVELOPMENT PROJECT), SERIES 2017

No. R-1

Up to \$11,600,000
(subject to reduction as described herein)

Date of
Original Issue

Date of
Maturity

Rate of
Interest

December 31, 2035

0.00%

REGISTERED OWNER: O'Neill Wood Resources, LLC

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.

O'Neill Wood Resources, LLC

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

[S E A L]

By: _____ (manual signature)
Chairman

By: _____ (manual signature)
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, 2020, 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 _____ 2017, 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 \$209,000.

This Note is a special limited obligation of the Authority payable as to principal and interest solely from and is secured solely by the Tax Revenue (as defined in the Resolution) and

O’Neill Wood Resources, LLC

certain other money, funds and securities 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 within the Project Area (as defined in the 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.

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 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 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 Tax Revenue and other money and securities pledged to the payment of the

O'Neill Wood Resources, LLC

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 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 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.

O'Neill Wood Resources, LLC

(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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O'Neill Wood Resources, LLC

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
O'NEILL WOOD RESOURCES, LLC REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017**

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

O'Neill Wood Resources, LLC

RESOLUTION 2017-337

A RESOLUTION AUTHORIZING THE EXECUTION OF A REDEVELOPMENT CONTRACT WITH O'NEILL WOOD RESOURCES, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND AND THE CITY OF GRAND ISLAND; APPROVING THE USE OF TAX INCREMENT FINANCING, EVIDENCED BY A NOTE OR OTHER OBLIGATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$209,000 FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING PROPERTY AS DESCRIBED IN REDEVELOPMENT PLAN FOR CRA AREA #20; AND RELATED MATTERS.

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. The Mayor and members of the City Council of Grand Island, Nebraska (the “City”) hereby find and determine as follows:

(a) The City previously approved the O'Neill Wood Resources Redevelopment Project May 2017 (the “**Redevelopment Plan**”) under and pursuant to the Nebraska Community Development Law (the “Act”) to assist in the redevelopment and rehabilitation of the Redevelopment Area (hereinafter defined).

(b) The City, in approving the Redevelopment Plan determined that (a) the plan was feasible and in conformity with the general plan for the development of the city as a whole and the plan was in conformity with the legislative declarations and determinations set forth in the Act and (b) that, if the plan uses funds authorized in section [18-2147](#) of the Act, (i) the redevelopment project in the plan would not be economically feasible without the use of tax-increment financing, (ii) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing, and (iii) the costs and benefits of the redevelopment 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 governing body and have been found to be in the long-term best interest of the community impacted by the redevelopment project.

(c) The Redevelopment Area, described on Attachment “A”, hereto, lies within Hall County Sanitary Improvement District Number 4 (SID #4), which district was created and approved by the Hall County, Nebraska District Court on September 20, 2017.

(d) The Redevelopment Area, was formerly owned by, leased to or otherwise possessed by the United States under the jurisdiction of the United States Secretary of Defense and was part of the Cornhusker Army Ammunition Plant.

(e) The City adopted ordinance #9645, on August 22, 2017, expressing the intent of the City to annex the Redevelopment Area when the same shall become eligible for annexation.

(f) The City has been presented with a Redevelopment Contract in the form of Attachment “B”, hereto. It is in the best interests of the City that it approve the Redevelopment Contract and that the Authority be appointed by the City to implement the Redevelopment Plan.

(g) Pursuant to the Redevelopment Contract, the Authority will hereafter obligate itself to provide a portion of the financing to acquire a portion of the Redevelopment Area (as defined in the Redevelopment Contract) in the Redevelopment Area (the “**Project Cost**”), including, without limitation) completing the acquisition of the Project Site (as defined in the Redevelopment Contract), (the “**Project**”), as more fully described in the Redevelopment Contract.

ARTICLE II

APPROVAL OF ACTIONS

Section 2.1. General and Specific Authorizations;

(a) The Authority is hereby appointed to act on behalf of the City to implement the Redevelopment Plan.

(b) The Mayor and City Clerk are authorized and directed to execute the Redevelopment Contract in the form presented (Attachment “B”) with such immaterial changes as the Mayor, in his discretion deems proper.

(c) The Authority is authorized to undertake the actions set forth in the Redevelopment Contract upon execution and approval by the Authority including the issuance of a Tax Increment Development Revenue Note not to exceed \$209,000.

Section 2.2 Benefits of Resolution Limited to the City and Authority. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution is intended or should be construed to confer upon or give to any person other than the City and Authority 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 and the Authority.

Section 2.3. No Personal Liability. No officer or employee of the City or Authority shall be individually or personally liable for any action taken in their representative capacity in complying with the terms of this Resolution. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 2.4 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 or the Authority 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.

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 2.5. 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.

Section 2.6. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, 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 2.7. Repeal of Inconsistent Resolution. Any Resolution of the City and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 2.8. Publication and Effectiveness of this Resolution. This Resolution shall take effect and be in full force from and after its passage by the City Council of the City of Grand Island.

PASSED AND ADOPTED: November 28, 2017.

THE CITY OF GRAND ISLAND, NEBRASKA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Attachment "A"

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN PART OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION EIGHTEEN (18), TOWNSHIP ELEVEN (11) NORTH, RANGE TEN (10) WEST OF THE 6TH P.M., HALL COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 18; THENCE ON AN ASSUMED BEARING OF N01°18'49"W, ALONG THE EAST LINE OF SAID E1/2 OF SECTION 18, A DISTANCE OF 591.59 FEET; THENCE S88°41'11"W A DISTANCE OF 4.22 FEET TO THE POINT OF BEGINNING; THENCE S89°02'09"W A DISTANCE OF 2510.04 FEET; THENCE N00°59'37"W A DISTANCE OF 927.97 FEET; THENCE N89°02'52"E A DISTANCE OF 820.31 FEET TO A POINT ON THE WEST LINE OF 86 FT. DRAINAGE EASEMENT; THENCE N01°11'12"W, ALONG SAID WEST LINE OF DRAINAGE EASEMENT, A DISTANCE OF 76.55 FEET; THENCE N89°24'56"E A DISTANCE OF 1639.82 FEET TO A POINT OF CURVATURE; THENCE AROUND A CURVE IN A CLOCKWISE DIRECTION, HAVING AN ANGLE OF 20°33'43", HAVING A RADIUS OF 722.17 FEET, AND CHORD BEARING S11°30'01"E A CHORD DISTANCE OF 257.78 FEET; THENCE S01°14'28"E A DISTANCE OF 740.06 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS A CALCULATED AREA OF 2,442,827.01 SQUARE FEET OR 56.080 ACRES MORE OR LESS, OF WHICH 1.02 ACRES ARE COUNTY ROAD RIGHT-OF-WAY.

Attachment "B"

Redevelopment Contract