



Community Redevelopment Authority (CRA)

Wednesday, September 20, 2017
Regular Meeting

Item X1

Prataria - Redevelopment Contract

Staff Contact: Chad Nabity

Prataria

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2017, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and Prataria Ventures, LLC, a Nebraska limited liability company ("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 #17 June 2016" (the "Redevelopment Plan") a copy of which is attached hereto as Exhibit "A";

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 "B" 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 "B" 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 demolition, preparation, planning, infrastructure and other 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 One Hundred Ten Million Dollars (\$110,000,000) on the Project Site redevelopment which includes demolition and preparation of the Project Site, planning for redevelopment, utility extension, public and private street installation, public parking and construction of a private hospital, medical office building (MOB) and a hotel and convention center as generally shown on the Site Plan attached hereto as Exhibit "C";

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") and Public Improvements ("Public Improvements") described below;

WHEREAS, the Private Improvements and Public Improvements on the Project Site comprise the Redevelopment Project and are collectively known as the "Redevelopment Project Improvements". 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 proposed redevelopment project shall be constructed in three (3) phases, with all phases constituting part of the single Redevelopment Project. The three phases shall consist of the construction of the improvements on the three separate lots defined herein—the Hospital Lot, the Hotel Lot, and the MOB Lot. Redeveloper intends to assign this Redevelopment Contract to three (3) entities that will each act as the redeveloper for one phase of the Project. Each assignee redeveloper shall assume the obligations under this Redevelopment Contract with respect to the applicable lot and the public and private improvements associated with said applicable lot;

WHEREAS, the Authority is 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;

WHEREAS, 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, Authority and Redeveloper do hereby covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Prataria Ventures, LLC

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.

"Hospital Lot" means Lot 1, Prairie Commons Subdivision, Grand Island, Hall County, Nebraska.

"Hospital Note" means that part of the Indebtedness consisting of the Tax Increment Development Revenue Note (Prataria Ventures, LLC Development Project), Series 2017 A in substantially the form set forth on Exhibit "E", purchased by the Redeveloper or Redeveloper's lender as set forth in Section 3.04 of this Redevelopment Contract, and in an amount not to exceed \$11,600,000.

"Hotel Lot" means Lot 3, Prairie Commons Subdivision, Grand Island, Hall County, Nebraska.

"Hotel Note" means that part of the Indebtedness consisting of the Tax Increment Development Revenue Note (Prataria Ventures, LLC Development Project), Series 2017 B in substantially the form set forth on Exhibit "F", purchased by the Redeveloper or Redeveloper's lender as set forth in Section 3.04 of this Redevelopment Contract, and in an amount not to exceed \$1,700,000.

"MOB Lot" means Lot 2, Prairie Commons Subdivision, Grand Island, Hall County, Nebraska.

"MOB Note" means that part of the Indebtedness consisting of the Tax Increment Development Revenue Note (Prataria Ventures, LLC Development Project), Series 2017 C in substantially the form set forth on Exhibit "G", purchased by the Redeveloper or Redeveloper's lender as set forth in Section 3.04 of this Redevelopment Contract, and in an amount not to exceed \$2,500,000.

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"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 A note in the form of the Hospital Note, a Series B note in the form of the Hotel Note, and a Series C note in the form of the MOB Note, in an aggregate amount not to exceed \$15,800,000.00 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 6.02 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 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 (which shall be constructed in up to three separate phases):

Construction of an approximately 64 bed four story 172,000 square foot private hospital on the Hospital Lot.

Construction of an approximately three story 66,000 square foot medical office building on the MOB Lot.

Construction of an approximately 103 bed 81,000 square foot hotel and an approximately 7,000 square foot conference center as part of the hotel on the Hotel Lot.

Public improvements:

Public Streets as shown in the final plat of the Redevelopment Project Property.

Improvements to state highway required for access and traffic control.

Utilities to support the project including sanitary and storm sewer, and water.

Private streets with public access.

Public parking as shown in the site plan Exhibit "C". Public parking shall consist of a public parking license on a private parking lot in the form attached hereto as Exhibit "H" and incorporated by this reference and shall be for the duration that any TIF Indebtedness is outstanding.

"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

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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 site preparation expenditures, public parking, public and private street installation, state highway improvements, all improvements related to Project public infrastructure costs, utility extensions, project planning and engineering and costs of the Authority all as described in Section 3.04 of this Redevelopment Contract.

"Redeveloper" means Prataria Ventures, 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 "B" 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 "B" 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.

"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 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

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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 for the benefit of any public body be divided for a period of fifteen years after the effective date of each phase, as described in Section 18-2147 (1) of the Act and as more specifically defined below. The Private Improvements shall be constructed in three (3) phases, with all phases constituting part of the Redevelopment Project. The three phases of the Redevelopment Project shall consist of: Phase 1 construction of the Private Improvements on the Hospital Lot; Phase 2 construction of the Private Improvements on the Hotel Lot; and Phase 3 construction of the Private Improvements on the MOB Lot. In order to optimize the Tax Increment for the Project, each Lot may have a separate effective date for the division of ad valorem taxes (each, an "Effective Date"). The Effective Date for the Hospital Lot shall be the January 1, 2019. The Effective Date for the Hotel Lot shall be January 1, 2019. The Effective Date for the MOB Lot is anticipated to be January 1, 2019 but shall be identified in a Redevelopment Contract Amendment executed on behalf of the Redeveloper and delivered to the Authority in the form attached hereto as Exhibit "I" and shall be determined based upon the construction and development schedule of the MOB Lot. The Authority shall file with the Hall County Assessor the "Notice to Divide Taxes" on or prior to August 1 in the calendar year of the Effective Date for each Lot. Said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on the real estate located within the Hospital Lot 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 Hospital

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Lot 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 within the Hospital Lot in excess of such amount set forth in Section 3.01(a) above (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 "Hospital Note Fund") to pay the principal of, the interest on, and any premium due in connection with the Hospital Note. When such Hospital 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 Hospital Lot shall be paid into the funds of the respective public bodies.

(c) That portion of the ad valorem tax on the real estate located within the Hotel Lot 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 Hotel Lot 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

(d) That portion of the ad valorem tax on real property within the Hotel Lot in excess of such amount set forth in Section 3.01(c) above (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 "Hotel Note Fund") to pay the principal of, the interest on, and any premium due in connection with the Hotel Note. When such Hotel 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 Hotel Lot shall be paid into the funds of the respective public bodies.

(e) That portion of the ad valorem tax on the real estate within the MOB Lot 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 MOB Lot 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

(f) That portion of the ad valorem tax on real property within the MOB Lot in excess of such amount set forth in Section 3.01(e) above (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 "MOB Note Fund") to pay the principal of, the interest on, and any premium due in connection with the MOB Note. When such MOB 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 MOB Lot shall be paid into the funds of the respective public bodies.

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With respect to the MOB Lot, Redeveloper shall execute and deliver to the Authority the Redevelopment Contract Amendment by no later than July 1 of the year of the Effective Date proposed in the Redevelopment Contract Amendment. The Effective Date for the MOB Lot shall be the January 1 of the year in which the division of taxes occurs which shall be the division date set forth in the Redevelopment Contract Amendment. In no event shall a Redevelopment Contract Amendment be delivered after July 1, 2021.

Section 3.02 Issuance of Indebtedness

The Authority shall authorize the issuance of the Indebtedness in three taxable series beginning with the Hospital Note. At such time as the full amount of the Hospital Note is advanced, the Authority shall authorize the Hotel Note. At such time as the full amount of the Hotel Note is advanced, the Authority shall authorize the MOB Note. The Hospital Note, Hotel Note, and MOB Note (collectively referred to as the “TIF Notes”) shall be 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 aggregate stated face amount of the TIF Notes making up 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 Authority shall issue the Indebtedness in three taxable series in a maximum aggregate principal amount of \$15,800,000, and otherwise as described in this Section 3.02, for net funds available to be purchased by Redeveloper or one or more lender identified by the Redeveloper (each a “TIF Note Purchaser”), in a written form acceptable to Authority’s attorney, and shall receive proceeds of such purchase 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 Notes. 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 each series of the Indebtedness and all the other necessary details of the Indebtedness.

The TIF Note Purchaser 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 or to locate one or more lenders to purchase 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 may 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 Hospital Lot as security for and to provide payment of the Hospital Note as the same fall due (including payment of any mandatory redemption amounts set for the Indebtedness in accordance with the terms of the Resolution). Under the terms of the Resolution, the Authority pledges 100% of the available annual TIF Revenues derived from the Hotel Lot as security for and to provide payment of the Hotel Note as the same fall due (including payment of any mandatory redemption amounts set for the Hotel Note in accordance with the terms of the Resolution). Under the terms of the Resolution, the Authority pledges 100% of the available annual TIF Revenues derived from the MOB Lot as security for and to provide payment of the MOB Note as the same fall due (including payment of any mandatory redemption amounts set for the MOB Note in accordance with the terms of the Resolution). The tax increment is to be derived from the increased valuation, determined in the manner provided for in Article 8, Section 12 of the Constitution of the State of Nebraska and the Act which will be attributable to the redevelopment contemplated under this Contract and within the Project Area. The TIF Revenues which are to be used to pay debt service on the TIF Note will be derived from the increased valuation from redeveloping the Redeveloper Property as provided in this Contract. Redeveloper specifically acknowledges that any protest of the valuation of all or any portion of the Project Area by any party, or a reduction in assessed valuation of all or any portion of the Project Area shall reduce the TIF Revenues available for payment on TIF Note. The Redeveloper specifically acknowledges, as the TIF Note Purchaser, that it bears the entire risk of any reduction in assessed valuation.

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

The Redeveloper has agreed to purchase or locate a lender 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 for the Project Costs as described on Exhibit D (the "Project Costs"), in the aggregate maximum amount not to exceed \$15,800,000. 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:

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(a) a special trust fund called the “Prataria Ventures, LLC, Redevelopment Project Hospital Note Fund” (the “Hospital Note Fund”). All of the TIF Revenues from the Hospital Lot shall be deposited into the Hospital Note Fund. The TIF Revenues accumulated in the Hospital 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 Hospital Note to the extent of any money then remaining in the Hospital Note Fund on such Interest Payment Date. Money in the Hospital Note Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received for the applicable 15 year period of Phase 1 (including taxes that have accrued and are due and payable in the fifteenth year but are actually paid in arrears in the sixteenth year pursuant to customary Nebraska practices) shall be used solely for the payments required herein and by the Resolution; and

(b) a special trust fund called the “Prataria Ventures, LLC, Redevelopment Project Fund – Hospital” (the “Hospital Project Fund”) The Authority shall disburse any money on deposit in the Hospital 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 Hospital Project Fund at the time of the receipt by the Authority of such request, the Authority shall notify the owner of the Hospital 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 Hospital 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 Hospital Note.

(c) a special trust fund called the “Prataria Ventures, LLC, Redevelopment Project Hotel Note Fund” (the “Hotel Note Fund”). All of the TIF Revenues from the Hotel Lot shall be deposited into the Hotel Note Fund. The TIF Revenues accumulated in the Hotel 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 Hotel Note to the extent of any money then remaining in the Hotel Note Fund on such Interest Payment Date. Money in the Hotel Note Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received for the applicable 15 year period of Phase 2 (including taxes that have accrued and are due and payable in the fifteenth year but are actually paid in arrears in the sixteenth year pursuant to customary Nebraska practices) shall be used solely for the payments required herein and by the Resolution; and

(d) a special trust fund called the “Prataria Ventures, LLC, Redevelopment Project Fund – Hotel” (the “Hotel Project Fund”) The Authority shall disburse any money on deposit in the Hotel 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 Hotel Project Fund at the time of the receipt by the Authority of such request, the Authority shall notify the owner of the Hotel 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 Hotel Note and the Redeveloper so elects, the

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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 Hotel Note.

(e) a special trust fund called the “Prataria Ventures, LLC, Redevelopment Project MOB Note Fund” (the “MOB Note Fund”). All of the TIF Revenues from the MOB Lot shall be deposited into the MOB Note Fund. The TIF Revenues accumulated in the MOB 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 MOB Note to the extent of any money then remaining in the MOB Note Fund on such Interest Payment Date. Money in the MOB Note Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received for the applicable 15 year period of Phase 3 (including taxes that have accrued and are due and payable in the fifteenth year but are actually paid in arrears in the sixteenth year pursuant to customary Nebraska practices) shall be used solely for the payments required herein and by the Resolution; and

(f) a special trust fund called the “Prataria Ventures, LLC, Redevelopment Project Fund – MOB” (the “MOB Project Fund”) The Authority shall disburse any money on deposit in the MOB 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 MOB Project Fund at the time of the receipt by the Authority of such request, the Authority shall notify the owner of the MOB 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 MOB 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 MOB Note.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project;

Redeveloper shall:

- (a) Pave the public and private streets in accordance with plans and specifications approved by the City's Director of Public Works, and subject to the City's inspection. Redeveloper shall design, construct and install a public water main, public sanitary sewer, conduits for public electrical lines, and sidewalks in accordance with plans and specifications approved by the Director of Public Works, and subject to the City's inspection. All final engineering plans and specifications for public improvements shall bear the signature and seal of a professional engineer registered in the State of Nebraska and shall be furnished by Redeveloper to the Department of Public Works for approval prior to contracting for construction of any improvements. Inspections of improvements under construction shall be performed under the supervision of a

Prataria Ventures, LLC

professional registered engineer and upon completion shall be subject to inspection and approval by the Department of Public Works prior to acceptance by the City of Grand Island. An "as built" set of plans and specifications including required test results bearing the seal and signature of a registered professional engineer shall be filed with the Director of Public Works by Redeveloper prior to acceptance of these improvements by the City.

- (b) Redeveloper has provided a copy of the approved preliminary plat to the Authority. If the construction of any Public Improvements is significantly altered from the preliminary plat, Redeveloper shall submit revised plans to the Authority.
- (c) Construct all Private Improvements in compliance with all applicable local, state, and federal building and construction laws and codes. Redeveloper agrees to secure and maintain all permits and licenses necessary for its use of the Redevelopment Project including, but not limited to, necessary building permits and inspections.
- (d) Redeveloper agrees to use commercially reasonable efforts to complete construction of the Public Improvements and the Private Improvements located on the Hospital Lot and Hotel Lot on or before December 31, 2019, as provided in this Agreement. Redeveloper agrees to use commercially reasonable efforts to complete construction of the Private Improvements located on the MOB Lot within a reasonable schedule to be determined by the Redeveloper and approved by the Authority. Redeveloper further agrees to pay, or cause to be paid, in a timely manner all persons, firms, or organizations that performed labor or furnished materials, equipment or supplies used in the prosecution of the Public and Private Improvements. Such payment shall be made promptly after completion of the Private Improvements and in accordance with all the provisions of this Agreement relating to the obligations of Redeveloper to construct said improvements. The Redeveloper shall provide and pay for the Public Improvements.
- (e) Grant the public the a license to use the areas labeled "Public Parking as shown on attached Exhibit "C" pursuant to the public parking license agreement in the form attached hereto as Exhibit "H". Members of the public shall be entitled to utilize such parking subject to the terms of the parking license for and during the period that any TIF Indebtedness remains outstanding. In addition the Redeveloper and its successors and transferees shall maintain said Public Parking area in a commercially reasonable manner and timely provide snow removal, without charge or reimbursement from the City.
- (f) Pay a minimum annual assessment to the Authority, without demand, in the following amounts and at the indicated times:
 - 1) As to the Hospital Lot an amount equal to the sum of \$1,143,600 less the annual TIF Revenue as to said Hospital Lot for each tax year beginning in 2020 through and including 2033. Said amount is designated as the "Shortfall". One-half of the shortfall shall be paid prior to May 1 and one-half prior to September 1 in the year following the receipt of the real property tax statement for the Hospital Lot.
 - 2) As to the MOB Lot an amount equal to the sum of \$246,700 less the annual TIF Revenue as to said MOB Lot for each tax year beginning in the first tax year following the tax year of the Effective Date through and including the

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fifteenth tax year following the tax year of the Effective Date. Said amount is designated as the "Shortfall". One-half of the shortfall shall be paid prior to May 1 and one-half prior to September 1 in the year following the receipt of the real property tax statement for the Hotel Lot.

- 3) As to the Hotel Lot an amount equal to the sum of \$171,200 less the annual TIF Revenue as to said Hotel Lot for each tax year beginning in 2020 through and including 2033. Said amount is designated as the "Shortfall". One-half of the shortfall shall be paid prior to May 1 and one-half prior to September 1 in the year following the receipt of the real property tax statement for the MOB Lot.
- (g) If requested by the Authority, provide a payment and performance bond from a bond company doing business in the state of Nebraska in the total amount of all the Public Improvements to be construction in the public right of way. The City and Authority shall be named as beneficiaries under such bond. The required amount of said bond shall be reduced as Public Improvements in the right of way are completed as long as the amount of the bond is at all times equal to or greater than the unfinished Public Improvements to be completed in the public right of way
 - (h) Until construction of the Project has been completed, 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.
 - (i) Require any general contractor chosen by the Redeveloper 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. 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 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.
 - (j) So long as the TIF Note is outstanding, not discriminate against any person or group of persons on account of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Redevelopment Project. Redeveloper, its successors and transferees, agrees that during the construction of the Redevelopment 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, and further agrees to require that its contractor and subcontractors shall agree to conform to said requirements. Redeveloper will comply with all applicable federal, state and local laws related to the Redevelopment Project. For purposes of this paragraph, discrimination

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shall mean discrimination as defined by the laws of the United States and the State of Nebraska.

Section 4.02 Cost Certification & Disbursement of Note Proceeds.

Proceeds of the 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 Notes of any amounts allocated to the TIF Notes.

(c) Upon notification from the Authority as described in Section 4.02(b), deposits to the accounts in the Hospital Project Fund may be made from time to time from funds received by the Authority from the owner of the Hospital 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. Upon notification from the Authority as described in Section 4.02(b), deposits to the accounts in the Hotel Project Fund may be made from time to time from funds received by the Authority from the owner of the Hotel 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.. Upon notification from the Authority as described in Section 4.02(b), deposits to the accounts in the MOB Project Fund may be made from time to time from funds received by the Authority from the owner of the MOB 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 respective TIF 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. When feasible, the Authority shall use the Note Proceeds to directly pay invoices for public improvements set forth in any Disbursement Request. At the option of the Redeveloper, if the Redeveloper is the owner of the TIF 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 for each respective phase from TIF proceeds of the corresponding TIF 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 its records maintained for the TIF Note. The aggregate amount deposited into the Hospital Project Fund, Hotel Project Fund, and MOB Project Fund from proceeds of all of the Notes shall not exceed \$15,800,000.

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The Authority shall, to the extent allowed by law, and then only to the extent funds are lawfully available from TIF Revenues generated by the Hospital Lot pay the TIF Note Purchaser the principal and interest of the Hospital Notes. The Authority shall, to the extent allowed by law, and then only to the extent funds are lawfully available from TIF Revenues generated by the Hotel Lot pay the TIF Note Purchaser the principal and interest of the Hotel Note. The Authority shall, to the extent allowed by law, and then only to the extent funds are lawfully available from TIF Revenues generated by the MOB Lot pay the TIF Note Purchaser the principal and interest of the MOB Note. Any debt service on the TIF Notes to be paid from TIF Revenues shall not constitute a general obligation or debt of the City or Authority. Neither the City or Authority shall be liable or be required to reimburse Redeveloper for any costs incurred by Redeveloper in the event this Contract is not approved for any reason, including for reasons alleged to be the fault of the City or Authority. Any excess TIF Revenues resulting from the Project Site not needed or required to pay the TIF Note Purchaser shall be expended by the Authority or returned to the applicable taxing authorities as provided in the Community Development Law. Any shortfall in anticipated TIF funds from the TIF Revenues for any reason whatsoever, specifically including a decline in taxable valuation of the Project Site, shall be borne entirely by the Redeveloper and/or TIF Note Purchaser without recourse of any kind against the Authority or the City.

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. Any successor in interest or transferee of any real estate in the Redevelopment Project shall be bound by and have the same obligations hereunder as the Redeveloper. The Authority shall be entitled to require, as conditions to any required approval, that:

- a. Any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the Authority, necessary and adequate to fulfill the obligations undertaken in this Contract by Redeveloper relating to the applicable Lot being transferred; and
- b. Any proposed transferee, by instrument satisfactory to the Authority and in form recordable in the Office of the Register of Deeds, shall for itself and its successors and assigns and for the benefit of the Authority, have expressly assumed all of

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the obligations of Redeveloper under this Contract with respect to the applicable Lot being transferred; and

c. Copies of the documents addressing items (a) and (b) shall be submitted to the Authority for review, not less than ten (10) days prior a regularly scheduled meeting of the Authority and not less than less than ten (10) days prior to the proposed transfer. If the transfer or any of the documentation in connection therewith is disapproved by the Authority, its disapproval and reasons therefore shall be indicated to Redeveloper in writing.

The Authority acknowledges and understands that it is the intent of Redeveloper to assign the obligations under this Redevelopment Contract relating to each phase of the Redevelopment Project to separate and distinct third parties, such that there shall be one successor redeveloper for the Hospital Lot, one successor redeveloper for the Hotel Lot, and one successor redeveloper for the MOB Lot. The Authority acknowledges that, subject to the conditions set forth above, it shall assign the rights and obligations hereunder separately with respect to the Hospital Lot, the Hotel Lot, and the MOB Lot. Each successor redeveloper shall only assume the obligations hereunder with respect to the assumed Lot and shall not have any obligation or liability relating to the other Lots in the Redevelopment Project Area. Upon an assignment of this Redevelopment Contract with respect to one Lot or less than the entire Redevelopment Project Area, this Redevelopment Contract shall be reasonably interpreted by the parties to apply solely to said applicable Lot unless otherwise expressly provided in the applicable assignment and assumption agreement between Redeveloper and the successor redeveloper. Upon the approved assignment of the Redevelopment Contract to the three successor redevelopers, Prataria Ventures shall have no further obligations hereunder with respect to the Hospital Lot, the Hotel Lot, and the MOB Lot, but shall not be relieved of the obligations hereunder with respect to the public improvements to be constructed in the public right of way.

Section 4.05 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 4.06. 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.

ARTICLE V FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Prataria Ventures, LLC

Section 5.01 Financing Creating Encumbrances Restricted. Prior to completion of the Public and Private Improvements, neither Redeveloper, nor any successors in interest with respect to the applicable portion of the Redeveloper Property, shall engage in any financing or any other transaction creating any mortgage upon the uncompleted phase of the Redeveloper Property, whether by express contract or operation of law, or suffer any encumbrance or lien to be made on or attached to any of such uncompleted phase of the Redeveloper Property, except for the purposes of obtaining funds only to the extent necessary to acquire such property, or design, construct, maintain, repair, replace and insure the Private Improvements, or to refinance said amounts. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any of the Redeveloper Property and which is contested by Redeveloper, then Redeveloper may defend against such encumbrance or lien, provided that a sufficient Note or security is posted with the Authority, to permit Redeveloper to avoid or prevent foreclosure of such encumbrance or lien.

a. Whenever the Authority shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper of its obligations or covenants in this Contract, the Authority shall at the same time forward a copy of such notice or demand to each holder of any mortgage at the last address of such holder as shown in the records of the Register of Deeds of Hall County.

b. If thirty (30) days after any notice or demand with respect to any breach or default, such breach or default remains uncured, each such holder shall have the right, at its option, to cure or remedy such breach or default and to add the cost thereof to the mortgage debt and the lien of its mortgage.

d. The rights and obligations of this Redevelopment Contract relating to mortgages of any portion of the Redeveloper Property shall apply to any other type of encumbrance on any of the Redeveloper Property, and any of the stated rights, obligations and remedies of any party relating to mortgage foreclosures shall be applicable to procedures under any deed of trust or similar method of encumbrance.

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

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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.

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 substantially complete the construction of the improvements included in the Project Costs on or before the applicable Effective Date, excepting delays caused by inclement weather or any delays set forth in section 6.04.

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 and the Authority shall use said Liquidated Damages Amount to immediately pay off and retire the outstanding TIF Note. In no case whatsoever shall the Liquidated Damages Amount exceed the amount necessary for the authority to pay off the TIF Note.

Interest shall accrue on the Liquidated Damages Amount at the rate of three percent (3%) per annum and interest shall commence thirty (30) days after 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).

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

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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 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 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

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

Section 6.06 Indemnification for Relocation Expenses.

The Redeveloper agrees to indemnify and hold the City and the Authority harmless from any and all liability to the extent resulting from the Redeveloper's failure to make payments of all amounts lawfully due to all persons, firms, or organizations under any city, state or federal relocation laws or regulation in connection with the Project Site. The terms of this section shall survive any termination of this Contract.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notice Recording.

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:
Prataria Ventures, LLC
Attn: Executive Office
3942 West Old Highway 30

Prataria Ventures, LLC

P.O. Box 2078
Grand Island, NE 68802

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 and Redeveloper have signed this Redevelopment Contract as of the date and year first above written.

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

Prataria Ventures, LLC

By: _____
David Ostdiek, Manager

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by David Ostdiek, Manager of Prataria Ventures, LLC, on behalf of the limited liability company.

Prataria Ventures, LLC

Notary Public

Prataria Ventures, LLC

EXHIBIT A
REDEVELOPMENT PLAN

Prataria Ventures, LLC

EXHIBIT B

DESCRIPTION OF REDEVELOPMENT PROJECT AREA

Lots 1, 2 and 3, Prairie Commons Subdivision, Grand Island, Hall County, Nebraska

Prataria Ventures, LLC

EXHIBIT C
SITE PLAN

Prataria Ventures, LLC

EXHIBIT D
SOURCES AND USES

1. TIF Sources

Assumptions Tax Levy 2.0835461
 Interest Rate 4.75%
 Number of TIF years per phase – 14 (only a partial valuation
 anticipated in the first year after the Effective Date)

Property Value Assumptions

Hospital Lot	Assessed Value	Taxes
Base Year	\$110,000	\$2,292
Completed Project	<u>\$55,000,000</u>	<u>\$1,145,950</u>
Increment	\$54,890,000	\$1,143,658

Estimated TIF Indebtedness for Hospital Lot - \$11,600,000

MOB Lot	Assessed Value	Taxes
Base Year	\$38,000	\$792
Completed Project	<u>\$11,880,000</u>	<u>\$247,525</u>
Increment	\$11,842,000	\$246,734

Estimated TIF Indebtedness for MOB Lot - \$2,500,000

Hotel Lot	Assessed Value	Taxes
Base Year	\$21,000	\$438
Completed Project	<u>\$8,240,000</u>	<u>\$171,684</u>
Increment	\$8,219,000	\$171,247

Estimated TIF Indebtedness for Hotel Lot - \$1,700,000

Total Project Valuation Increment	\$74,951,000
Total Project Tax Increment	\$1,561,638
Estimated TIF Indebtedness Amount	\$15,800,000

The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. There has been no accounting for incremental growth or change in the tax levy over the 15 year TIF period. Additionally, the Indebtedness could increase or decreased based upon the interest rate actually approved by a lender purchasing one or more of the TIF Notes. Each of the phases of the project (Hospital, MOB, and Hotel) may have one or more TIF Notes and such Indebtedness shall be allocated based upon these aggregate projections.

Prataria Ventures, LLC

2. TIF Uses

A. Project Site Preparation Expenses

1. Grading/Stormwater Detention:	<u>\$4,479,000</u>
Total:	\$4,479,000

B. Public Improvements

1. Public Streets; Public Utilities: (Sanitary/Storm sewer, water, public streets, grading)	\$6,402,000
2. Private Street; Parking Lots:	\$4,351,000
3. Bike Trail	<u>\$594,000</u>
Total:	\$11,347,000

Total Expenses: \$15,826,000

The projected costs are estimates and the final amounts may vary. The Authority agrees that individual line items that are eligible costs may be adjusted up or down based on final costs, provided that the total TIF Uses shall equal or exceed the amount of Indebtedness issues. The Authority acknowledges and agrees that there are additional eligible TIF Uses associated with this Project in excess of the Indebtedness amount which shall be paid by the Redeveloper, but shall be considered eligible TIF Uses for the Project.

Prataria Ventures, LLC

EXHIBIT E

(FORM OF HOSPITAL 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
(PRATARIA VENTURES, LLC REDEVELOPMENT PROJECT), SERIES 2017 A
("Hospital Note")

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, 20__

4.75%

REGISTERED OWNER: _____

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.

Prataria Ventures, 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, 20__, 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 \$11,600,000.

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

Prataria Ventures, LLC

and certain other money, funds and securities pledged under the Resolution, all on the terms and conditions set forth in the Resolution. The Hospital 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 Hospital Lot(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 Hospital Lotas 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 Hospital Revenues and other funds pledged under the Resolution, which Hospital 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 Hospital Revenue and other money and securities pledged to the payment of the

Prataria Ventures, 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 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.

Prataria Ventures, LLC

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Prataria Ventures, 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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Prataria Ventures, LLC

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
PRATARIA VENTURES, LLC REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017 A
("Hospital Note")**

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

Prataria Ventures, LLC

EXHIBIT F

(FORM OF HOTEL 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
(PRATARIA VENTURES, LLC REDEVELOPMENT PROJECT), SERIES 2017

B

("HOTEL NOTE")

No. R-1

Up to \$1,700,000
(subject to reduction as described herein)

Date of
Original Issue

Date of
Maturity

Rate of
Interest

December 31, 20__

4.75%

REGISTERED OWNER: _____

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.

Prataria Ventures, 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, 20__, 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 \$1,700,000.

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

Prataria Ventures, LLC

certain other money, funds and securities pledged under the Resolution, all on the terms and conditions set forth in the Resolution. The Hotel 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 Hotel Lot (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 Hotel Lot 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 Hotel Revenues and other funds pledged under the Resolution, which Hotel 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 Hotel Revenue and other money and securities pledged to the payment of the

Prataria Ventures, 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 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.

Prataria Ventures, LLC

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Prataria Ventures, 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: _____
[The remainder of this page intentionally left blank]

Prataria Ventures, LLC

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
PRATARIA VENTURES, LLC REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017 B
("Hotel Note")**

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

Prataria Ventures, LLC

EXHIBIT G

(FORM OF MOB 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
 (PRATARIA VENTURES, LLC REDEVELOPMENT PROJECT), SERIES 2017

C

(“MOB NOTE”)

No. R-1

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

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 20__	4.75%

REGISTERED OWNER: _____

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.

Prataria Ventures, 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, 20__, 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 \$2,500,000.

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

Prataria Ventures, LLC

certain other money, funds and securities pledged under the Resolution, all on the terms and conditions set forth in the Resolution. The MOB 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 MOB Lot (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 MOB Lot 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 MOB Revenues and other funds pledged under the Resolution, which MOB 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 MOB Revenue and other money and securities pledged to the payment of the

Prataria Ventures, 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 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.

Prataria Ventures, LLC

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Prataria Ventures, 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: _____

[The remainder of this page intentionally left blank]

Prataria Ventures, LLC

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
PRATARIA VENTURES, LLC REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017 C
(“MOB Note”)**

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

Prataria Ventures, LLC

EXHIBIT F
PUBLIC PARKING LICENSE AGREEMENT

THIS PARKING LOT LICENSE AGREEMENT (the "Agreement") is made this ____ day of _____, 2017 by and between Prataria Ventures, LLC, a Nebraska limited liability company ("Licensor"), and the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Licensee").

RECITALS

- A. Licensor owns certain real estate located in Grand Island, Nebraska legally described as:
- Lots 1, 2 and 3, Prairie Commons Subdivision, Grand Island, Hall County,
Nebraska
- (the "Property").
- B. Licensor entered into a Redevelopment Contract (the "Redevelopment Contract") with Licensee for the construction of a hospital, medical office building, hotel and related improvements located on the Property.
- C. Pursuant to the Redevelopment Agreement, and to ameliorate the blighted and substandard conditions of the Property, Licensor agrees to grant a nonexclusive limited license to the public to use the portions of the parking lot located on the Property that are designated as "public parking" as generally shown on the site plan attached hereto as Exhibit "1" (the "Parking Lot"). The proposed site plan and designated Parking Lot may be amended and updated during the construction of the Project, provided that the public parking actually provided is substantially the same in scope.
- D. Under the Redevelopment Agreement, Licensor is receiving financial assistance from the Licensee to improve the Parking Lot provided that the public is granted certain rights to use the Parking Lot.
- E. This Agreement sets forth the parties' rights and obligations with respect to the license on the Parking Lot.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein and in the Redevelopment Agreement, Licensor and Licensee do now hereby agree as follows:

1. Parking Lot License. Licensor hereby grants to Licensee, for the benefit of the public, a nonexclusive limited license for non-commercial vehicular parking in the Parking Lot daily from 7:00 a.m. to 12:00 a.m. ("Permitted Hours"), in accordance with the following conditions:

Prataria Ventures, LLC

a. This Agreement shall grant the public rights solely for the parking of non-commercial vehicles and vehicular ingress and egress from the public street to the Parking Lot.

b. Nothing in this Agreement is intended to permit any of the following enumerated or similar activities by the public in the Parking Lot: loitering, partying, demonstrating, picketing, soliciting, commerce of any kind, begging, littering, sunbathing, consuming alcoholic beverages, carrying firearms, erecting signs or displays, pick-up/drop-off location for mass transport to a remote location or event, engaging in any illegal, offensive, indecent, obscene, vulgar, lewd or disorderly speech, dress or conduct, or otherwise disturbing the peace.

c. Licensor shall have the right to deny access to the Parking Lot to persons who are disorderly or intoxicated or engaging in any of the activities identified in subsection b. above.

d. Licensor shall have the right to deny public access to the Parking Lot and remove unauthorized vehicles in the Parking Lot during any time outside of the Permitted Hours.

f. Licensor shall have the right to post and enforce any reasonable requirements regarding the use of the parking lot, including but not limited to reservation of certain stalls for handicapped or other designated users, time limits per parking session, and any other requirements it deems appropriate.

2. Authorized Use. Licensee shall be entitled to use the Parking Lot solely for the limited uses specified in this Agreement during the permitted hours specified in the Agreement and for no other purposes whatsoever.

3. Private Property. The Parking Lot shall at all times remain the private property of the Licensor and nothing in this Agreement or the granting of this License shall be deemed to create or constitute a public forum, limited or otherwise.

4. Maintenance and Upkeep. Licensor shall perform all ordinary and/or necessary maintenance and repairs on the Parking Lot. Licensee shall have no responsibility to provide or pay for any security, upkeep, maintenance services or repairs related to use of the Parking Lot.

5. Indemnification. Licensor shall defend, indemnify and hold Licensee harmless from and against any liability, claims, suits, demands, judgments (including costs, expenses and attorneys' fees), resulting from actions or claims by third parties or defaults under this Agreement by Licensor arising out of the license on the Parking Lot.

6. Term. This Agreement shall be for a term of fifteen (15) years. Provided, however, this Agreement shall terminate at any earlier date that the Redevelopment Agreement is terminated and is no longer in effect.

Prataria Ventures, LLC

7. Insurance. Licensor, at its expense, shall (i) keep the Parking Lot insured under a standard form of insurance policy against loss or damage resulting from fire or other perils normally insured under uniform standard extended coverage endorsement; and (ii) carry and maintain comprehensive public liability insurance.

8. Binding Effect. This Agreement shall be appurtenant to and run with the property. The grant of this easement shall be binding upon the heirs, executors, administrators, successors and assigns of Licensor.

(Signature page follows)

Prataria Ventures, LLC

IN WITNESS WHEREOF, the parties execute this Parking Lot License Agreement effective as of the date first written above.

“LICENSOR”

Prataria Ventures, LLC, a Nebraska limited liability company

By: _____
David Ostdiek, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by David Ostdiek, Manager of Prataria Ventures, LLC, a Nebraska limited liability company, on behalf of the limited liability company.

Notary Public

“LICENSEE”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, Chairman of the Community Redevelopment Authority of the City of Grand Island, Nebraska, on behalf of the Agency.

Notary Public

Prataria Ventures, LLC

EXHIBIT G
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 _____, a Nebraska limited liability company ("Redeveloper").

RECITALS

WHEREAS, Authority and Prataria Ventures, LLC, a Nebraska limited liability company ("Prataria") entered into a Redevelopment Contract, dated as of September ____, 2017 (the "Agreement");

WHEREAS, the Agreement intended to implement the redevelopment plan entitled Redevelopment Plan Amendment Grand Island CRA Area #17 _____ 2016 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, with respect to Lot 2, Prairie Commons Subdivision, Grand Island, Hall County, Nebraska ("MOB Lot"), Prataria assigned all rights and obligations under the Agreement to Redeveloper.

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

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

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Authority and Redeveloper do hereby agree to amend the Agreement 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 Agreement.
2. Amendment – MOB Lot. This Amendment applies solely to the MOB Lot.
3. Effective Date. The effective date of the Amendment shall be January 1, 20____.
4. 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. For

Prataria Ventures, LLC

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.

5. Base Value Year. The base value year for such Phase shall be 20__.

6. 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, of the year of the Division Date

7. 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 Agreement. Except as amended by this Amendment, the Agreement 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 Agreement, 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.

[Signature and notary page follows]

Prataria Ventures, LLC

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

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 20__, 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

“Redeveloper”
_____, LLC

By: _____
Name: _____
Title: _____

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by _____, manager of _____, LLC, on behalf of the limited liability company.

Notary Public

Prataria Ventures, LLC

EXHIBIT “A” to Amendment to Redevelopment Contract

Notice to Divide Tax for Community Redevelopment Project

[TO BE ATTACHED]

4842-4797-9599, v. 2

Prataria Ventures, LLC

**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 (THE PROJECT SITE IS CURRENTLY PLATTED AS EWOLDT SUBDIVISION WHICH PLAT WILL BE VACATED AND A NEW PLAT RECORDED). 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 PROJECT SHALL ALSO INCLUDE INFRASTRUCTURE IMPROVEMENTS AND MODIFICATIONS WITHIN THE PUBLIC RIGHT-OF-WAY OF HUSKER HIGHWAY (U.S. HIGHWAY 34) AND U.S. HIGHWAY 281 TO FACILITATE THE TRAFFIC THE PROJECT WILL GENERATE. 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 Ewoltd 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 economically feasible. 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 the first phase of this development location include a private hospital, medical office building and hotel with conference space. Subsequent phases of the remainder of the site include housing, office space and retail development. The developer has indicated that this development would not be considered nor financially feasible for at this location without the use of TIF.

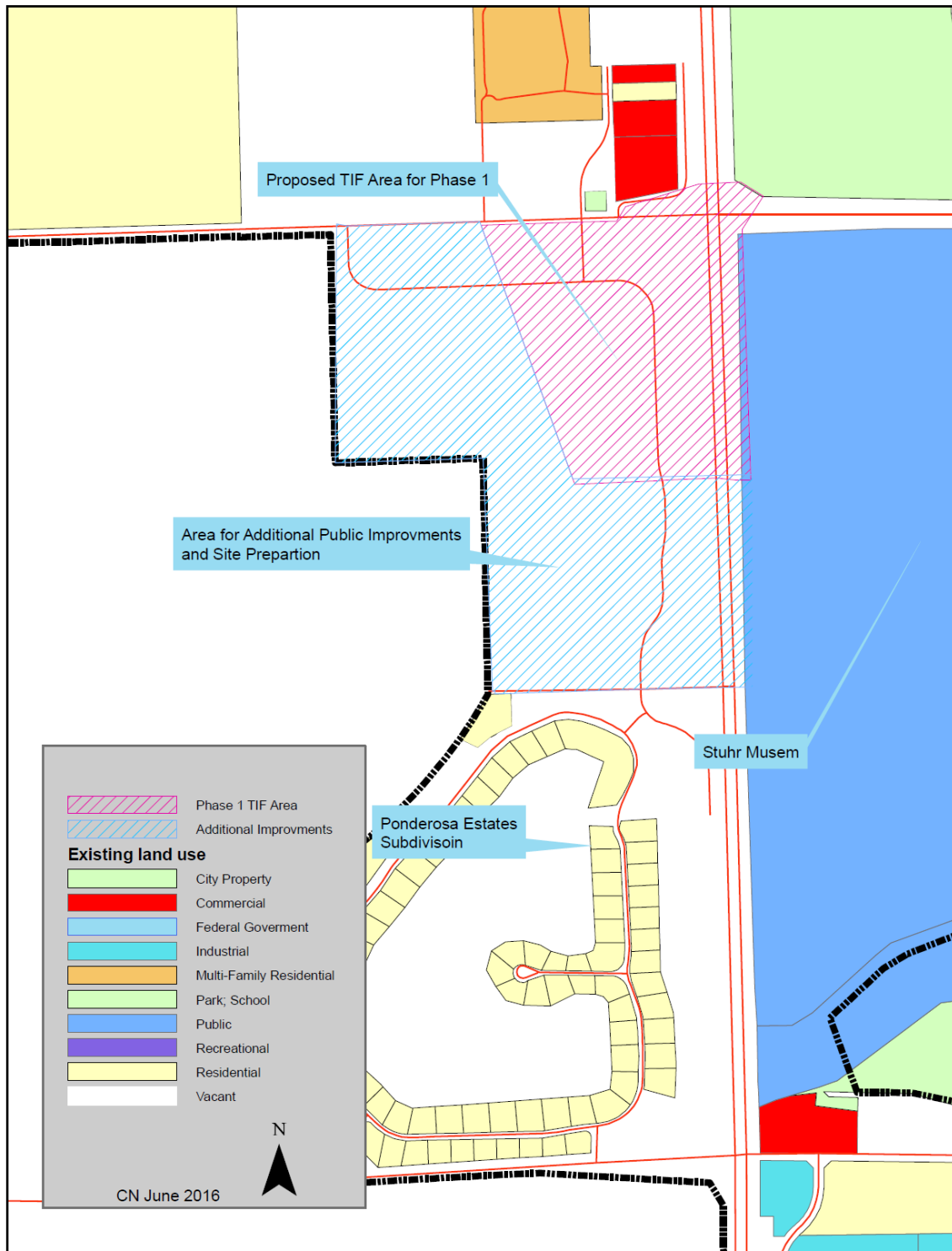
Prataria Ventures L.L.C., a wholly owned subsidiary of Chief Industries, Inc., owns the subject property. Chief Industries was founded in 1954 and is headquartered in Grand Island. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs 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 and the adjacent rights-of-way for Husker Highway/U.S. Highway 34, U.S. Highway 281 and Rae Road.



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 incremental value for the first phase will be created by 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. In addition, the current subdivision will be vacated and a new subdivision created to create the buildable lots of record for the first phase of redevelopment.

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:

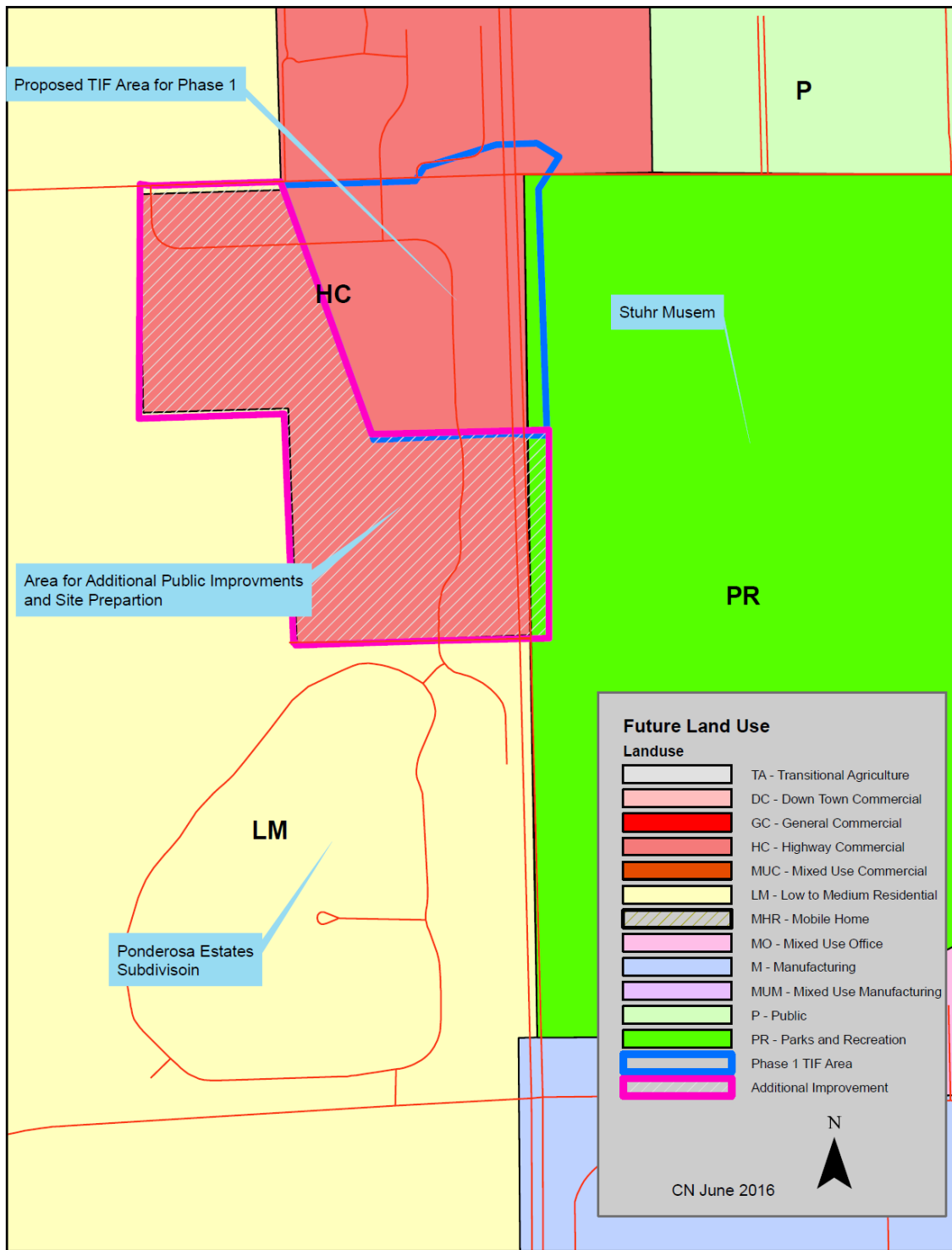
This Redevelopment Plan for Area 17 does not anticipate real property acquisition by the developer. There is no proposed acquisition by the authority.

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)]



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 property is currently platted as Ewoldt Subdivision. The existing Ewoldt Subdivision and all easements on the property will be vacated. The property will be replatted with a new street and lot configuration. Necessary easements will be dedicated with the new subdivision plat.

The area is zoned TA Transitional Agriculture. It is anticipated that the area for the first phase of redevelopment will be rezoned to accommodate the development to a B2 General Commercial or CD Commercial Development Zone. These zoning districts at this location are consistent with the Grand Island Comprehensive Development Plan. 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. However, the CRA intends to require enhancements to building facades as part of a public space requirement of the redevelopment project. 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. Public façade easements will be acquired in all buildings constructed as part of the project. The

Redeveloper will be required to enhance the building exteriors and façades as provided in the redevelopment contract as a part of the public space development in the project over and above Commercial Development Zone building requirements. The façade improvements are required to ensure long-term durability of the buildings to prevent the recurrence of blighted conditions, with such façade improvements protected with a grant of an easement to the City by the Redeveloper.

[§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

A. <u>Project Site Preparation Expenses</u>		
1. Demolition:		\$60,000
2. Grading/ <u>Stormwater</u> Detention:		<u>\$795,000</u>
	Total:	\$855,000
B. <u>Public Improvements</u>		
1. Public Streets; Public Utilities:		\$12,820,000
(Sanitary/Storm sewer, water, traffic Improvements)		
2. Façade Enhancements:		\$1,680,000
(Hospital, Hotel & Office Building)		
3. Private Street; Parking Lots:		\$4,038,000
4. Offsite Street and Highway Improvements		<u>\$553,000</u>
	Total:	\$19,091,000
C. <u>Planning Activities</u>		
1. Design of Public Improvements:		\$7,356,000
(Engineering, Architecture, Planning)		
2. Master Planning/Housing & Hotel Studies:		<u>\$59,000</u>
	Total:	\$7,415,000
D. <u>Conference Center</u>		
1.		<u>\$1,225,000</u>
	Total:	\$1,225,000
E. <u>TIF Related Expenses</u>		
1: Legal Fees		\$100,000
2 Cost Benefit Analysis		\$20,000
3 City and CRA Fees		<u>\$2,000</u>
	Total:	<u>\$122,000</u>
	Total Expenses:	<u>\$28,708,000</u>

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 \$28,708,000 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 \$28,708,000 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 The CRA will engage consultants to prepare a cost benefit analysis. The results of the analysis will be included as an appendix to this plan amendment.

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 \$28,708,000 the projected amount of increment based upon the anticipated value of the project and current tax rate.

Appendix

Cost-Benefit Analysis

August 16, 2016

Report prepared by:

Ron Konecny, PhD
Professor of Management
University of Nebraska Kearney
Email: konecnyr@unk.edu

Allan Jenkins, PhD
Professor of Economics
University of Nebraska Kearney
Email: jenkinsa@unk.edu

DISCLAIMER

The results expressed in this report do not reflect the position of the University of Nebraska Kearney or the University of Nebraska System.

Cost/Benefit Analysis Summary Statement:

This appendix provides a cost/benefit analysis for the proposed Prataria Ventures Redevelopment Project in Grand Island, Nebraska. The report addresses all requirements for cost-benefit set forth in the Neb. Rev. Stat. §§18-2101 through 18-2150.

Summary of the Project

1. **Hospital:** 4 story, 64 patient rooms, approximately 172,000 square feet
2. **Office Building:** 3 story facility, approximately 66,000 square feet
3. **Hotel:** 110 guest rooms, approximately 81,500 square feet including 7,000 square feet of conference space

Any Cost-Benefit model used by the authority shall consider and analyze the following factors:

a) Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147

There are no tax shifts resulting from this TIF project. The base valuation is taxed at the same rate as other comparable property. Only the incremental taxes created by the Redevelopment project will be divided and captured to pay project eligible expenses for a period not to exceed 15 years.

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

Existing Public infrastructure has sufficient capacity to meet project needs. The project will have little impact on the number of students in Grand Island Public School District and will have no appreciable impact on school funding in the short run. At the end of the TIF period, the increased valuation will have a positive impact on school funding and other government funding. The City and Developer will negotiate an appropriate cost sharing for the new traffic signal and turning lane on Highway 281 at the south edge of the property. The GI Fire Department has indicated it will need to purchase \$18,000 in new equipment if the project is developed. Increased economic activity stemming from the project will increase GI sales tax revenue by \$250,000 per year.

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

There are no other firms locating or expanding within the redevelopment 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

The projected increase in Grand Island's population will provide the labor force necessary for low-skill employees at the hotel and hospital. The new medical facilities will help in the recruitment of additional healthcare providers into the MSA, which is currently underserved. There is now substantial out-migration for medical services, so the new facility should recapture some of those patients. The aging of the population will increase the demand for medical services. Hospital related employment will soften the impact of the closing of the Grand Island Veterans' Home.

Increased travel on Interstate – 80 will increase the demand for hotel rooms.

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

IMPLAN modeling estimates that the construction phase of the project will create \$153 million in economic activity in Hall County and generate \$260,000 in local sales tax during the construction phase. The on-going operation of the new facilities will add an additional \$145 million in economic activity and \$250,000 in local sales tax annually.

Researchers examined the statewide trends in TIF utilization to provide additional information for city authorities. Developers and local governments are continuing to use TIF financing, with 89 new projects in 2015. Use of TIF has varied yearly in response to changes in the national business cycle.

Each of these summary points are explained in more detail in the following sections.

Economic Impact Estimation: IMPLAN Modeling

An input/output model using IMPLAN software was used to analyze the economic impact of the Prataria Ventures project. IMPLAN, originally developed by the University of Minnesota and the USDA Forest Service in 1979, is widely used today in regional planning and impact analysis. IMPLAN provides a consistent economic framework for analysis at the regional, state, and/or county level. The model captures the cumulative impact on the economy as an initial expenditure in one industry ripples through the regional economy, creating the well-known multiplier effect in income and employment. For example, to produce more automobiles requires more steel, which requires more iron ore, which requires transportation and ore mining. Building more automobiles will increase employment and income in all industries that produce inputs for automobiles.

IMPLAN captures data down to the Zip code level, but the smaller the area of analysis the greater the economic leakage from the study area. This study uses Hall County level data. The economic characteristics of Hall County, as identified by IMPLAN, are presented in the following graphic. This IMPLAN screen identifies fundamental characteristics like the top ten industries by employment, average household income, the total number of industries in the county, and gross regional product. Behind this gateway screen is a dataset of 526 industry sectors. A change in expenditure in on sector is traced then by IMPLAN through the entire matrix for the study area.

The screenshot displays the IMPLAN software interface with the following sections:

- Model Information:**
 - Model Year: 2014
 - Gross Regional Product: \$3,295,402,748
 - Total Personal Income: \$2,475,822,000
 - Total Employment: 43,028
 - Number of Industries: 203
 - Land Area (Square Miles): 546
 - Area Count: 1
 - Population: 61,492
 - Total Households: 23,470
 - Average Household Income: \$105,488
 - Trade Flows Method: Trade Flows Model
 - Model Status: Multipliers
 - Multiplier Specification: Type SAM
- Areas in the Model:**
 - Nebraska
 - Hall County
- Gross Regional Product:**
 - Total Value Added: \$3,295,402,748
 - Total Final Demand: \$3,295,402,753
- Economic Indicators:**
 - Shannon-Weaver Diversity Index: 0.70069
- Top Ten Industries (View By: Employment):**

Sector	Description	Employment	Labor Income	Output
89	Animal, except poultry, slaughtering	3,139	\$140,134,800	\$1,854,689,000
534	* Employment and payroll of local govt, e...	2,214	\$127,115,300	\$145,375,000
395	Wholesale trade	1,791	\$119,188,000	\$377,068,500
262	Farm machinery and equipment manufac...	1,533	\$92,525,920	\$1,004,699,000
405	Retail - General merchandise stores	1,528	\$37,030,030	\$98,218,470
502	Limited-service restaurants	1,368	\$22,399,930	\$100,290,600
501	Full-service restaurants	1,146	\$19,814,860	\$45,051,930
411	Truck transportation	1,065	\$54,185,720	\$167,860,100
533	* Employment and payroll of local govt, n...	1,041	\$62,114,220	\$71,104,110
464	Employment services	841	\$24,207,700	\$45,712,350

The researchers used the latest available IMPLAN data set for Hall County to determine direct, indirect, and induced impacts created by the estimated employment and expenditure patterns of the proposed project.

- **Direct effect:** Represents the impacts (e.g. change in employment) for the expenditures and/or production values specified as direct final demand changes.
- **Indirect effect:** Represents the impacts (e.g. change in employment) caused by the iteration of industries purchasing from industries resulting from direct final demand changes.
- **Induced effect:** Represents the impacts (e.g. change in employment) on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of direct final demand changes.

Each economic activity creates a different ripple effect through the county economy. The hospital construction phase will have significant impacts on wholesale trade, employment services, full-service restaurants, and trucking services. To build the \$60.8 million hospital, employment in the construction trades will obviously increase. As this employment increases, workers will spend their additional earnings on a wide variety of goods and services, thus creating more demand for consumer goods. Likewise, multiple vendors will supply inputs into the construction project, thus increasing their revenue and resulting economic activity.

Hospital Construction – Total Effects

Top Ten Industries Affected					
Sector	Description	Employment	Labor Income	Value Added	Output
52	Construction of new health care structures	373.9	\$16,495,545	\$21,491,378	\$60,796,971
395	Wholesale trade	22.7	\$1,568,480	\$2,936,943	\$4,844,274
464	Employment services	9.1	\$271,070	\$406,151	\$516,442
501	Full-service restaurants	8.7	\$156,449	\$173,154	\$357,652
411	Truck transportation	8.5	\$447,466	\$589,060	\$1,376,888
407	Retail - Nonstore retailers	8.0	\$118,106	\$398,540	\$745,401
502	Limited-service restaurants	7.0	\$118,306	\$277,163	\$532,579
403	Retail - Clothing and clothing accessories ...	6.6	\$123,167	\$264,786	\$461,586
440	Real estate	5.9	\$67,071	\$577,221	\$908,985
482	Hospitals	5.6	\$389,465	\$479,652	\$854,527

The construction phase creates a one-time injection of additional spending into the county while normal operation creates an annual stream of activity. The ongoing operation of the hospital will have a different impact than the construction phase. The following graphic lists the ten industries most affected as the hospital engages in its normal business. These identified impacts will change over time as technology and innovation alter the structural relationships between different industries.

Hospital Operation – Total Effects

Top Ten Industries Affected						
Sector	Description	Employment	Labor Income	Value Added	Output	
482	Hospitals	302.8	\$21,193,706	\$26,101,424	\$46,501,187	
464	Employment services	20.5	\$611,728	\$916,568	\$1,165,463	
501	Full-service restaurants	15.0	\$269,441	\$298,210	\$615,957	
502	Limited-service restaurants	9.1	\$154,123	\$361,074	\$693,816	
436	Other financial investment activities	9.0	\$78,837	\$87,699	\$1,024,691	
395	Wholesale trade	8.1	\$557,836	\$1,044,535	\$1,722,885	
440	Real estate	7.7	\$86,417	\$743,718	\$1,171,179	
437	Insurance carriers	7.4	\$396,636	\$1,310,703	\$2,907,329	
468	Services to buildings	6.4	\$132,417	\$148,039	\$236,407	
438	Insurance agencies, brokerages, and rela...	5.7	\$184,594	\$365,610	\$851,545	

IMPLAN has sufficient detail to capture the differences between somewhat similar activities. For example, the infrastructure matrix recognizes that paving a road uses different inputs than building a hospital.

TIF Infrastructure Construction – Total Effects

Top Ten Industries Affected						
Sector	Description	Employment	Labor Income	Value Added	Output	
56	Construction of new highways and streets	100.3	\$4,435,881	\$5,748,043	\$17,713,001	
57	Construction of new commercial structure...	13.3	\$559,586	\$719,318	\$1,680,000	
395	Wholesale trade	6.6	\$456,386	\$854,571	\$1,409,554	
411	Truck transportation	3.1	\$164,778	\$216,920	\$507,036	
501	Full-service restaurants	3.0	\$54,174	\$59,958	\$123,845	
407	Retail - Nonstore retailers	3.0	\$44,351	\$149,660	\$279,913	
403	Retail - Clothing and clothing accessories ...	2.5	\$46,402	\$99,756	\$173,899	
502	Limited-service restaurants	2.4	\$41,268	\$96,682	\$185,778	
464	Employment services	2.3	\$69,854	\$104,664	\$133,086	
445	Commercial and industrial machinery and ...	2.1	\$203,379	\$354,288	\$507,048	

Researchers modeled seven different impact scenarios. Unless noted otherwise, the modeling was based upon the amount of expenditure that was contained in project documents. This expenditure then created the unique impact tables like those just discussed. The following tables summarize the impacts. One reason that TIF is a popular development tool is that it fosters the leveraging of public and private resources.

TIF funds are combined with \$85.5 million in private construction spending for this project. The direct and multiplier impacts are presented in the following tables. Construction and operation impacts are evaluated and presented separately because construction creates a one-time injection of funding into the community while operation involves a multi-year stream. Thus, this particular project will generate seven distinct impact models, as presented in the following table. Because the model results are intended to reflect the impact on Hall County, the professional fees that are included in total TIF expenditures are not included in the analysis. Including these fees would overstate the impact on Hall County because it is likely that most of those professional fees are paid to companies outside the county. The annual revenues for the hotel and hospital are not known, but are estimated based upon the number of projected employees. According to IMPLAN, a hospital in Hall County with 296 employees (from company planning documents)

would produce \$45.5 million in annual revenue and a hotel with 45 workers would produce \$3.8 million in revenue annually.

Hall County Direct Impacts

Activity	Amount	FTE	Explanation	Time Frame	
TIF Infrastructure	\$19,400,000	114	Professional fees not included	One-time	
Hotel Construction	\$11,900,000	94	IMPLAN modeling with 250 employees calculates \$40.8 million.	One-time	
Hotel Operation	\$3,800,000	45		Ongoing	
MOB Construction	\$12,800,000	79		One-time	
MOB Operation	\$40,800,000	250		Ongoing	
Hospital Construction	\$60,800,000	374		IMPLAN modeling with 296 employees calculates \$45.5 million.	One-time
Hospital Operation	\$45,500,000	296			Ongoing

Hall County Indirect Impacts

Activity	Amount	Employment	
TIF	\$5,400,000	38	One-time impact
Hotel Construction	\$2,300,000	15	One-time impact
Hotel Operation	\$1,300,000	11	Ongoing, each year
MOB Construction	\$3,100,000	23	One-time impact
MOB Operation	\$8,400,000	70	Ongoing, each year
Hospital Construction	\$14,900,000	107	One-time impact
Hospital Operation	\$12,900,000	106	Ongoing, each year

Hall County Induced Impacts

Activity	Amount	Employment	
TIF	\$4,100,000	33	One-time impact
Hotel Construction	\$2,800,000	23	One-time impact
Hotel Operation	\$800,000	6	Ongoing, each year
MOB Construction	\$2,700,000	22	One-time impact
MOB Operation	\$18,600,000	151	Ongoing, each year
Hospital Construction	\$12,700,000	103	One-time impact
Hospital Operation	\$14,600,000	119	Ongoing, each year

To summarize, Direct, Indirect, and Induced Impacts are totaled. The construction activities will add more than \$150 million in economic activity to Hall County, and will support 1,023 jobs. The jobs number does not mean that total county employment will increase by 1,023 because some of the supported jobs are “retained” rather than new. Annual operations of the three facilities will add \$147 million per year to the Hall County economy and will support 1,054 jobs.

**Hall County Total Impacts
Construction**

Activity	Amount	Employment
TIF Infrastructure	\$28,900,000	185
Hotel Construction	\$17,000,000	131
MOB Construction	\$18,600,000	123
Hospital Construction	\$88,400,000	584
Total	\$152,900,000	1,023

**Hall County Total Impacts
Annual Operations**

Activity	Amount	Employment
Hotel Operation	5,900,000	62
MOB Operation	\$67,800,000	471
Hospital Operation	\$73,000,000	521
Total	\$146,700,000	1,054

Modeled Tax Receipts Impact

The increased economic activity stemming from the construction and operation of the proposed project will increase retail sales which in turn will increase sales tax receipts. The construction phase will add an estimated \$259,000 in Grand-Island sales tax receipts. The ongoing operations of the hotel, medical office building, and hospital will add approximately \$276,000 per year in city sales tax receipts.

**Construction Tax Receipts: One-time
TIF Infrastructure, Hotel, MOB, and Hospital**

	Tax Receipts
Tax on Production and Imports: Sales Tax	\$1,209,000
Nebraska State Sales Tax (5.5% rate)	\$950,000
Grand Island Sales Tax (1.5)	\$259,000
Personal Tax: Property Taxes(households)	\$20,000

**Operation Tax Receipts: Annually
Hotel, MOB, and Hospital Operation**

	Tax Receipts
Tax on Production and Imports: Sales Tax	\$1,288,000
Nebraska State Sales Tax (5.5% rate)	\$1,012,000
Grand Island Sales Tax (1.5)	\$276,000
Personal Tax: Property Taxes(households)	\$30,000

While the use of TIF influences the property tax receipts from the development, the increase in overall economic activity does increase sales tax. Further, though the property tax receipts from the development project are restrained by TIF in the short-term, some workers will upgrade to higher-value homes which means local government will see an increase in total property tax receipts.

Project Property Tax Revenue

The development site is currently assessed as farm land with a valuation of \$332,525. Before the project is undertaken the property will be reclassified as commercial property, which will increase its valuation to approximately \$1.9 million. At this time, which of these two numbers will provide the base valuation for the 15 year TIF period is unknown. After completion the assessed value is estimated by the developer to rise to \$90 million. At the conclusion of the 15 year TIF, the valuation will generate substantially more tax revenue than is currently paid on the property.

Estimated 2016 assessed value	\$332,525
Estimated value after completion	\$90,000,000
Incremental value	\$89,667,475
Levy rate	2.209761
Annual TIF generated (estimated)	\$1,981,437
TIF bond issue	\$28,708,000

Supporting Evidence Regarding Statutory Report Requirements

a) Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147;

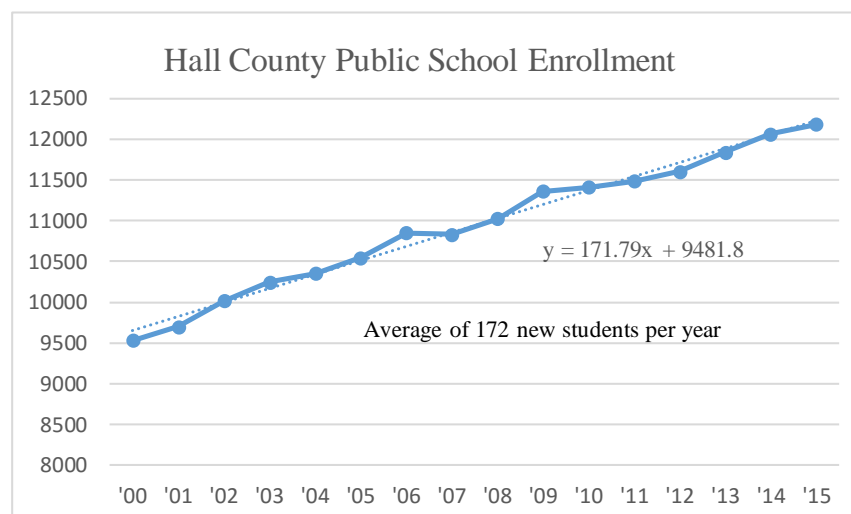
Prataria Ventures LLC, the developer for the project, is responsible for all onsite development costs. Infrastructure improvements directly benefiting the project are included in the TIF. Only the incremental taxes created by the Redevelopment project will be divided and captured to pay project eligible expenses for a period not to exceed 15 years. No direct project costs, or associated tax burdens, are shifted to local or state tax payers.

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

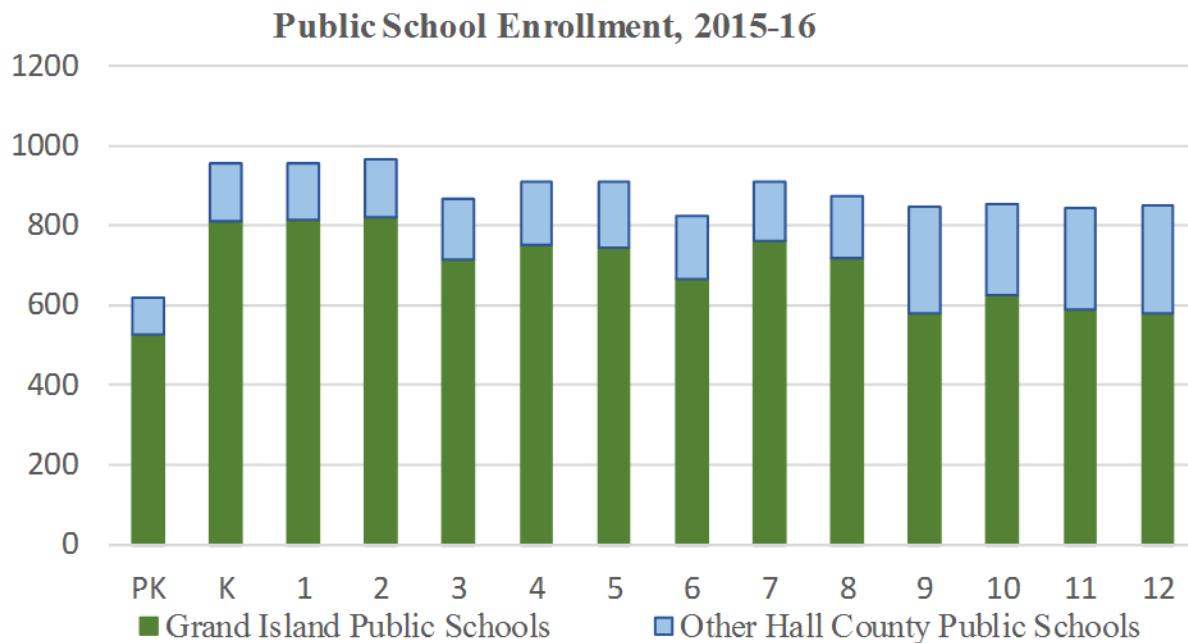
Potential Impact on the School District

Researches spoke with Mr. Virgil Harden, Executive Director of Business of the Grand Island Public Schools District, on August 8, 2016. Mr. Harden concurred with the researchers that the proposed project will have minimal impact on the total number of students in the district. He commented that the school district is currently engaged in a set of building and remodeling projects which will insure sufficient capacity for any project-related growth in student numbers.

The proposed project will have a minor impact on local population and thus will have little impact on the number of school-age children. The Grand Island Public School District is the 6th largest school district in Nebraska, with 9,698 students in the 2015-2016 school year. Some of the project employees may live outside the Grand Island Public School District boundaries, or may choose to send their children to a private school. The following graph illustrates enrollment trends for the entire county. Hall County Public Schools have added an average of 172 students per year for the last fifteen years. Enrollment growth from year to year has shown little variability. Any project related school enrollment would entail a fractional increase in the total number of Hall County students.



The distribution of students by grade is illustrated by the following graph. The student enrollment by grade indicates that there is an existing variability in the school age cohort moving through the school system. We estimate that the children associated with the development should not increase the current variation. It is impossible to predict the exact distribution of new students across grades and by specific school. The impact on public school districts is further moderated by the availability of private school options in Grand Island.



Source: Nebraska Department of Education

Using data from the Nebraska Department of Education, Grand Island Public Schools enrollment characteristics are compared with other similar sized districts. Staffing is an important cost factor for school districts. Grand Island Public Schools teacher Full Time Equivalent (FTE) and Pupil/Teacher ratios (PT) are close to other similarly sized districts and to the state averages. The existing PT ratios indicate that there is adequate staff to accommodate a minor increase in the total number of students.

	Rank					Staff FTE		Pupil Teacher	
		PK-6	7-8	9-12	Total	Elem	Sec	Elem	Sec
Papillion-La Vista Public Schools	4	6,315	1,763	3,436	11,514	430	331	14.7	15.7
Bellevue Public Schools	5	5,411	1,496	3,175	10,082	371	314	14.6	14.9
Grand Island Public Schools	6	5,850	1,477	2,371	9,698	533	139	13.7	17.1
Elkhorn Public Schools	7	4,770	1,216	2,093	8,079	389	126	15.4	16.6
Westside Community Schools	8	3,187	961	1,975	6,123	227	204	14.0	14.4
Kearney Public Schools	9	3,307	750	1,441	5,498	268	85	15.1	17.0

Source: Nebraska Department of Education, STATISTICS AND FACTS ABOUT NEBRASKA SCHOOLS 2015-2016

Given the existing staffing pattern and PT ratios, the Grand Island Public Schools, combined with the various private school options, are capable of absorbing the anticipated minimal increase in new students. Comparing Grand Island Public Schools with similarly sized districts provides evidence that GIPS is operating at an efficient scale. Average Daily Attendance (ADA)

and Average Daily Membership (ADM) both show GIPS cost per student similar to other like-sized districts.

District Name	By ADA	By ADM
Papillion-La Vista Public Schools	10,155	9,707
Bellevue Public Schools	10,790	10,244
Grand Island Public Schools	11,015	10,398
Elkhorn Public Schools	10,275	9,902
Westside Community Schools	12,430	11,921
Kearney Public Schools	10,650	10,144

Source: Nebraska Department of Education

Potential Impact on Fire and EMS Services

In Grand Island, the ambulance services are operated by the Fire Department. According to Russ Blackburn, there is an expected new equipment expense of \$18,000 if the second hospital is built.

Additional EMS Project Related Expenses

New equipment expenses	\$18,000
Additional training expenses	\$0
Net additional EMS transportation services expenses	\$0

Source: Russ Blackburn, Division Chief of Emergency Medical Services
Grand Island Fire Department

Potential Impact on Water

Grand Island relies on groundwater for its municipal supply. The city has adequate current capacity to accommodate any increase in demand from the proposed project.

Water Statistics

Number of wells at well field	21
Number of high pressure wells within city	6
Average depth of wells	120 feet
Capacity of water plant	43,800,000 gallons/day
Average consumption	12,900,000 gallons/day
Peak consumption	26,300,000 gallons/day
Storage capacity	9,700,000 gallons/day
Hardness (ppm)	255 (average)
Treated	Chlorinated only

Source: <http://www.grand-island.com/your-government/utilities/water-division/supply-information>

The existing capacity will meet any additional water demand stemming from the proposed project. No additional costs are shifted onto existing consumers as a result of the project.

Potential Impact on Sanitation/Wastewater

Upgrades to the Waste Water Treatment Plant beginning in 2003 give the plant capacity to deal with wastewater typically seen in a community of up to 100,000 people. The existing capacity will meet any additional wastewater stemming from the proposed project. No additional costs are shifted onto existing consumers as a result of the project.

Potential Impact on Natural Gas

NorthWestern Energy, the retail supplier of natural gas in Grand Island, is a regional diversified utility services company with approximately 400,000 electric customers in South Dakota and Montana, and 269,600 natural gas customers in South Dakota, Nebraska and Montana. NorthWestern Energy has the capacity to respond to large volume users through customized services tailored to specific projects. The existing network includes seven compressor stations capable of moving more than 335,000 dekatherms per day. Maximum aggregate daily gas deliverability is 195,000 dekatherms per day (northwesternenergy.com). Thus, the existing capacity will meet any additional natural gas demand stemming from the proposed project. The developer is responsible for all on-site utility infrastructure costs. No additional costs are shifted onto existing consumers as a result of the project.

Potential Impact on Electric Services

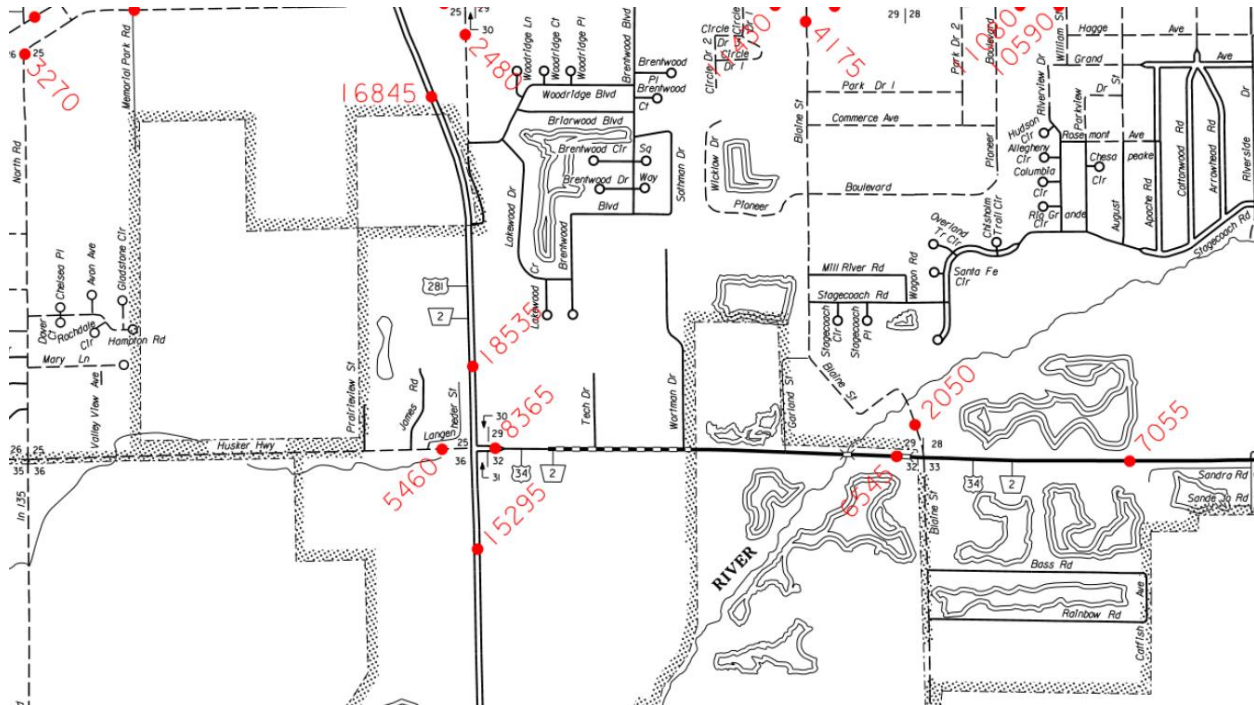
The Grand Island Utilities Department generates and distributes electricity and water to homes, businesses, and industries in and near Grand Island Nebraska. Within the boundaries of its service area the Utilities Department supplies 22,600 customers with electrical service. The Utilities Department is owned by the customers it serves and is governed by the Grand Island City Council as a financially self-supporting entity of the City of Grand Island. No taxes are used for the operation of the Utilities Department as all departmental operations are financed through electric and water revenue.

The Platte Generating Station has the capacity to produce 100 megawatts of electrical power. Generally, this provides sufficient power to satisfy consumer demand in Grand Island. During peak demand periods additional power is generated at the Burdick Power Station or purchased from other power producers. The existing electric grid has sufficient capacity to meet any increase in demand stemming from the proposed project.

Potential Impact on Transportation

The project site is located at the southwest corner of Highway 281 and Highway 34, approximately 4.5 miles north of Exit 312 on I-80. The existing roads have sufficient capacity to meet traffic flows into the development. The city planner anticipates the installation of a new traffic signal at the intersection of Highway 281 and the access road on the south side of the development. This installed traffic signal is compatible with the city's existing development plan for this area, will improve public safety, and by creating smoother access, will improve the economic viability of the project. At this time, the city and developer are working on a cost-

sharing proposal for the new traffic signal. Because this improvement is tied to the development of the area, not just the proposed project, it is reasonable that the city cover some of the cost. Thus, no project costs are pushed on to the wider community.



Statutory Report Requirements

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

There are no other firms located or expanding in the boundaries of the redevelopment district.

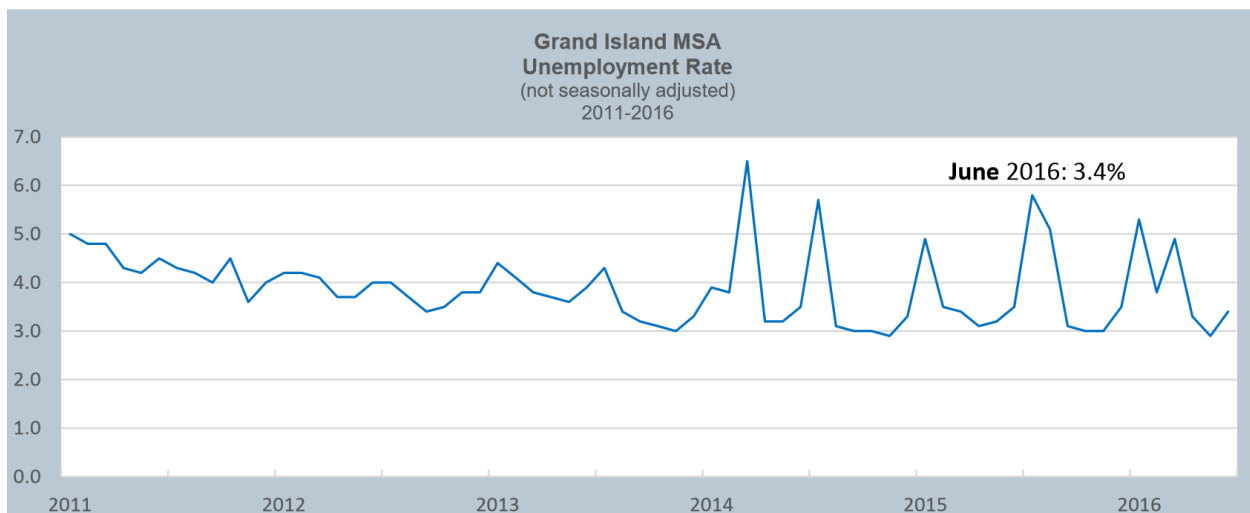
d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project;

There are two existing healthcare facilities that may be impacted by the new hospital, CHI St. Francis Medical Center and the Grand Island Veterans' Hospital. There are approximately 50 medical clinics of various types and twelve nursing homes that may be impacted. There will likely be some migration of workers from existing facilities. Opening the new facility may provide needed employment for the 350 workers displaced by the closure of the Grand Island Veterans' Home. There are four existing hotels at the US 281 – Interstate 80 exchange and 18 other motels in Grand Island that may be impacted by the new hotel.

According to information provided by Blue Cross Blue Shield of Nebraska, approximately 50% of Hall County healthcare inpatient dollars are now being spend outside the county. Further, evidence indicates that it is the more complex cases that are going to Lincoln, Omaha, or Denver. This conclusion stems from the recognition that 35% of hospital admissions occur outside the county but 50% of the inpatient dollars are spent elsewhere.

The proposed project will create employment in both the healthcare and hospitality sectors. According to the Nebraska Department of Labor, the Grand Island MSA (Hall, Hamilton, Howard, and Merrick Counties) had an unemployment rate of 3.4% in June 2016. This was above the state unemployment rate of 3.0%. Further, the Grand Island MSA has seen considerable variation in the unemployment rate.

GRAND ISLAND MSA (NOT SEASONALLY ADJUSTED)



Demographics and Labor Force

The demographic and labor force characteristics of the Grand Island MSA will mitigate the project impact on existing businesses. Between 1984 and 2015, the MSA population increased by 14.3%. The MSA population is aging -- from 2000-2013, the population aged 45-64 increased by 25.4%, while the population in 44 or under age groups increased by 3% or less. These two trends have important consequences for the local economy. The increasing population will provide the low-skilled workers needed for many of the hotel and hospital auxiliary functions like housekeeping. The growing population of older residents will increase the demand for medical services, which will spur growth in the healthcare sector and increase demand for healthcare workers.

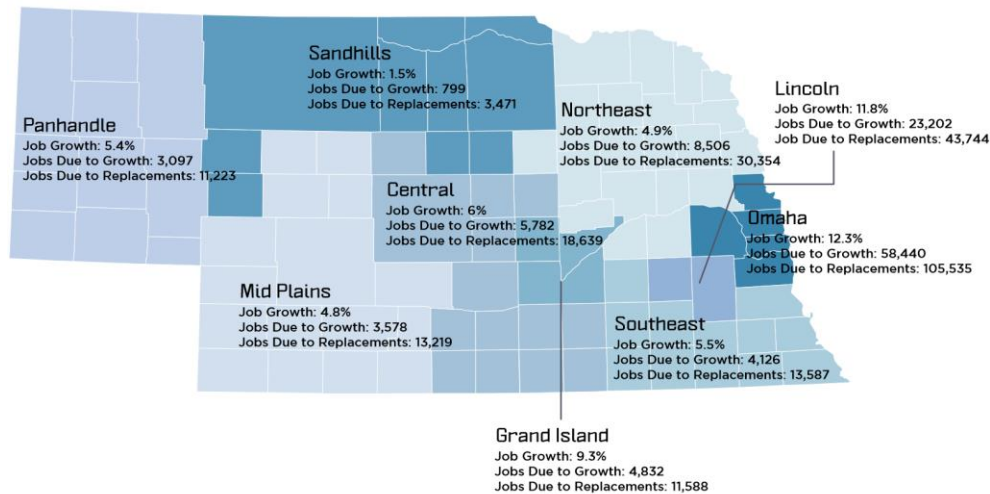
The Grand Island MSA has a low rate of postsecondary education compared to state and national residents. MSA residents were 3-7 percentage points less likely than Nebraska and US residents

to possess bachelor's or graduate degrees. As the healthcare sector grows, pulling in better educated workers, it will also pull better-educated trailing spouses into the local economy.

In 2014, the Grand Island MSA's labor force was approximately 45,200. Since 2010, the MSA's unemployment rate has declined from 4.5% to 3.7%. At 71.8%, the MSA's labor force participation rate (population 16 years and over in the labor force) was slightly higher than the statewide rate of 70.6%. The low unemployment rate makes it likely that many of the permanent workers at the hotel and hospital will migrate from an existing job. This will create some upward pressure on wages for workers with in-demand skills.

Each work day, thousands of people commute in or out of Grand Island. Ten thousand commute outside the MSA and 11,100 commute into the city. Project related employment should reduce the out migration of workers currently living in the MSA. According to the Nebraska Department of Labor, Grand Island should see substantial increased employment in the immediate future.

2012-2022 Long-Term Occupational Projections



Source: Nebraska Department of Labor

New hospital facilities will attract providers to Grand Island, which will benefit the entire labor market. As shown by the two following tables, healthcare workers tend to be well paid. Further, there is a wide range of occupations associated with the healthcare sector

Nebraska Healthcare Occupations and Wages - 2015

Code	Occupation title	Employ	Median hourly wage	Mean hourly wage	Annual mean wage	Percent of Health Care Total
29-0000	Healthcare Practitioners and Technical Occupations	57,130	\$26.66	\$32.60	\$67,800	100.0%
29-1031	Dietitians and Nutritionists	520	\$25.59	\$25.59	\$53,220	0.9%
29-1051	Pharmacists	2,240	\$52.67	\$48.43	\$100,740	3.9%
29-1061	Anesthesiologists	150	>\$90.00	>\$90.00	>\$187,200	0.3%
29-1062	Family and General Practitioners	1,100	>\$90.00	\$103.94	\$216,200	1.9%
29-1063	Internists, General	140	>\$90.00	\$100.07	\$208,150	0.2%
29-1064	Obstetricians and Gynecologists	180	>\$90.00	\$121.47	\$252,660	0.3%
29-1065	Pediatricians, General	180	>\$90.00	\$101.44	\$211,000	0.3%
29-1067	Surgeons	270	>\$90.00	\$135.01	\$280,830	0.5%
29-1069	Physicians and Surgeons, All Other	1,630	\$64.16	\$77.42	\$161,040	2.9%
29-1071	Physician Assistants	780	\$44.41	\$45.84	\$95,340	1.4%
29-1123	Physical Therapists	1,540	\$35.36	\$35.79	\$74,440	2.7%
29-1124	Radiation Therapists	120	\$36.11	\$40.99	\$85,260	0.2%
29-1126	Respiratory Therapists	1,010	\$24.25	\$24.66	\$51,300	1.8%
29-1141	Registered Nurses	20,600	\$27.87	\$28.35	\$58,970	36.1%
29-1151	Nurse Anesthetists	240	\$76.38	\$74.59	\$155,140	0.4%
29-1171	Nurse Practitioners	1,070	\$43.46	\$43.80	\$91,100	1.9%
29-2011	Med and Clinical Lab Technologists	1,360	\$26.46	\$26.78	\$55,700	2.4%
29-2012	Med and Clinical Lab Technicians	1,310	\$18.33	\$18.61	\$38,710	2.3%
29-2031	Cardiovascular Technologists and Technicians	570	\$24.36	\$24.64	\$51,240	1.0%
29-2032	Diagnostic Medical Sonographers	460	\$30.51	\$30.95	\$64,380	0.8%
29-2033	Nuclear Medicine Technologists	120	\$32.02	\$31.99	\$66,540	0.2%
29-2034	Radiologic Technologists	1,570	\$25.25	\$25.25	\$52,520	2.7%
29-2035	Magnetic Resonance Imaging Technologists	120	\$29.82	\$30.45	\$63,340	0.2%
29-2051	Dietetic Technicians	150	\$14.15	\$15.05	\$31,310	0.3%
29-2052	Pharmacy Technicians	2,320	\$13.77	\$14.17	\$29,480	4.1%
29-2055	Surgical Technologists	790	\$19.71	\$20.13	\$41,860	1.4%
29-2061	Licensed Practical and Licensed Vocational Nurses	5,300	\$18.77	\$19.09	\$39,710	9.3%
29-2071	Medical Records and Health Info Technicians	1,590	\$17.87	\$18.86	\$39,230	2.8%
31-0000	Healthcare Support Occupations	24,790	\$12.68	\$13.59	\$28,270	100.0%
31-1014	Nursing Assistants	13,020	\$11.60	\$12.18	\$25,330	52.5%
31-1015	Orderlies	150	\$11.22	\$11.66	\$24,260	0.6%
31-2021	Physical Therapist Assistants	630	\$23.99	\$23.92	\$49,750	2.5%
31-2022	Physical Therapist Aides	610	\$10.69	\$11.03	\$22,950	2.5%
31-9093	Medical Equipment Preparers	350	\$15.98	\$16.10	\$33,480	1.4%
31-9094	Medical Transcriptionists	640	\$16.65	\$17.00	\$35,350	2.6%
31-9095	Pharmacy Aides	140	\$11.43	\$12.16	\$25,290	0.6%
31-9097	Phlebotomists	600	\$13.83	\$14.66	\$30,500	2.4%

Source: Bureau of Labor Statistics, United States Department of Labor, Occupational Employment and Wages, May 2015

Grand Island MSA Healthcare Occupations and Wages - 2015

Code	Occupation title	Employ	Median hourly wage	Mean hourly wage	Annual mean wage
29-0000	Healthcare Practitioners and Technical Occupations	n/a	n/a	n/a	n/a
29-1062	Family and General Practitioners	50	>\$90.00	\$120.83	\$251,330
29-1069	Physicians and Surgeons, All Other	n/a	>\$90.00	\$116.51	\$242,350
29-1123	Physical Therapists	80	\$34.80	\$35.12	\$73,050
29-1126	Respiratory Therapists	30	\$23.93	\$23.93	\$49,760
29-1141	Registered Nurses	780	\$26.89	\$27.49	\$57,170
29-1171	Nurse Practitioners	40	\$33.65	\$35.59	\$74,020
29-2011	Medical and Clinical Laboratory Technologists	60	\$25.87	\$26.01	\$54,110
29-2012	Medical and Clinical Laboratory Technicians	30	\$16.49	\$16.60	\$34,530
29-2034	Radiologic Technologists	70	\$22.86	\$23.16	\$48,180
29-2052	Pharmacy Technicians	120	\$13.80	\$14.80	\$30,790
29-2061	Licensed Practical and Licensed Vocational Nurses	310	\$18.06	\$18.36	\$38,190
29-2071	Medical Records and Health Information Technicians	90	\$14.89	\$16.55	\$34,410
31-0000	Healthcare Support Occupations	1,330	\$11.95	\$13.01	\$27,050
31-1014	Nursing Assistants	740	\$11.35	\$11.84	\$24,620
31-2021	Physical Therapist Assistants	60	\$24.15	\$23.95	\$49,820
31-2022	Physical Therapist Aides	80	\$9.56	\$10.33	\$21,490

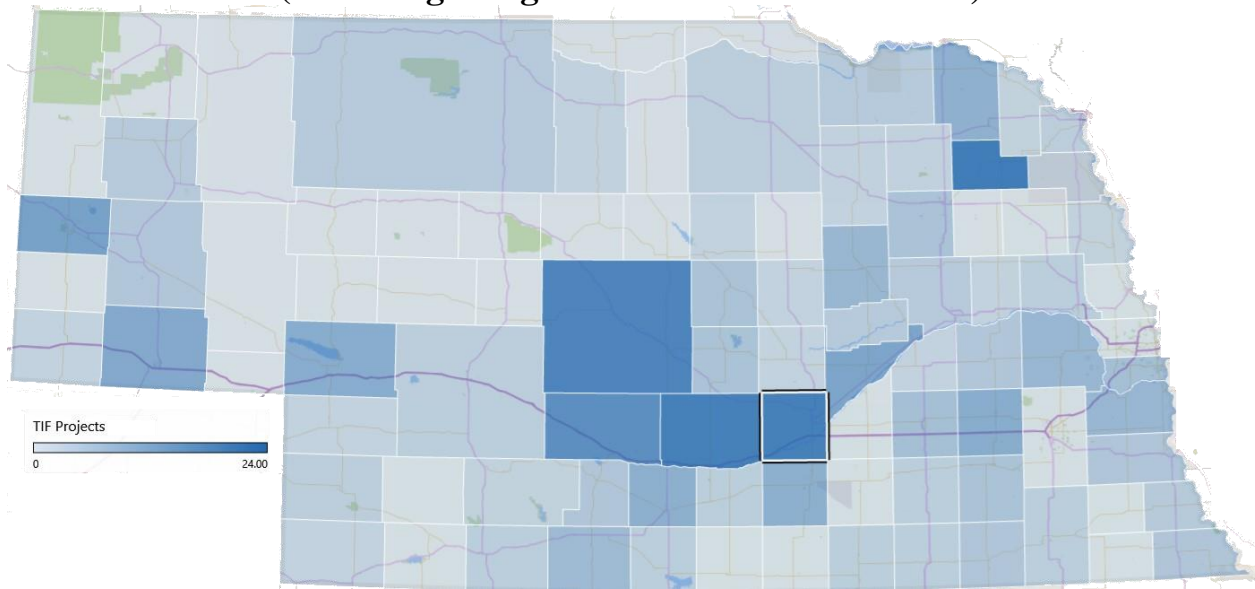
Source: Bureau of Labor Statistics, United States Department of Labor, Occupational Employment and Wages, May 2015

Statutory Report Requirements

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

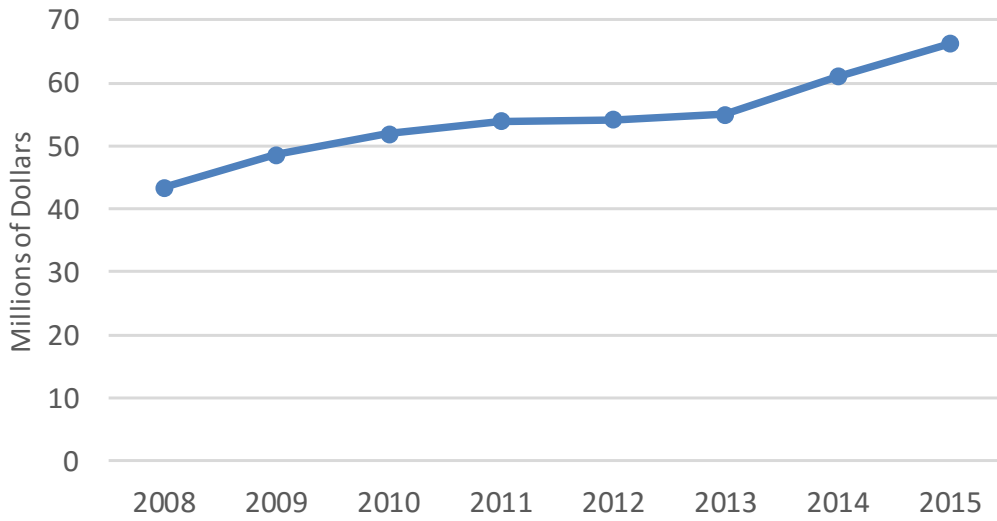
Nebraska cities, like cities nationwide, are using TIF financing with increasing frequency. Each year the Nebraska Department of Revenue produces a report to submit to the Unicameral. This report finds a general increase in TIF activity over time. Some cities and counties have been more active in TIF than others, with most activity occurring along the I-80 corridor

Cumulative Number of TIF Projects by County, 2008- 2015 (excluding Douglas and Lancaster Counties)



Data Source: Nebraska Department of Revenue, PAT Annual TIF Reports , map by authors

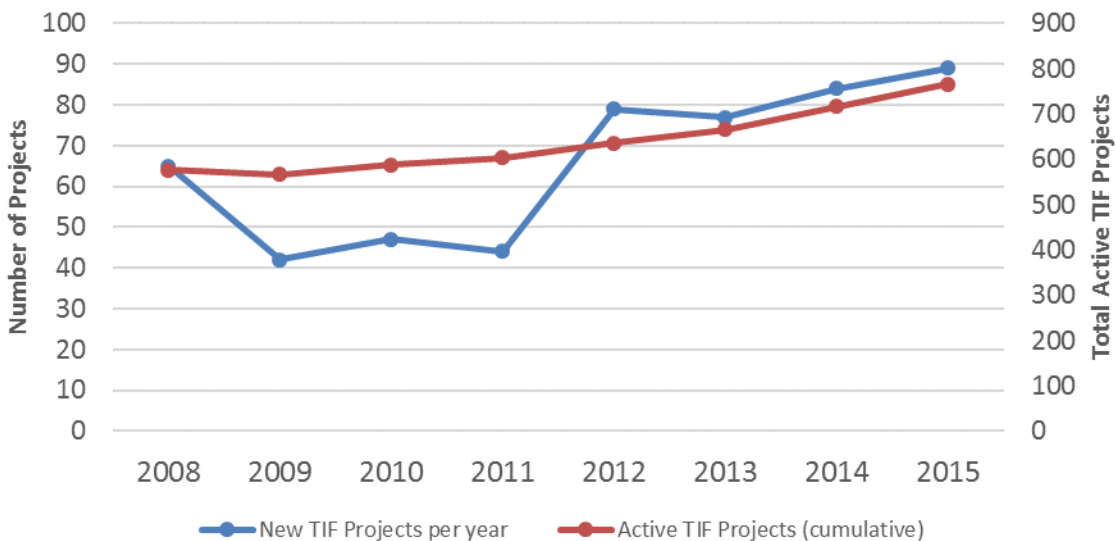
New Excess Taxes From New TIF Projects



Data Source: Nebraska Department of Revenue, PAT Annual TIF Reports

Projects are influenced by local, regional, and national economic circumstances, as reflected by the cyclical pattern of new TIF projects by year. The following graph shows the number of new TIF projects by year in Nebraska on the left axis and the total number of active TIF projects by year on the right axis.

New and Active TIF Projects



Source: Nebraska Department of Revenue, PAT Annual TIF Reports

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

RESOLUTION NO. 243

A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA; RECOMMENDING APPROVAL OF A REDEVELOPMENT PROJECT OF THE CITY OF GRAND ISLAND, NEBRASKA; APPROVING A COST BENEFIT ANALYSIS FOR SUCH PROJECT; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Mayor and Council of the City of Grand Island, Nebraska (the “**City**”), upon the recommendation of the Planning Commission of the City of Grand Island, Nebraska (the “**Planning Commission**”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), duly declared the redevelopment area legally described on **Exhibit A** attached hereto (the “**Redevelopment Area**”) to be blighted and substandard and in need of redevelopment; and

WHEREAS, pursuant to and in furtherance of the Act, a Redevelopment Plan (the “**Redevelopment Plan**”), has been prepared by Community Redevelopment Authority of Grand Island, Nebraska, (the “**Authority**”) pursuant to an application by Prataria Ventures, a Nebraska LLC (the “**Redeveloper**”), in the form attached hereto as **Exhibit B**, for the purpose of redeveloping Redevelopment Area legally described on **Exhibit A**, referred to herein as the Project Area (the “**Project Area**”); and

WHEREAS, pursuant to the Redevelopment Plan, the Authority would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the “**Project**”), in accordance with and as permitted by the Act; and

WHEREAS, the Authority has conducted a cost benefit analysis of the Project (the “**Cost Benefit Analysis**”) pursuant to Section 18-2113 of the Act, a which is included in the Redevelopment Plan attached hereto as **Exhibit B**; and

WHEREAS, the Authority has made certain findings and pursuant thereto has determined that it is in the best interests of the Authority and the City to approve the Redevelopment Plan and approve the Redevelopment Project and to approve the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA AS FOLLOWS:

Section 1. The Authority has determined that the proposed land uses and building requirements in the Redevelopment Plan for the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, 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 in 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 provisions 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 communitive 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

Prataria Ventures, LLC

unsanitary or unsafe dwelling accommodations, or conditions of blight.

Section 2. The Authority has conducted a Cost Benefit Analysis for the Project, included in the the Redevelopment Plan attached hereto as Exhibit B, in accordance with the Act, and has found and hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Project Area without the use of tax increment financing and 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 and have been found to be in the long term best interests of the community impacted by the Project.

Section 3. In compliance with section 18-2114 of the Act, the Authority finds and determines as follows: (a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Authority and the Authority shall receive no proceeds from disposal to the Redeveloper; (b) the estimated cost of project acquisition and the estimated cost of preparation for redevelopment including site work, onsite utilities and related costs are described in detail in Exhibit B attached hereto; (c) the method of acquisition of the real estate shall be by private contract by the Redeveloper and not by condemnation; and (d) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the approximate amount of \$28.9 million, which shall be granted to the Redeveloper and from additional funds provided by the Redeveloper. No families will be displaced from the Redevelopment Project Area as a result of the project.

Section 4. The Authority hereby recommends to the City approval of the Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan.

Section 5. All prior resolutions of the Authority in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 6. This resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 20th day of September, 2017.

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

ATTEST:

By: _____
Chair

By: _____
Secretary

Prataria Ventures, LLC

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

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EXHIBIT B

FORM OF REDEVELOPMENT PLAN

Prataria Ventures, LLC

