



Community Redevelopment Authority (CRA)

**Wednesday, April 11, 2018
Regular Meeting Packet**

Board Members:

Tom Gdowski - Chairman

Glen Murray – Vice Chairman

Sue Pirnie

Glenn Wilson

Krae Dutoit

**4:00 PM
City Hall**

Call to Order

Roll Call

A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS

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

B - RESERVE TIME TO SPEAK ON AGENDA ITEMS

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

DIRECTOR COMMUNICATION

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



Community Redevelopment Authority (CRA)

Wednesday, April 11, 2018
Regular Meeting

Item A1

Agenda

Staff Contact:

AGENDA
Wednesday, April 11, 2018
4 p.m.
Grand Island City Hall

Open Meetings Notifications

1. Call to Order
This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them. The CRA may vote to go into Closed Session on any Agenda Item as allowed by State Law.
2. Approval of Minutes of March 21, 2018, Meeting.
3. Review of Financials.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Review of 2017 Fiscal Year Audit Report – Terry Galloway
7. Redevelopment Contract for 408 E 2nd – Weinrich Developments Inc.
 - a. Consideration of Resolution 268
8. Redevelopment Plan Amendment for CRA Area # 12-Copper Creek.
 - a. Consideration of Resolution 269- Forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for Phase 2 of the Copper Creek Development – Guarantee Group
 - b. Consideration of Resolution 270 - Resolution of Intent to enter into a Site Specific Redevelopment Contract and Approval of related actions 30-day notice to city council for Phase 2 of Copper Creek – Guarantee Group

9. Director's Report
 - a. LB 874

10. Adjournment

.

Next Meeting May 23, 2018

COMMUNITY REDEVELOPMENT AUTHORITY
AGENDA MEMORANDUM
4 p.m. Wednesday, April 11, 2018

1. CALL TO ORDER. The meeting will be called to order by Chairman Tom Gdowski. This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.
2. APPROVAL OF MINUTES. The minutes of the Community Redevelopment Authority meeting March 21, 2018 are submitted for approval. A MOTION is in order.
3. APPROVAL OF FINANCIAL REPORTS. Financial reports for the period of March 1 through March 31, 2018 are submitted for approval. A MOTION is in order.
4. APPROVAL OF BILLS. Payment of bills in the amount of \$41,519.02 is submitted for approval. A MOTION is in order.
5. REVIEW OF COMMITTED PROJECTS AND CRA PROPERTIES.
6. PRESENTATION OF CRA AUDIT. Terry Galloway of Almquist, Maltzahn, Galloway & Luth will be presenting results of the CRA audit for the period ended September 30, 2017
7. REDEVELOPMENT CONTRACT –WEINRICH DEVELOPMENTS INC). The Grand Island City Council is expected to approve Resolution 2018-103 on April 10, 2018 authorizing issuance of a contract to Weinrich Developments Inc. for up to \$164,181 in tax-increment financing to assist with acquisition, site clearance, utility, architectural, engineering and other costs associated with building a 3 unit apartment building at 408 E. Second Street in Grand Island’s CRA Area No. 1. A MOTION to approve the Redevelopment Contract and Resolution 268 is in order.
8. REDEVELOPMENT PLAN AMENDMENT – GUARANTEE GROUP LLC.- COPPER CREEK PHASE 2 . Concerning an amendment to the redevelopment plan for CRA Area No. 12 for Phase 2 of the Copper Creek development. The request from Guarantee Group L.L.C. calls for redevelopment of property south of the first phase of the Copper Creek Project for 80 additional single family lots. The plan requests \$4,754,848 in tax increment financing along with associated interest on the TIF bonds. The CRA may forward the plan to the Regional Planning Commission for review and to the Grand Island City Council to give 30-day notice of a potential development contract. A MOTION to approve Resolution 269 (forward to Regional Planning Commission) and Resolution 270 (30-day intent notice to city council) is in order.
- 9.

10. DIRECTOR'S REPORT.

Report on changes to TIF and blight study processes due to the passage of LB 874.

12. ADJOURNMENT.

Chad Nabity
Director



Community Redevelopment Authority (CRA)

**Wednesday, April 11, 2018
Regular Meeting**

Item B1

Minutes of the March 21, 2018 Meeting

Staff Contact:

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF March 21st, 2018

Pursuant to due call and notice thereof, a Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on *March 21st, 2018* at City Hall, 100 E. First Street. Notice of the meeting was given in the *March 14th, 2018* Grand Island Independent.

1. CALL TO ORDER.

Vice Chairman Glen Murray called the meeting to order at 4:00 p.m. The following members were present: Krae Dutiot, Glenn Wilson, Glen Murray and Sue Pirnie. CRA Member Tom Gdowski was absent. Also present were: Director Chad Nabity, Planning Technician Rashad Moxey, Brian Schultz from the Grand Island Finance Department, Interim Finance Director Billy Clingman, City Administrator Marlan Ferguson and Council President Vaughn Minton.

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

2. APPROVAL OF MINUTES.

A motion for approval of the Minutes for the *February 14th, 2018* meeting was made by Wilson and seconded by Dutoit. Upon roll call vote, all present voted aye. Motion carried 4-0.

3. APPROVAL OF FINANCIAL REPORTS.

Clingman reviewed the financials from February 1st to February 28th. A motion for approval of the financial reports was made by Dutoit and seconded by Wilson. Upon roll call vote, all present voted aye. Motion carried 4-0.

4. APPROVAL OF BILLS.

The bills were reviewed by Murray. A motion was made by Wilson and seconded by Pirnie to approve the bills in the amount of \$122,274.65. Upon roll call vote, all present voted aye. Motion carried 4-0.

5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY.

The committed projects and CRA properties were reviewed by Nabity. Nabity explained that Fonner Court is expected to come off the list of project by next month. Regarding other projects, Nabity said the Hedde Building project is still on hold and is waiting on the tax credit. He went on to explain that the new tax law will influence the way the project proceeds. Nabity went on to explain that the Mendez projects still in progress. Nabity explained that the Othy's Place project is in a holding pattern; also the South Locust/Fonner Park BID project is expected to start and complete its planting project during the spring (2018). Nabity went onto say, Urban Island/Kinkaiders is making progress on its project. Nabity then spoke about the Fire and Life Safety grants, explaining that both the Hedde Building and Urban Island/Kinkaiders are working on their respective projects. Nabity explained that Peaceful Root is working on fixing the sidewalk where a coal shoot vault was found. He then stated, Take Flight is expected to move forward with life safety funds. Nabity went on to talk about the CRA properties available. He said the CRA is in the process of completing the sale for 408 East 2nd Street to Weinrich Development Inc. Nabity stated that there is an offer on 604 West 3rd Street and it is expected that it will move forward. He also stated that there has been no new interest in the Desert Rose property but that the Nebraska Department of Transportation has completed the appraisal for access to that site from South Locust Street.

6. REDEVELOPMENT PLAN AMENDMENT FOR 408 E 2nd – WEINRICH DEVELOPMENT INC.

Nabity said this is a redevelopment plan amendment that will authorize Tax increment financing for the acquisition of the property, site clearance, sidewalk and utilities. The Weinrich's proposing a two story three unit apartment. Nabity explained that the Planning Commission has held a public hearing and recommended approval and passed a resolution (2018-06). He then introduced Resolution 267 to the CRA. The resolution introduced covered the approval of the project and the approval to recommend to the project moved forward to the City Council meeting expected to be held on April 10th, 2018. Nabity finished by stating that all parking for the proposed structure will be accessed through the alley behind the building and all parking is also located behind the structure.

A motion was made by Dutiot and seconded by Pirnie to approve the Redevelopment Amendment Plan and Resolution 267. Upon roll call vote, all present voted aye. Motion carried 4-0.

7. LIFE SAFETY APPLICATION – 308 WEST 3rd STREET- TOM & LOIS NIELSEN.

Nabity explained that the proposed development is requesting \$20,000 in Life Safety Funds to help turn the upper story of the structure in a single unit apartment

consisting of 2 bedrooms. Naby stress that the developers have not requested fund through TIF or the Façade Grant and isn't expected to do so.

A motion was made by Wilson and seconded by Pirnie to approve the Life Safety Application. Upon roll call vote all, voted aye. Motion carried 4-0.

8. **CONSIDERATION OF APPROVING NEW DESIGN GUIDELINES FOR FAÇADE PROJECTS WITHIN THE BOUNDARIES OF THE DOWNTOWN IMPROVEMENT DISTRICT.**

Naby explained that the Downtown Business Improvement District has been working on updating their guidelines for some time. He noted that the updated guidelines were recently voted for approval by its board in October 2017 and was forwarded to the Regional Planning Department in January 2018. Naby clarified that the guidelines will only apply to projects in the Business Improvement District and applications for Façade grants funds. He stressed that it will not apply to any other regulations.

There were two representatives from the Down Town Improvement District Cara Lemburg (Director) and Tom Ziller. Lemburg expressed that adopting these guidelines in reference to the façade grants will help in the reshaping of the down town area.

Ziller explained that every item within the old guidelines was reviewed during the updating process. He went onto add that changes were made throughout the document. Ziller touched basis on other areas the guidelines can help particularly sidewalks. He explained this has been an area on concern and was addressed within the guidelines to help with the flow of the downtown area.

A motion was made by Pirnie and seconded by Dutiot to approve the new Design Guidelines for Façade Projects within the boundaries of the Downtown Improvement District. Upon roll call vote all, voted aye. Motion carried 4-0.

9. **TIF VALUATION STUDY FINAL REPORT**

Naby stated that the conclusion of the study shows that TIF does make an impact locally on properties in close proximity or right next to where a project was done with TIF. He went on to stay that if there are a lot of projects using TIF concentrated in one area, impacts can possibly be seen in blocks around the projects. He noted that he anticipates another study being done in the future as there are now more projects meaning more data is available compared to 2016 when the study was first introduced. Naby suggest that a updating the study with in the next couple of years would potentially show a greater impact of TIF on surrounding properties as many of the projects that have been approved are just reaching a state of completion.

10. EXECUTIVE SESSION FOR PROPERTY NEGOTIATIONS

At 4:30pm motion was made by Dutiot and seconded by Wilson to approve the start of an Executive Session for Property Negotiations. Upon roll call vote all, voted aye. Motion carried 4-0.

At 4:34pm motion was made by Wilson and seconded by Pirnie to approve to end the Executive Session for Property Negotiations. Upon roll call vote all, voted aye. Motion carried 4-0.

11. DIRECTOR'S REPORT

Nabity said there is a LB 874 TIF bill has passed and is awaiting the signature of the Governor. This bill as approved does make some significant changes to the reporting and notice requirements for TIF projects and Blight and Substandard Studies. Nabity stated that he would provide more in depth analysis at a future meeting prior to the law going into effect.

12. ADJOURNMENT.

Murray adjourned the meeting at 4:51 p.m.

The next meeting is scheduled for 4 p.m., *Wednesday, April 11th, 2018.*

Respectfully submitted
Rashad Moxey
Planning Technician



Community Redevelopment Authority (CRA)

**Wednesday, April 11, 2018
Regular Meeting**

Item C1

Financial Reports from March 1 to March 31, 2018

Staff Contact:

**COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018**

CONSOLIDATED	MONTH ENDED March-18	2017-2018 YEAR TO DATE	2018 BUDGET	REMAINING BALANCE	% OF BUDGET USED
Beginning Cash	669,907		1,092,980		
REVENUE:					
Property Taxes - CRA	3,560	137,836	472,191	334,355	29.19%
Property Taxes - Lincoln Pool	14,590	41,437	198,050	156,613	20.92%
Property Taxes -TIF's	1,661	370,918	1,850,874	1,553,173	20.04%
Loan Income (Poplar Street Water Line)	-	-	10,500	10,500	0.00%
Interest Income - CRA	10	77	300	223	25.52%
Interest Income - TIF'S	1	9	-	-	#DIV/0!
Land Sales	-	-	100,000	100,000	0.00%
Other Revenue - CRA	-	787	130,000	129,213	0.61%
Other Revenue - TIF's	1	14,837	-	-	#DIV/0!
TOTAL REVENUE	19,822	565,899	2,761,915	2,284,078	20.49%
TOTAL RESOURCES	689,729	565,899	3,854,895	2,284,078	
EXPENSES					
Auditing & Accounting	-	-	5,000	5,000	0.00%
Legal Services	-	645	3,000	2,355	21.50%
Consulting Services	-	-	5,000	5,000	0.00%
Contract Services	7,658	25,369	75,000	49,631	33.83%
Printing & Binding	-	-	1,000	1,000	0.00%
Other Professional Services	-	5,146	16,000	10,854	32.16%
General Liability Insurance	-	-	250	250	0.00%
Postage	-	-	200	200	0.00%
Life Safety	-	175,000	200,000	25,000	87.50%
Legal Notices	34	104	500	396	20.84%
Travel & Training	-	-	1,000	1,000	0.00%
Other Expenditures	-	-	-	-	#DIV/0!
Office Supplies	-	-	1,000	1,000	0.00%
Supplies	-	-	300	300	0.00%
Land	-	-	200,000	200,000	0.00%
Bond Principal - Lincoln Pool	-	175,000	175,000	-	100.00%
Bond Interest	-	10,606	20,863	10,257	50.84%
Façade Improvement	-	-	350,000	350,000	0.00%
Building Improvement	106,500	406,716	554,732	148,016	73.32%
Other Projects	-	-	150,000	150,000	0.00%
Bond Principal-TIF's	-	104,113	1,882,874	1,835,980	5.53%
Bond Interest-TIF's	-	6,669	-	-	#DIV/0!
Interest Expense	-	-	-	-	#DIV/0!
TOTAL EXPENSES	114,192	910,118	3,641,719	2,796,238	24.99%
INCREASE(DECREASE) IN CASH	(94,370)	(344,219)	(879,804)		
ENDING CASH	575,537	(344,219)	213,176	-	
CRA CASH	92,234				
Lincoln Pool Tax Income Balance	104,863				
TIF CASH	378,439				
Total Cash	575,537				

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

	<u>MONTH ENDED</u> <u>March-18</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
GENERAL OPERATIONS:					
Property Taxes - CRA	3,560	137,836	472,191	334,355	29.19%
Property Taxes - Lincoln Pool	14,590	41,437	198,050	156,613	20.92%
Interest Income	10	77	300	223	25.52%
Loan Income (Poplar Street Water Line)		-	10,500	10,500	0.00%
Land Sales		-	100,000	100,000	0.00%
Other Revenue & Motor Vehicle Tax		787	130,000	129,213	0.61%
TOTAL	18,160	180,136	911,041	730,905	19.77%
GENTLE DENTAL					
Property Taxes		-	-	-	#DIV/0!
Interest Income		1	-	-	#DIV/0!
TOTAL	-	1	-	-	#DIV/0!
PROCON TIF					
Property Taxes		8,587	-	-	#DIV/0!
Interest Income	1	5	-	-	#DIV/0!
TOTAL	1	8,592	-	-	#DIV/0!
WALNUT HOUSING PROJECT					
Property Taxes		24,720	-	-	#DIV/0!
Interest Income		3	-	-	#DIV/0!
Other Revenue	1	14,837	-	-	#DIV/0!
TOTAL	1	39,561	-	-	#DIV/0!
BRUNS PET GROOMING					
Property Taxes		7,108	-	-	#DIV/0!
TOTAL	-	7,108	-	-	#DIV/0!
GIRARD VET CLINIC					
Property Taxes		5,287	-	-	#DIV/0!
TOTAL	-	5,287	-	-	#DIV/0!
GEDDES ST APTS-PROCON					
Property Taxes		564	-	-	#DIV/0!
TOTAL	-	564	-	-	#DIV/0!
SOUTHEAST CROSSING					
Property Taxes		2,492	-	-	#DIV/0!
TOTAL	-	2,492	-	-	#DIV/0!
POPLAR STREET WATER					
Property Taxes	460	6,695	-	-	#DIV/0!
TOTAL	460	6,695	-	-	#DIV/0!
CASEY'S @ FIVE POINTS					
Property Taxes		284	-	-	#DIV/0!
TOTAL	-	284	-	-	#DIV/0!
SOUTH POINTE HOTEL PROJECT					
Property Taxes		1,693	-	-	#DIV/0!
TOTAL	-	1,693	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

	<u>MONTH ENDED</u> <u>March-18</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
TODD ENCK PROJECT					
Property Taxes		130	-	-	#DIV/0!
TOTAL	-	130	-	-	#DIV/0!
JOHN SCHULTE CONSTRUCTION					
Property Taxes		3,527	-	-	#DIV/0!
TOTAL	-	3,527	-	-	#DIV/0!
PHARMACY PROPERTIES INC					
Property Taxes		239	-	-	#DIV/0!
TOTAL	-	239	-	-	#DIV/0!
KEN-RAY LLC					
Property Taxes		918	-	-	#DIV/0!
TOTAL	-	918	-	-	#DIV/0!
TOKEN PROPERTIES RUBY					
Property Taxes		60	-	-	#DIV/0!
TOTAL	-	60	-	-	#DIV/0!
GORDMAN GRAND ISLAND					
Property Taxes		1,077	-	-	#DIV/0!
TOTAL	-	1,077	-	-	#DIV/0!
BAKER DEVELOPMENT INC					
Property Taxes		72	-	-	#DIV/0!
TOTAL	-	72	-	-	#DIV/0!
STRATFORD PLAZA INC					
Property Taxes		667	-	-	#DIV/0!
TOTAL	-	667	-	-	#DIV/0!
COPPER CREEK 2013 HOUSES					
Property Taxes		8,646	-	-	#DIV/0!
TOTAL	-	8,646	-	-	#DIV/0!
FUTURE TIF'S					
Property Taxes		-	1,850,874	1,850,874	0.00%
TOTAL	-	-	1,850,874	1,850,874	-
CHIEF INDUSTRIES AURORA COOP					
Property Taxes		732	-	(732)	#DIV/0!
TOTAL	-	732	-	(732)	#DIV/0!
TOKEN PROPERTIES KIMBALL ST					
Property Taxes		1,303	-	(1,303)	#DIV/0!
TOTAL	-	1,303	-	(1,303)	#DIV/0!
GI HABITAT OF HUMANITY					
Property Taxes		83	-	(83)	#DIV/0!
TOTAL	-	83	-	(83)	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

	<u>MONTH ENDED</u> <u>March-18</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
AUTO ONE INC					
Property Taxes		5,943	-	(5,943)	#DIV/0!
TOTAL	-	5,943	-	(5,943)	#DIV/0!
EIG GRAND ISLAND					
Property Taxes		1,444	-	(1,444)	#DIV/0!
TOTAL	-	1,444	-	(1,444)	#DIV/0!
TOKEN PROPERTIES CARY ST					
Property Taxes		4,163	-	(4,163)	#DIV/0!
TOTAL	-	4,163	-	(4,163)	#DIV/0!
WENN HOUSING PROJECT					
Property Taxes		88	-	(88)	#DIV/0!
TOTAL	-	88	-	(88)	#DIV/0!
COPPER CREEK 2014 HOUSES					
Property Taxes	889	23,400	-	(23,400)	#DIV/0!
TOTAL	889	23,400	-	(23,400)	#DIV/0!
TC ENCK BUILDERS					
Property Taxes		273	-	(273)	#DIV/0!
TOTAL	-	273	-	(273)	#DIV/0!
SUPER MARKET DEVELOPERS					
Property Taxes		63,133	-	(63,133)	#DIV/0!
TOTAL	-	63,133	-	(63,133)	#DIV/0!
MAINSTAY SUITES					
Property Taxes		31,917	-	(31,917)	#DIV/0!
TOTAL	-	31,917	-	(31,917)	#DIV/0!
TOWER 217					
Property Taxes		401	-	(401)	#DIV/0!
TOTAL	-	401	-	(401)	#DIV/0!
COPPER CREEK 2015 HOUSES					
Property Taxes	311	25,278	-	(25,278)	#DIV/0!
TOTAL	311	25,278	-	(25,278)	#DIV/0!
NORTHWEST COMMONS					
Property Taxes		139,542	-	(139,542)	#DIV/0!
TOTAL	-	139,542	-	(139,542)	#DIV/0!
HABITAT - 8TH & SUPERIOR					
Property Taxes		190	-	(190)	#DIV/0!
TOTAL	-	190	-	(190)	#DIV/0!
KAUFMAN BUILDING					
Property Taxes		258	-	(258)	#DIV/0!
TOTAL	-	258	-	(258)	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

	<u>MONTH ENDED</u> <u>March-18</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
TALON APARTMENTS					
Property Taxes		56,941		(56,941)	#DIV/0!
TOTAL	-	56,941	-	(56,941)	#DIV/0!
VICTORY PLACE					
Property Taxes		813		(813)	
TOTAL	-	813	-	(813)	#DIV/0!
TOTAL REVENUE	19,822	565,899	2,761,915	2,284,078	20.49%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

EXPENSES	MONTH ENDED <u>March-18</u>	2017-2018 <u>YEAR TO DATE</u>	2018 <u>BUDGET</u>	REMAINING <u>BALANCE</u>	% OF BUDGET <u>USED</u>
CRA					
GENERAL OPERATIONS:					
Auditing & Accounting		-	5,000	5,000	0.00%
Legal Services		645	3,000	2,355	21.50%
Consulting Services		-	5,000	5,000	0.00%
Contract Services	7,658	25,369	75,000	49,631	33.83%
Printing & Binding		-	1,000	1,000	0.00%
Other Professional Services		5,146	16,000	10,854	32.16%
General Liability Insurance		-	250	250	0.00%
Postage		-	200	200	0.00%
Lifesafety Grant		175,000	200,000	25,000	87.50%
Legal Notices	34	104	500	396	20.84%
Licenses & Fees		750	-	-	#DIV/0!
Travel & Training		-	1,000	1,000	0.00%
Office Supplies		-	1,000	1,000	0.00%
Supplies		-	300	300	0.00%
Land		-	200,000	200,000	0.00%
Bond Principal - Lincoln Pool		175,000	175,000	-	100.00%
Bond Interest - Lincoln Pool		10,606	20,863	10,257	50.84%
PROJECTS					
Façade Improvement		-	350,000	350,000	0.00%
Building Improvement	106,500	406,716	554,732	148,016	0.00%
Other Projects		-	150,000	150,000	0.00%
TOTAL CRA EXPENSES	114,192	799,336	1,758,845	960,259	45.45%
GENTLE DENTAL					
Bond Principal		1,753	-	-	#DIV/0!
Bond Interest		41	-	-	#DIV/0!
TOTAL GENTLE DENTAL	-	1,793	-	-	#DIV/0!
PROCON TIF					
Bond Principal		8,641	-	-	#DIV/0!
Bond Interest		939	-	-	#DIV/0!
TOTAL PROCON TIF	-	9,581	-	-	#DIV/0!
WALNUT HOUSING PROJECT					
Bond Principal		31,547	-	-	#DIV/0!
Bond Interest		5,689	-	-	#DIV/0!
TOTAL	-	37,236	-	-	#DIV/0!
BRUNS PET GROOMING					
Bond Principal		6,820	-	-	#DIV/0!
TOTAL	-	6,820	-	-	#DIV/0!
GIRARD VET CLINIC					
Bond Principal		5,073	-	-	#DIV/0!
TOTAL	-	5,073	-	-	#DIV/0!
GEDDES ST APTS - PROCON					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

	<u>MONTH ENDED</u> <u>March-18</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
SOUTHEAST CROSSINGS					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
POPLAR STREET WATER					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
CASEY'S @ FIVE POINTS					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
SOUTH POINTE HOTEL PROJECT					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TODD ENCK PROJECT					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
JOHN SCHULTE CONSTRUCTION					
Bond Principal	-	3,385	-	-	#DIV/0!
TOTAL	-	3,385	-	-	#DIV/0!
PHARMACY PROPERTIES INC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
KEN-RAY LLC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES RUBY					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
GORDMAN GRAND ISLAND					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
BAKER DEVELOPMENT INC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
STRATFORD PLAZA LLC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2013 HOUSES					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

	<u>MONTH ENDED</u> <u>March-18</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
CHIEF INDUSTRIES AURORA COOP					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES KIMBALL STREET					
Bond Principal		1,250	-	(1,250)	#DIV/0!
TOTAL	-	1,250	-	(1,250)	#DIV/0!
GI HABITAT FOR HUMANITY					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
AUTO ONE INC					
Bond Principal		5,689	-	(5,689)	#DIV/0!
TOTAL	-	5,689	-	(5,689)	#DIV/0!
EIG GRAND ISLAND					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES CARY STREET					
Bond Principal		3,995	-	(3,995)	#DIV/0!
TOTAL	-	3,995	-	(3,995)	#DIV/0!
WENN HOUSING PROJECT					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2014 HOUSES					
Bond Principal		5,337	-	(5,337)	#DIV/0!
TOTAL	-	5,337	-	(5,337)	#DIV/0!
TC ENCK BUILDERS					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
SUPER MARKET DEVELOPERS					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
MAINSTAY SUITES					
Bond Principal		30,624	-	(30,624)	#DIV/0!
TOTAL	-	30,624	-	(30,624)	#DIV/0!
TOWER 217					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2015 HOUSES					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF MARCH 2018

	<u>MONTH ENDED</u> <u>March-18</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
NORTHWEST COMMONS					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-		-	#DIV/0!
HABITAT - 8TH & SUPERIOR					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-		-	#DIV/0!
KAUFMAN BUILDING					
Bond Principal		-	-	-	#DIV/0!
TOTAL	-	-		-	#DIV/0!
FUTURE TIF'S					
Bond Principal	-	-	1,882,874	1,882,874	0.00%
TOTAL	-	-	1,882,874	1,882,874	0.00%
TOTAL EXPENSES	114,192	910,118	3,641,719	2,796,238	24.99%



Community Redevelopment Authority (CRA)

**Wednesday, April 11, 2018
Regular Meeting**

Item D1

Bills for April 2018

Staff Contact:

04.11.18

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

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

City of Grand Island	Administration fees for February	\$	2,501.53
Nebraska Dept of Transportation	Access Purchase Desert Rose	\$	39,000.00
The Grand Island Independent	Legal Notices - March	\$	17.49

Total: \$ 41,519.02



Community Redevelopment Authority (CRA)

Wednesday, April 11, 2018
Regular Meeting

Item E1

Review of Committed Projects and CRA Properties

Staff Contact:

COMMITTED PROJECTS	REMAINING GRANT AMOUNT	2018 FISCAL YR	2019 FISCAL YR	2020 FISCAL YR	ESTIMATED COMP
Hedde Building 201-205 W. 3rd (10-18-17)	\$ 300,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	Spring 2020
Mendez - Personal Auto (12-13-17)	\$ 100,000.00	\$ 100,000.00			Summer 2018
Othy's Place - 724 W. 3rd - Lindell (10/12/16)	\$ 26,961.00	\$ 26,961.00			2017 sign, 2018 façade \$34,899.18 paid March 15, 2017
South Locust/Fonner Park BID (7/13/16)	\$ 30,000.00	\$ 30,000.00			Spring 2018
Urban Island/Kinkaider 320-322 N. Pine (10-18-17) (façade)	\$ 168,677.00	\$ 100,000.00	\$ 68,677.00		Spring 2018
Urban Island/Kinkaider 320-322 N. Pine (10-18-17) other LS	\$ 15,000.00	\$ 15,000.00			Summer 2018
Total Committed	\$ 640,638.00	\$ 371,961.00	\$ 168,677.00	\$ 100,000.00	
FIRE & LIFE SAFETY GRANT	TOTAL AMOUNT	2018 FISCAL YR	2019 FISCAL YR	2020 FISCAL YR	ESTIMATED COMP
201-203 W. 3rd St. Anson (8/24/16)	\$ 240,000.00		\$ 240,000.00		2018
Neilsen 207 W. 3rd	\$ 20,000.00	\$ 20,000.00			Fall 2018
Peaceful Root - 112 W. 2nd St. (1/11/17)	\$ 50,000.00		\$ 50,000.00		2018
Urban Island/Kinkaider 320-322 N. Pine (10-18-17)	\$ 90,000.00	\$ 90,000.00			Summer 2018
Take Flight 209 W. 3rd (11-8-17)	\$ 35,000.00	\$ 35,000.00			Fall 2018
Total Committed F&L Safety Grant	\$ 435,000.00	\$ 145,000.00	\$ 290,000.00	\$ -	

	BUDGET	COMMITTED	LEFT
Life Safety Budgeted 2018	\$ 200,000.00	\$ 125,000.00	\$ 75,000.00
Façade Budgeted 2018	\$ 350,000.00	\$ 350,000.00	\$ -
Other Projects 2018 Budgeted	\$ 150,000.00	\$ 71,500.00	\$ 78,500.00
Land - Budgeted 2018	\$ 200,000.00	\$ -	\$ 200,000.00
Land Sales Budgeted 2018	\$ (100,000.00)	\$ -	\$ (100,000.00)
subtotal		\$ 546,500.00	\$ 253,500.00
Less committed		(\$516,961.00)	(\$458,677.00)
Balance remaining		\$ 29,539.00	\$ (205,177.00)

CRA PROPERTIES

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

March 31, 2018



Community Redevelopment Authority (CRA)

Wednesday, April 11, 2018
Regular Meeting

Item I1

**Redevelopment Plan Amendment CRA Area 12 Copper Creek
Phase 2 Resolutions 269 and 270**

Staff Contact:

**Redevelopment Plan Amendment
Grand Island CRA Area #12
April 2018**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to approve a Redevelopment Plan for Area #12 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area #12.

**Executive Summary:
Project Description**

THE ORIGINAL PLAN FOR THIS DEVELOPMENT CALLED FOR THE COSTRUCTION OF UP TO 620 UNITS OF SINGLE FAMILY HOUSING WITH UP TO 239 WITH THE FIRST PHASE TO BE DEVELOPED AT MARKET DEMAND ESTIMATED AT 15 TO 30 UNITS PER YEAR. THE FINAL COUNT OF THE FIRST PHASE WILL BE 208 INSTEAD OF 239 AS THE LOT SIZES WERE INCREASED SLIGHTLY. AS OF APRIL 1, 2018 PERMITS HAVE BEEN PULLED FOR 193 HOUSES IN THIS PROJECT, 15 MORE LOTS ARE AVAILABLE AS PART OF THE FIRST PHASE. THE SECOND PHASE OF THIS DEVELOPMENT ANTICIPATES THE USE OF TAX INCREMENT FINANCING FOR THE NEXT 80 UNITS OF SINGLE FAMILY HOUSING. IT WAS ANTICIPATED AT THE BEGINNING OF THIS PROJECT THAT THERE WOULD BE ADDITIONAL PHASES THAT WOULD NEED APPROVAL. THE DEVELOPER HAS INDICATED THAT

THE CONSTRUCTION OF 80 UNITS OF SINGLE FAMILY HOMES. THE HOMES TO BE CONSTRUCTED WILL HAVE AN INTIAL SALE PRICE \$185,000 FOR THE BASE LEVEL HOME IN 2018 THAT MEETS THESE MINIMUM SPECIFICATIONS:

1300 SQUARE FEET FINISHED FIRST FLOOR, FULL UNFINISHED BASEMENT, 2 CAR ATTACHED GARAGE, KITCHEN APPLIANCES, CENTRAL HEATING AND AIR CONDITIONING, LANDSCAPING AND SPRINKLED LAWN.

THE HOUSES WILL BE CONSTRUCTED WITHIN THE COPPER CREEK SUBDIVISION LOCATED SOUTH OF OLD POTASH HIGHWAY AND EAST OF ENGLEMAN ROAD. THE PROJECT WILL INCLUDE THE PUBLIC IMPROVEMENTS NECESSARY TO SUPPORT THIS DEVELOPMENT INCLUDING BUT NOT LIMITED TO INSTALLATION OF STREET, STORMWATER FACILITIES, WATER AND SANITARY SEWER UTILITIES, ENGINEERING, SURVENYING, LANDSCAPING AND OTHER IMPROVEMENTS AS NECESSARY. THE CONSTRUCTION OF ADDITIONAL UNITS AND ANY AD VALORUM REVENUE GENERATED BY THOSE ADDITIONAL UNITS SHALL BE SUBJECT TO APPROVAL OF THE CITY AND SUBSEQUENT CONTRACTS BETWEEN THE CRA AND THE DEVELOPER.

The developer intends to use Tax Increment Financing to aid in site development including the purchase of the property, necessary site work, installation of streets, storm sewer, sanitary sewer, water, other utilities and engineering, surveying and other consultant costs associated with and necessary for the redevelopment of this property. The developer intends to build single family homes ranging from 1300 to 1500 square feet with an attached garage on each lot. The 2018 sale price of these homes will be \$185,000. The developer expects to build 80 units with five phases of development. The original approved preliminary plat for this project anticipated 620 homes. Some changes have been made to the proposed development. Phase 1 was reduced from 239 homes (plus the 5 house from the first attempt at developing this property) to 213 homes by increasing the lot sizes. Phase two anticipates 80 additional lots, the water tower site has reduced the number of lots in the southwest corner. The current approved preliminary plat shows plat an additional 244 lots that could be developed. The total number of lots based on current plans in the development is 537 lots for homes, 2 lots for utility purposes, 1 lot for detention and 1 for on-site storage of campers and boats belonging to residents of the subdivision.

The developer intends to install the infrastructure for phase two of this project in five intervals to create the 80 additional lots south of the existing streets. The second phase is designed to serve the next 80 lots and set the property up for development of up to 244 additional lots in the future. The tax increment from the new home construction will be used to make necessary site improvements and utility extensions to support this development. This project would not be possible in an affordable manner without the use of TIF.

The site is owned by Guarantee Group, LLC. All site work, demolition, streets and utilities will be paid for by the developer. The developer is responsible for and will provide evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work, engineering, surveying and utility and street infrastructure. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated beginning January 1, 2019 towards the allowable costs and associated financing for the acquisition, site work, streets and utility infrastructure. The CRA also intends to continue pledging ad valorem taxes generated by future phases of this development in future contracts for Tax Increment Financing during the life of this project.

TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

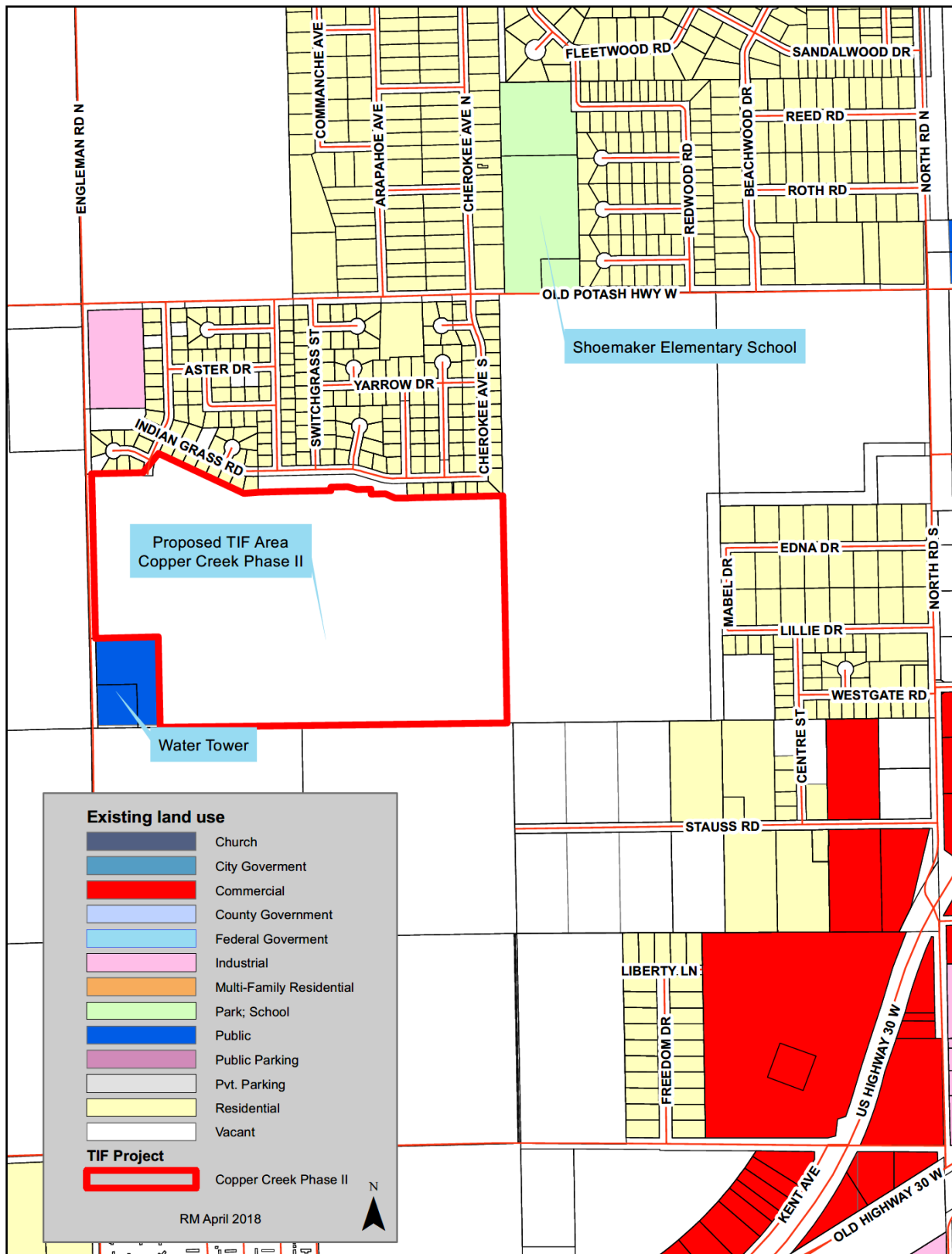
Property Description (the “Redevelopment Project Area”)

This property is located south of Old Potash Highway and east of Engleman Road in northwest Grand Island. The attached map identifies the subject property and the surrounding land uses:

Legal Descriptions

A TRACT LOCATED IN PART OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 11 NORTH, RANGE 23 WEST OF THE 6TH PM, IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT A POINT 1,059.29' FEET SOUTH OF THE NORTHWEST CORNER OF SECTION 23 TOWNSHIP 11 NORTH, RANGE 10 WEST, HALL COUNTY, NEBRASKA ALSO BEING THE SOUTHWEST CORNER OF COPPER CREEK ESTATES EIGHTH SUBDIVISION; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID COPPER CREEK ESTATES EIGHTH SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 17, COPPER CREEK ESTATES EIGHTH SUBDIVISION; THENCE NORTH ALONG THE EASTERLY LINE OF SAID LOT 17 TO THE NORTHEAST CORNER OF LOT 17, COPPER CREEK ESTATES SUBDIVISION, ALSO BEING A POINT ON THE SOUTH LINE OF INDIAN GRASS ROAD AND THE SOUTH WEST CORNER OF COPPER CREEK ESTATES SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF SAID INDIAN GRASS ROAD TO THE NORTHWEST CORNER OF LOT 1, COPPER CREEK ESTATES SUBDIVISION; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1, TO THE SOUTHWEST CORNER OF LOT 1 COPPER CREEK SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF LOTS 1-7 OF SAID COPPER CREEK ESTATES SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 7 COPPER CREEK SUBDIVISION; THENCE SOUTH PARALLEL AND 35' WESTERLY OF THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23 TOWNSHIP 11 NORTH RANGE 10 WEST TO A POINT ON THE SOUTH LINE OF SAID NORTHWEST QUARTER AND 35' FEET WESTERLY OF THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE WESTERLY TO THE SOUTHEAST CORNER OF LOT 2, COPPER CREEK ESTATES NINTH SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF LOTS 1 & 2, COPPER CREEK ESTATES NINTH SUBDIVISION AND THE SOUTH LINE OF SAID NORTHWEST QUARTER TO SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF SECTION 23; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID NORTHWEST QUARTER TO THE PLACE OF BEGINNING. LESS AND EXCEPT ALL OF COPPER CREEK NINTH SUBDIVISION.



The tax increment will be captured for the tax years the payments for which become delinquent beginning in years 2020 and ending upon expiration of the final contract for construction of affordable housing.

The increase will come from the development single family homes on this property. Increases are anticipated from the next 80 houses to be building. The anticipated taxable valuation of this project at completion of the phase two 80 homes is \$18,400,000. The actual final valuation will be subject to appreciation and inflationary forces over the course of the development timeframe.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2019 and the effective date of each subsequent contract and or contract amendment associated with this redevelopment plan.

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 May 14, 2013. [§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 purchase the property and install the required public infrastructure needed to develop the property in a manner consistent with the comprehensive plan and previously approved development plans.

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

a. Land Acquisition:

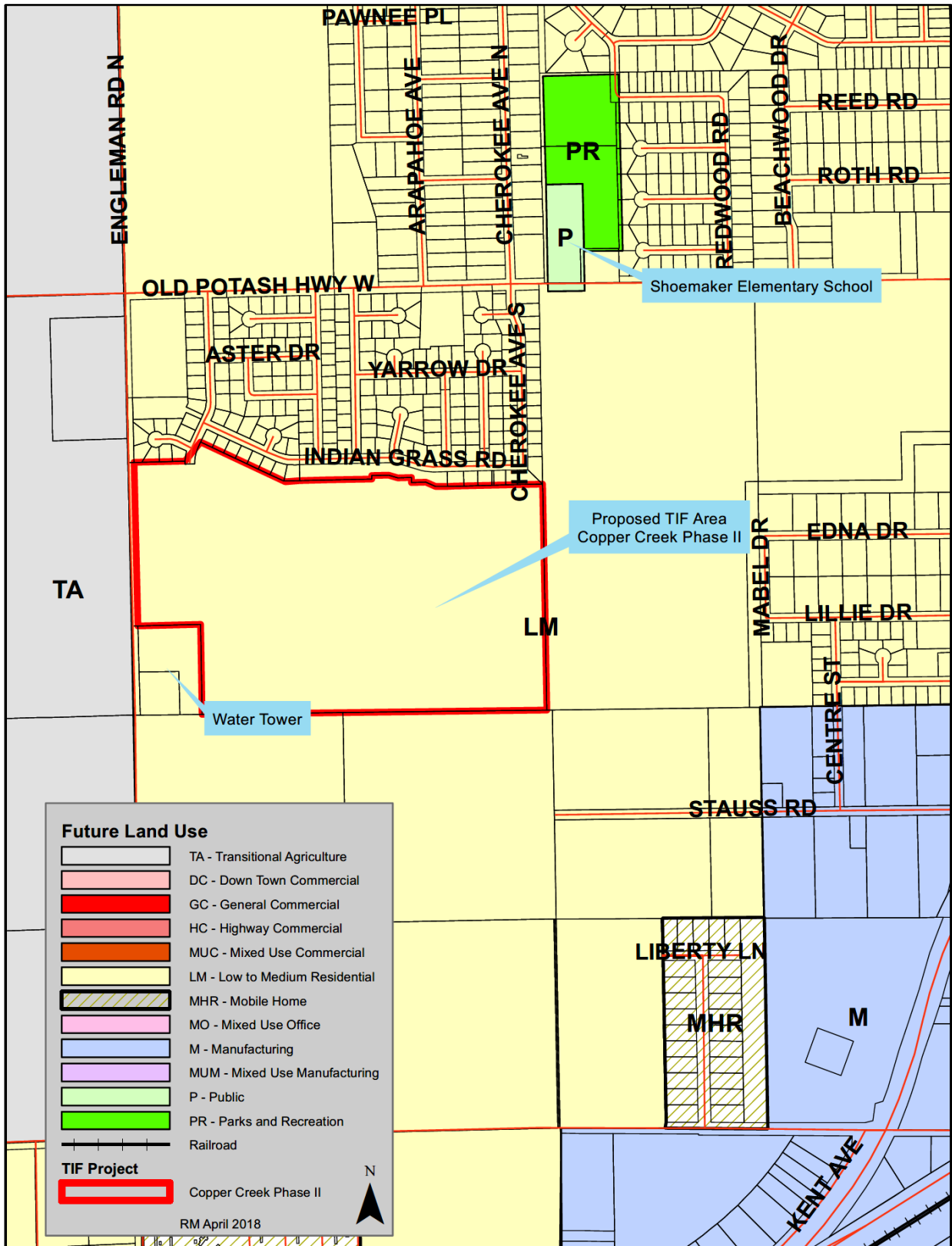
This amended Redevelopment Plan for Area #12 does not provide for real property acquisition. There is no proposed acquisition by the authority. The developer acquired the property as an expense included in the first redevelopment plan after approval of the first TIF contract.

b. Demolition and Removal of Structures:

The project to be implemented with this plan amendment does not call for the demolition and removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for residential use consistent with R2 zoning district and the approved preliminary and final plats for this site. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

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

The area is zoned R2 Low Density Residential. No zoning changes are anticipated with this project. Additional streets will be constructed in a manner consistent with the approved preliminary and final plats for the property. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. The single family residential is permitted in the current zoning district. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The R2 zoning district allows for the development of 1 dwelling unit per 6000 square foot of lot area. The platted and proposed lots are more than 6000 square feet in size but less than the 12,000 square feet that would be required for a 2 family dwelling. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. No utilities would be impacted by the development. Water and sewer will need to be extended throughout the site. Extension of utilities is one of the planned uses for Tax Increment Financing.

Electric, gas, phone and cable utilities will be extended through the site as necessary to serve the development through agreements between those providers and the developer.

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation.

This property is in private ownership. This is vacant property that has been used for agricultural purposes. No individuals or families will be relocated as a result of this project. Additional housing will be created by the project. [§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]

Tom Gdowski a member of the CRA Board does not hold any interest in this property but works for Equitable Bank in Grand Island and may be involved in the financing of this project or houses sold within the project.

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 the entire site. The developer is estimating the costs TIF eligible for Phase 2 activities as shown below:

Cost for Tax Increment Financing Eligible Activities		
Planning (Architecture and Engineering)		245,000
Land	Acquired with Phase 1	
Legal/Developer/Audit Fees		275,000
City Fees		2,100
Subtotal		522,100
Grading and Infrastructure Phase 2		
Sanitary Sewer	732,346.5	
Water Main	794,191	
Paving and Storm	2,119,710.2	
Fill	586,500	
Subtotal		4,232,748
Total Eligible Expenses		4,754,848

The estimated costs for the eligible activities of this project are \$4,754,748. Site improvements including: utility improvements and site grading and fill of \$4,232,748 Architectural and Engineering planning services of \$245,000 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$277,100 are included as TIF eligible expense. The total of eligible expenses for this project is \$4,754,748.

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 an estimated sum of \$4,754,848 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, 2019 for a period that may extend through 15 years from the date of the final contract for this project.

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, in that it will allow for development consistent with the future land use plan for the City of Grand Island and the previously approved development of this site. The development of single family residential on this property is consistent with the property development along the north side of Old Potash Highway. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions such as incomplete infrastructure.

8. Time Frame for Development

Development of this project is anticipated to begin in June 2018. Infrastructure for this phase of the development, including the next 80 lots is expected to be complete with the phasing of the development. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of Phase two of the project will occur sometime between 2022 and 2030. Excess valuation should be available for this project beginning with the 2019 tax year.

9. Justification of Project

The housing vacancy rate in Grand Island has been hovering between 2% and 3% since at least 2000. Since the late 1980's, every housing study done in Grand Island has indicated a lack of housing and housing options in Grand Island. The market is providing for houses in the \$220,000 plus price range and almost 300 market rate apartments have been built in the last 2 years and there are currently plans for upwards of 250 new additional market rate apartments. Providers of elderly housing supported by Low Income Housing

Tax Credits all have waiting lists and applications for new projects are submitted to NIFA every year.

As of today (April 3, 2018), there 73 housing units (single family and condominium) on the market based on the Multiple Listing Service, at all price ranges (\$59,900 to \$499,000). Grand Island has almost 13,000 single family housing units, so less than 0.56% of the total units are currently available and on the market.

The projected price range of the houses to be built with this project puts them within the reach of people earning a family income of \$22 an hour and above. This price puts these houses within reach of people working at JBS Swift, many of the retail stores in the community, incoming teachers and many others that have trouble finding housing in Grand Island. The cost to develop lots in Grand Island, even the smaller lots that are proposed in this subdivision makes the development and sale of houses in this price range prohibitive without some kind of public private partnership.

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

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

Project Sources and Uses. Public funds from tax increment financing in the amount of \$4,754,848 provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$14,852,962 in private sector financing and equity investment; a private investment of \$3.12 for every TIF dollar invested.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Site Acquisition	Acquired with Phase I		
Site Improvements/Utilities	\$4,232,747.7		\$4,232,747.7
New Construction Costs		\$13,360,000	\$13,360,000
Legal and Plan	\$275,000		\$275,000
Engineering/Arch	\$245,000		\$245,000
City Fees/Reimbursements	\$2,100		\$2,100
Financing Fees		\$1,492,962	\$1,492,962
TOTALS	\$4,754,848	\$14,852,962	\$19,607810

Tax Revenue. The property to be redeveloped has January 1, 2018, valuation of approximately \$504,382 for the 82 acres of undeveloped land. Based on the 2017 levy this would result in a real property tax of approximately \$11,360. It is anticipated that the assessed value will increase by \$18,400,000 upon full completion, as a result of the site

redevelopment. This development will result in an estimated tax increase of over \$414,450 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2018 assessed value:	\$ 504,382
Estimated taxable value after completion	\$ 18,904,382
Increment value	\$ 18,400,000
Annual TIF generated (estimated)	\$ 6,217,000
TIF bond issue	\$ \$4,754,848

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

The proposed development of these houses will result in an estimated additional \$18,400,000 of taxable valuation based on an initial 2018 sale price of homes at \$185,000 including the value of the lot to bring total valuation to \$230,000 per unit. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities for life of those homes after the completion of the TIF contracts.

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

No additional public service needs have been identified. Existing water and waste water facilities will need to be extended through the site but have sufficient capacity to support the development. The electric utility has sufficient capacity to support the development. **This development will have an impact on the Grand Island School system as it will likely result in increased attendance at all grade levels.** The average number of persons per household in Grand Island for 2012 to 2016 according to the American Community Survey is 2.65. Eighty additional household would house 212 people. According to the 2010 census 19.2% of the population of Grand Island was between the ages of 5 and 18. If the averages hold it would be expected that there would be an additional 41 school age children generated by this development. According to the National Center for Educational Statistics¹ the 2015-16 enrollment for GIPS was 9,698 students and the cost per student in 2013-14 was \$12,343 of that \$5,546 is generated locally. The Grand Island Public School system has indicated that they will not oppose the development of this phase of the project and can accommodate the increase in enrollment. It is likely that they would not be able to absorb additional development without adding to school facilities. Fire and police protection are available and should not be impacted by this development.

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

¹ https://nces.ed.gov/ccd/districtsearch/district_detail.asp?ID2=3100016

The proposed development will provide jobs for persons employed by the contractors that will be involved with the project. In 2015 the National Association of Home Builders estimated the impacts of each single family home built in a community at 3.94 FTE's 2.37 of which are direct impact employees. (NAHB Housing Policy Department, 2015). Using that number and an estimated construction schedule of 15 units per year, the direct impact of this project is the equivalent of a manufacturing facility employee base of 35.55 FTE's. This project will also supply housing at a price point that is affordable to those at or below the median income in Grand Island. The median income in Grand Island for 2016 according to the U.S. Census is \$49,118.

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

This should not have any measurable negative impacts on other employers or employees in the city.

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

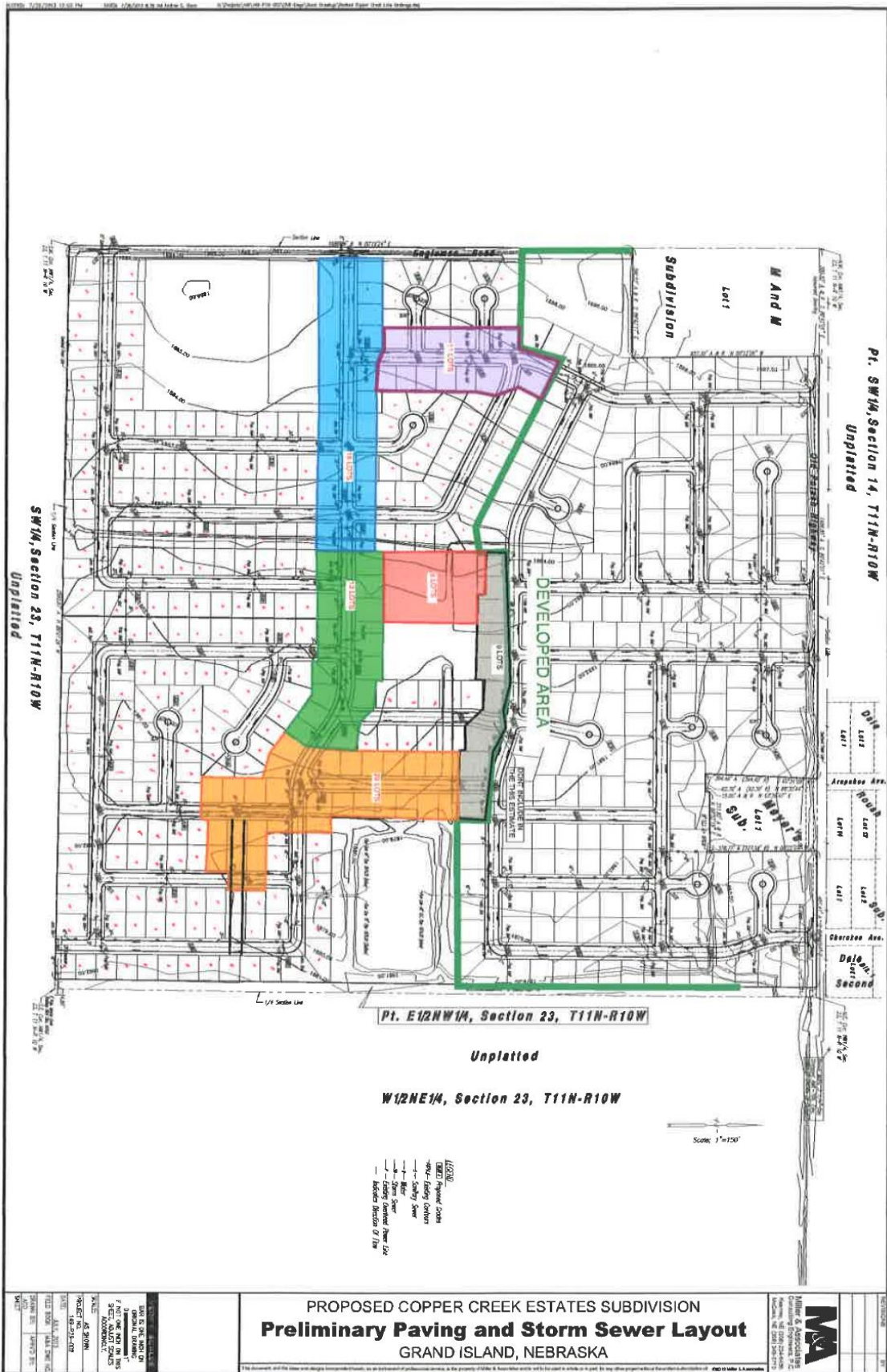
This will provide housing for residents of Grand Island in a much needed price range that is not being provided by the housing market. The 2014 housing study identified a need for over 1,700 new housing units including over 1000 owner occupied units. In 2015, 2016 and 2017 a total of 348 permits were issued for new single family homes in Grand Island. Without the use of TIF this project will not move forward. The cost for the required infrastructure for these 80 lots is estimated at \$4,232,748 or \$52,900 per lot. Portions of this development will potentially serve additional development in the future but all of the infrastructure is necessary to serve these 80 lots. The estimated cost of construction of these houses is \$167,000 (approximately \$130 per square foot) it is not possible to sell these houses for \$185,000 without a public private partnership. This project is not economically feasible without the use of TIF and can positively impact persons at or below the median income level within the City of Grand Island.

Time Frame for Development

Development of this project is anticipated to begin in June 2018. Infrastructure for this phase of the development, including completing streets and utilities for these 80 lots is expected to be complete by January 1, 2024. The base tax year should be calculated beginning in 2018 and each subsequent contract should be set in the year during which it is anticipated construction on the houses will begin. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of this project will occur sometime between 2022 and 2025. Excess valuation should be available for this project beginning with the 2019 tax year. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per each contract between the CRA. Contract periods shall not exceed 15 years. The amount of TIF excess distributed shall not exceed the actual cost of the TIF eligible

expenses incurred for this project including acquisition, streets, storm sewer, sanitary sewer, water, other necessary utilities, engineering, architecture and surveying, legal fees and interest associated with the TIF bonds.

Proposed Development Attached Subject to Final Platting and Approval





BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

Guarantee Group L.L.C.

Address:

Physical Address: 1912 West Anna Street, Grand Island Nebraska

Mailing Address: P.O. Box 5916, Grand Island Nebraska

Telephone No.: 308-381-2497 Fax No.: 308-381-1285

Cell: 308-379-1482

Contact:

Sean O Connor

Brief Description of Applicant's

Business: Our team develops real estate and builds affordable homes.

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Present Ownership Proposed Project Site: The Guarantee Group L.L.C.

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

Our team is proposing to build 1,200 sqft. to 1,400 sqft. affordable homes on land that is developed using tax increment financing.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land \$0.00

B. Building \$0.00

Construction Costs:

A. Renovation or Building Costs: \$0.00

B. On-Site Improvements: \$4,232,747.70

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Soft Costs:

A. Architectural & Engineering Fees:	\$245,000.00
<hr/>	
B. Financing Fees:	\$1,492,961.79
<hr/>	
C. Legal/Developer/Audit Fees:	\$ 275,000.00
<hr/>	
D. Contingency Reserves:	\$ 164,000.00
<hr/>	
E. Other (Please Specify)	\$0.00
<hr/>	
TOTAL	\$6,409,709.49
<hr/>	

Total Estimated Market Value at Completion: \$230,000.00 x 80 = \$ 18,400,000.00

Source of Financing:

A. Developer Equity:	\$750,000.00
<hr/>	
B. Commercial Bank Loan:	\$ 4,232,747.70
<hr/>	
<u>Tax Credits:</u>	
1. N.I.F.A.	\$ 0.00
<hr/>	
2. Historic Tax Credits	\$ 0.00
<hr/>	
D. Industrial Revenue Bonds:	\$0.00
<hr/>	

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E. Tax Increment Assistance: \$6,409,709.49

F. Other \$0.00

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

Engineer: Olsen Associates, 201 E. 2nd St. Grand Island, NE 68801

Developer: The Guarantee Group L.L.C., P.O. Box 5916 Grand Island, NE 68802-5916

General Contractor: Thriv Construction Inc., P.O. Box 5916 Grand Island, NE 68802-5916

Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(Please Show Calculations)

Home Value: \$190,000.00 Taxes per Home: (211,600 x 0.0208 = 4,401.28)

Land & Improvement Value: \$40,000.00 Quantity of Homes: 80

Total: \$230,000.00

Assessed Value @ 92% of Total: \$211,600.00

Mill Levy: 0.0208 Total Taxes per Year: 80 x 4,401.28 = \$352,102.40

Project Construction Schedule:

Construction Start Date:

March 15, 2018

Construction Completion Date:

December 31, 2030

If Phased Project: Project may or may not be done in phases. Sales of homes will determine the speed of construction.

_____ Year _____ %

Complete

_____ Year _____ %

Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

The amount of Tax Increment Financing Requested is: \$6,409,709.49

1) Sanitary sewer - water main - storm sewer and pavement for 80 homes

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

for Proposed Project: This assistance lowers the price of development.

The lower cost of development allows the developer to reduce the cost of the home.

The lower cost of home is more affordable to our communities families.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or

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has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

City of Grand Island & Grand Island Community Redevelopment Authority

Phone: 308-385-5325 Fax: 308-385-5423

South Central Economic Development District (SCEDD)

Phone: 308-455-4770 Fax: NA Email: sharonh@scedd.us

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

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

Copper Creek Phase II
Sub No. 1 - 29 Lots

Diamond Engineering
Ben Thayer March 14, 2017
Revised 1 Nov 2017

Paving & Storm Sewer

6" Pavement	6285 SY	\$ 39.00	\$ 245,115.00
Integral Curb	2927 LF	\$ 2.65	\$ 7,756.55
Const Header	111 LF	\$ 18.00	\$ 1,998.00
48" RCP	960	\$ 190.00	\$ 182,400.00
24" RCP	264	\$ 67.00	\$ 17,688.00
18" RCP	250 LF	\$ 58.00	\$ 14,500.00
15" RCP	41 LF	\$ 50.00	\$ 2,050.00
48" FES	1 Each	\$ 3,210.00	\$ 3,210.00
18" FES	2 Each	\$ 1,440.00	\$ 2,880.00
Type "D" Inlet	7 Each	\$ 3,465.00	\$ 24,255.00
Junction Box	3 Each	\$ 4,000.00	\$ 12,000.00
Fill for Street	4315 CY	\$ 13.50	\$ 58,252.50
TV Inspection	1514 LF	\$ 1.55	\$ 2,346.70
		Total	\$ 574,451.75

Water Main

12" Water Main	1200 LF	\$ 63.00	\$ 75,600.00
8" Water Main	1651 LF	\$ 50.00	\$ 82,550.00
6" Water Main	160 LF	\$ 40.00	\$ 6,400.00
8" Elbow 22& 1/2 Degree	2 Each	\$ 810.00	\$ 1,620.00
12" x 6" Tee	3 Each	\$ 1,025.00	\$ 3,075.00
12" x 8" Tee	1 Each	\$ 1,125.00	\$ 1,125.00
Bell Block	3 Each	\$ 950.00	\$ 2,850.00
12" Plug	1 Each	\$ 875.00	\$ 875.00
8" Plug	1 Each	\$ 750.00	\$ 750.00
6" Plug	1 Each	\$ 575.00	\$ 575.00
12" Valve	2 Each	\$ 3,410.00	\$ 6,820.00
8" Valve	1 Each	\$ 2,045.00	\$ 2,045.00
6" Valve	1 Each	\$ 1,455.00	\$ 1,455.00
Fire Hydrant Assembly	5 Each	\$ 5,489.00	\$ 27,445.00
Water Service	29 Each	\$ 2,345.00	\$ 68,005.00
		Total	\$ 281,190.00

Sanitary Sewer

10" PVC	1500 LF	\$ 41.00	\$ 61,500.00
8" PVC	300 LF	\$ 35.00	\$ 10,500.00
Manhole	7 Each	\$ 4,422.00	\$ 30,954.00
Manhole Extra Depth	38.1 VF	\$ 450.00	\$ 17,145.00
10" Plug	2 Each	\$ 225.00	\$ 450.00
8" Plug	1 Each	\$ 200.00	\$ 200.00
Sewer Service	29 Each	\$ 1,500.00	\$ 43,500.00
TV Inspection	1800 LF	\$ 1.55	\$ 2,790.00
Dewatering	1800 LF	\$ 40.00	\$ 72,000.00
		Total	\$ 239,039.00

Dewatering	1325 LF	\$ 40.00	\$ 53,000.00
		Total	\$ 143,024.75
Fill For Lots			
Fill Material	16000 CY	\$ 7.50	\$ 120,000.00
Total Estimated Cost Sub No. 2 13 Lots			\$ 767,588.70
Cost per Lot			\$59,045.28

Sub No. 3 - 18 Lots

Paving & Storm Sewer

6" Pavement	7139 SY	\$ 39.00	\$ 278,421.00
Integral Curb	3043 LF	\$ 2.65	\$ 8,063.95
Const Header	259 LF	\$ 18.00	\$ 4,662.00
42" RCP	390 LF	\$ 156.00	\$ 60,840.00
36" RCP	470 LF	\$ 111.00	\$ 52,170.00
24" RCP	285 LF	\$ 67.00	\$ 19,095.00
18" RCP	160 LF	\$ 58.00	\$ 9,280.00
36" Plug	1 Each	\$ 150.00	\$ 150.00
24" Plug	1 Each	\$ 125.00	\$ 125.00
Type "D" Inlet	9 Each	\$ 3,465.00	\$ 31,185.00
Junction Box	1 Each	\$ 4,000.00	\$ 4,000.00
TV Inspection	1305 LF	\$ 1.55	\$ 2,022.75
Fill.for Street	1700 CY	\$ 13.50	\$ 22,950.00
		Total	\$ 492,964.70

Water Main

12" Water	485 LF	\$ 63.00	\$ 30,555.00
8" Water	675 LF	\$ 50.00	\$ 33,750.00
6" Water Main	870 LF	\$ 40.00	\$ 34,800.00
8" x 6" Tee	1 Each	\$ 550.00	\$ 550.00
8" x 6" Cross	2 Each	\$ 750.00	\$ 1,500.00
12" x 8" Tee	1 Each	\$ 1,125.00	\$ 1,125.00
12" x 6" Tee	2 Each	\$ 1,025.00	\$ 2,050.00
6" x 6" Tee	3 Each	\$ 500.00	\$ 1,500.00
12" Valve	2 Each	\$ 3,410.00	\$ 6,820.00
8" Valve	1 Each	\$ 2,045.00	\$ 2,045.00
6" Valve	6 Each	\$ 1,455.00	\$ 8,730.00
Bell Block	7 Each	\$ 700.00	\$ 4,900.00
12" Plug	1 Each	\$ 875.00	\$ 875.00
6" Plug	6 Each	\$ 575.00	\$ 3,450.00
Relocate Fire Hydrant	1 Each	\$ 2,610.00	\$ 2,610.00
Fire Hydrant Assembly	6 Each	\$ 5,489.00	\$ 32,934.00
Water Service	18 Each	\$ 2,345.00	\$ 42,210.00
		Total	\$ 210,404.00

Sanitary Sewer

10" PVC	840 LF	\$ 41.00	\$ 34,440.00
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TV	780 LF	\$ 1.55	\$ 1,209.00
		Total	\$ 94,170.00
Fill For Lots			
Fill Material	7500 CY	\$ 7.50	\$ 56,250.00
Total Estimated Cost Sub No. 4 11 Lots			\$ 462,668.45
Cost Per Lot \$42,060.77			

Sub No. 5 - 9

Paving			
6" Pavement	2401 SY	\$ 39.00	\$ 93,639.00
Integral Curb	1119 LF	\$ 2.65	\$ 2,965.35
Const Header	37 LF	\$ 18.00	\$ 666.00
Remove & Replace Pavement	75 SY	\$ 75.00	\$ 5,625.00
24" RCP	165 LF	\$ 67.00	\$ 11,055.00
15" RCP	150 LF	\$ 50.00	\$ 7,500.00
Type "D" Inlet	3 Each	\$ 3,465.00	\$ 10,395.00
Fill For Street	500 CY	\$ 13.50	\$ 6,750.00
TV Inspection	315 LF	\$ 1,055.00	\$ 332,325.00
		Total	\$ 470,920.35

Water Main			
6" Water Main	630 LF	\$ 40.00	\$ 25,200.00
6" Tee	1 Each	\$ 500.00	\$ 500.00
8" x 6" Tapping Sleeve & Valve	1 Each	\$ 3,000.00	\$ 3,000.00
Fire Hydrant Assembly	2 Each	\$ 5,489.00	\$ 10,978.00
Water Service	9 Each	\$ 2,345.00	\$ 21,105.00
Remove & Replace Pavement	85 SY	\$ 75.00	\$ 6,375.00
		Total	\$ 67,158.00

Sanitary Sewer			
8" PVC	445 LF	\$ 35.00	\$ 15,575.00
Manhole	2 Each	\$ 4,422.00	\$ 8,844.00
Manhole Extra Depth	8 VF	\$ 455.00	\$ 3,640.00
8" Plug	1 Each	\$ 200.00	\$ 200.00
Sewer Service	9 Each	\$ 1,500.00	\$ 13,500.00
Dewatering	445 LF	\$ 40.00	\$ 17,800.00
TV Inspection	445 LF	\$ 1.55	\$ 689.75
		Total	\$ 60,248.75

Fill For Lots			
Fill Material	7500 CY	\$ 7.50	\$ 56,250.00

Total Estimated Cost Sub No. 5 11Lots			\$ 654,577.10
Cost Per Lot \$59,507.01			

Total Project Cost			\$ 4,232,747.70
Cost Per Lot \$52,909.35			

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

RESOLUTION NO. 269

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

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

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

Passed and approved this 11th day of April, 2018

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

By _____
Chairperson

ATTEST:

Secretary

Guarantee Group L.L.C. Copper Creek Phase 2

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

RESOLUTION NO. 270

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

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area, from Guarantee Group L.L.C., (The "Developer") for redevelopment of Phase 2 of the Copper Creek Subdivision, an area within the city limits of the City of Grand Island, as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 12;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

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

Passed and approved this 11th day of April, 2018.

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

By _____
Chairperson

ATTEST:

Secretary

Guarantee Group L.L.C. Copper Creek Phase 2



Community Redevelopment Authority (CRA)

Wednesday, April 11, 2018
Regular Meeting

Item J1

**Redevelopment Contract Weinrich Developments Inc. 408 E 2nd
Street Resolution 268**

Staff Contact:

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2018, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and Weinrich Developments, Inc., a Nebraska corporation ("Redeveloper").

WITNESSETH:

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

WHEREAS, the Authority has adopted, after approval by the Mayor and Council of the City, that redevelopment plan amendment entitled " Redevelopment Plan Amendment Grand Island CRA Area #1 February 2018" (the "Redevelopment Plan");

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

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

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

Weinrich 408 East 2nd

"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.

"Holder(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 the Authority's Tax Increment Development Revenue Note (Weinrich Developments Redevelopment Project), Series 2018, to be issued in an amount not to exceed \$40,946.00 in substantially the form set forth on Exhibit C and purchased by the Redeveloper 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.

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

"Project Cost Certification" means a statement prepared and signed by the Redeveloper verifying the Redeveloper has paid the Project Costs identified on Exhibit D.

"Project Costs" means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103(12)(a) through (f), inclusive, including the providing for such costs by the exercise of the powers set forth in §18-2107(4) of the Act, all as identified on Exhibit D. Project Costs shall include, but not be limited to demolition, site preparation, public parking off street, sidewalks, and rehabilitation expenditures, all improvements related to Project public infrastructure costs, site preparation costs, utility extensions and costs of the Authority for legal and plan preparation, all as described in Section 3.04 of this Redevelopment Contract.

"Redeveloper" means Weinrich Developments, Inc., a Nebraska corporation.

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

Weinrich 408 East 2nd

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

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

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

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

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

Section 1.02 Construction and Interpretation.

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

(a) Whenever in this Redevelopment Contract it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

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

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

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

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

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

Weinrich 408 East 2nd

(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

(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

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

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

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

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

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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 (the "Effective Date"), as described in Section 18-2147 (1) of the Act, which Effective Date shall be the January 1, 2019. Said taxes shall be divided as follows:

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

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

Section 3.02 Issuance of Indebtedness

The Authority shall authorize the issuance of the Indebtedness in the form and stated principal amount and bearing interest and being subject to such terms and conditions as are specified in the Resolution and this Redevelopment Contract; provided, at all times the maximum amount of the Indebtedness shall be limited to the lesser of (i) the stated face amount of the Indebtedness, or (ii) the sum of all Project Costs incurred by the Redeveloper as set forth on Exhibit D. No Indebtedness will be issued until Redeveloper has acquired fee title to 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.

Prior to July 1, 2018, the Authority shall issue one Tax Increment Development Revenue Note, in one taxable series, in a maximum principal amount of \$40,946.00, in substantially the form shown on the attached Exhibit C ("TIF Note"), for net funds available to be purchased by Redeveloper ("TIF Note Purchaser"), in a written form acceptable to Authority's attorney, and receive Note proceeds from the TIF Note Purchaser in said amount. At the option of the Authority, the Authority shall make a grant to Redeveloper in such amount, and such grant shall offset TIF Note Purchaser's obligation to purchase the TIF Note. Subject to the terms of this Agreement and the Resolution, the Authority's Treasurer on behalf of the Authority shall have

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the authority to determine the timing of issuing the Indebtedness and all the other necessary details of the Indebtedness.

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

Section 3.03 Pledge of Revenues.

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

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

The Redeveloper has agreed to purchase the Indebtedness from the Authority for a price equal to the principal amount thereof, payable as provided in Section 3.02 and this Section 3.04. The Redevelopment Plan provides for the Redeveloper to receive a grant under this Redevelopment Contract. In accordance with the terms of the Redevelopment Plan the Redeveloper is to receive a grant sufficient to pay the costs of site acquisition, demolition and rehabilitation expenditures, all improvements related to Project public infrastructure costs, site preparation costs, utility extensions and costs of the Authority for legal and plan preparation including those items described on Exhibit D (the "Project Costs TIF Funds"), in the aggregate maximum amount not to exceed \$40,946.00. Notwithstanding the foregoing, the aggregate amount of the Indebtedness and the grant shall not exceed the amount of Project Costs as certified pursuant to Section 4.02 of this Redevelopment Contract. Such grant shall be made to the Redeveloper upon certification of Project Costs as set forth herein and in the Resolution, and payment purchase of the Indebtedness as provided in Section 3.02, unless Redeveloper elects to offset the payment of the purchase of the Indebtedness with the grant proceeds as provided herein and in the Resolution. The Authority shall have no obligation to provide grant funds from any source other than as set forth in the Resolution and this Redevelopment Contract.

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Section 3.05 Creation of Funds.

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

(a) a special trust fund called the “Weinrich Developments Redevelopment Project Note Fund” (the “Note Fund”). All of the TIF Revenues shall be deposited into the Note Fund. The TIF Revenues accumulated in the Note Fund shall be used and applied on the Business Day prior to each Interest Payment Date (i) to make any payments to the City or the Authority as may be required under the Redevelopment Contract and (ii) to pay principal of or interest on the Note to the extent of any money then remaining the Note Fund on such Interest Payment Date. Money in the Note Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received through and including December 31, 2034 shall be used solely for the payments required herein and by the Resolution; and

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

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Note; Insurance.

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

Redeveloper shall pay for the costs of site acquisition, site preparation, demolition and rehabilitation, utility extension, public infrastructure and costs of the Authority as set forth on Exhibit D, from the grant provided in Section 3.04 hereof. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the

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Project. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of the Project. Such reports shall include actual expenditures incurred as described on Exhibit D.

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

(c) Notwithstanding any provision herein to the contrary, in the event Redeveloper has not acquired fee simple title to the Redevelopment Project Area on or before July 1, 2018, this Redevelopment Contract shall be null and void and of no force or effect effective as of the date of execution hereof, and neither party shall have any liability or obligation to the other party with respect hereto.

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

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, (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 Note of any amounts allocated to the Note.

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(c) Upon notification from the Authority as described in Section 4.02(b), deposits to the accounts in the Project Fund may be made from time to time from funds received by the Authority from the owner of the Note (if other than the Redeveloper) in the amounts necessary to pay amounts requested in properly completed, signed and approved written Disbursement Requests as described herein. Such amounts shall be proceeds of the Note and the Treasurer of the Authority shall inform the Registrar (as defined in the Note Resolution) in writing of the date and amount of such deposits. At the option of the Redeveloper, if the Redeveloper is the owner of the Note, the Authority shall make a grant to Redeveloper in the amount of the approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Note. The Registrar shall keep and maintain a record of the amounts deposited into the Project Fund from Note proceeds pursuant to the terms of this Resolution as "Principal Amount Advanced" and shall enter the aggregate principal amount then Outstanding as the "Cumulative Outstanding Principal Amount" on its records maintained for the Note. The aggregate amount deposited into the Project Fund from proceeds of the Note shall not exceed \$40,946.00.

Section 4.03 No Discrimination.

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

Section 4.04 Assignment or Conveyance.

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

Section 4.50 Payment of Authority Costs.

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

- a. \$3,500 for legal expenses of Authority
- b. \$1,000 for City and Authority administrative accounting of incremental tax payments.

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**ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES**

Section 5.01 Financing

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

**ARTICLE VI
DEFAULT, REMEDIES; INDEMNIFICATION**

Section 6.01 General Remedies of Authority and Redeveloper.

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

Section 6.02 Additional Remedies of Authority

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

(a) the Redeveloper, or its successor in interest, shall fail to commence the construction of the improvements included in the Project Costs on or before August 10, 2018, or shall abandon construction work related to the Project Costs, once commenced, for any period of 180 days, excepting delays caused by inclement weather,

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

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

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

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

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

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

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event the Redeveloper fails to perform any other provisions of this Redevelopment Contract (other than those specific provisions contained in Section 6.02), the Redeveloper shall be in default. In such an instance, the Authority may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this

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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.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notice Recording.

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

Section 7.02 Governing Law.

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

Section 7.03 Binding Effect: Amendment, Assignment.

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

Section 7.04 Effective Date and Implementation of Redevelopment Contract.

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

Section 7.05 Notices to Parties.

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

Redeveloper:

Weinrich Developments, Inc.
2653 St. Patrick Avenue
Grand Island, NE 68803

Authority and City:

Director
Grand Island Community Redevelopment Authority
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

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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 2018, 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

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Weinrich Developments, Inc.

By: _____
President

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____, President of Weinrich Developments, Inc., on behalf of the corporation.

Notary Public
*

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EXHIBIT A
DESCRIPTION OF REDEVELOPMENT AREA

Lot Six (6), Block 70, Original Town in the City of Grand Island, Hall County, Nebraska.

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EXHIBIT B
REDEVELOPMENT PLAN

[Attach copy of Redevelopment Plan Amendment]

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EXHIBIT C
(FORM OF NOTE)

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

TAX INCREMENT DEVELOPMENT REVENUE NOTE
(WEINRICH DEVELOPMENTS REDEVELOPMENT PROJECT), SERIES 2018

No. R-1

Up to \$40,946.00
(subject to reduction as described herein)

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2034	0.0%

REGISTERED OWNER: Weinrich Developments, Inc.

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

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

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

[S E A L]

By: _____ (manual signature)
Chairman

By: _____ (manual signature)
Secretary

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The **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the “**Registrar**”), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on June 1 and December 1 of each year until payment in full of such Principal Amount, beginning June 1, 2020, by check or draft mailed to the Registered Owner hereof as shown on the Note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner’s address as it appears on such Note registration books. The principal of this Note and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____2018, 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 \$40,946.00.

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

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

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the security thereby created, the terms and conditions under which this Note has been issued, the rights and remedies of the Registered Owner of this Note, and the rights, duties, immunities and obligations of the City and the Authority. By the acceptance of this Note, the Registered Owner assents to all of the provisions of the Resolution.

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

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

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

This Note is subject to redemption prior to maturity, at the option of the Authority, in

Weinrich 408 East 2nd

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

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

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

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

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

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Weinrich 408 East 2nd

(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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Weinrich 408 East 2nd

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
WEINRICH DEVELOPMENTS REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2018**

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

Weinrich 408 East 2nd

Exhibit D
Project Costs

Redevelopment Project Costs

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Site Acquisition	\$15,000		\$15,000
Site Improvements/Utilities	\$18,436		\$18,346
New Construction Costs		\$175,232	\$175,232
Legal and Plan	\$3,500		\$3,500
Engineering/Arch	\$2,000		\$2,000
City Fees/Reimbursements	\$2,100		\$2,100
Financing Fees		\$4,100	\$4,100
TOTALS	\$40,946	\$179,232	\$220,278

Weinrich 408 East 2nd

**Redevelopment Plan Amendment
Grand Island CRA Area 1
February 2018**

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

Executive Summary:

Project Description

THE REDEVELOPMENT PROPERTY LOCATED AT 408 E 2nd STREET FOR RESIDENTIAL USES, INCLUDING ACQUISITION OF PROPERTY, SITE WORK AND CONSTRUCTION OF A NEW THREE-UNIT APARTMENT BUILDING AND ALL REQUIRED OFFSTREET PARKING.

The use of Tax Increment Financing to aid in expenses associated with redevelopment of the property located at 408 E. 2nd Street from a vacant lot to a three unit apartment building. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in developing a piece of property that has been vacant since 2005 into three new apartment units. A structural fire damaged the house that was on the property in 2004; the CRA acquired the property and removed the damaged structure in 2005. The addition of the residential units is consistent with B-3 Heavy Business District and the neighborhood. The additional units are needed to meet the goals of the 2014 Housing Study. This also adds units near Railside consistent with the plans to increase housing opportunities in the area. This project as proposed would not be possible without the use of TIF.

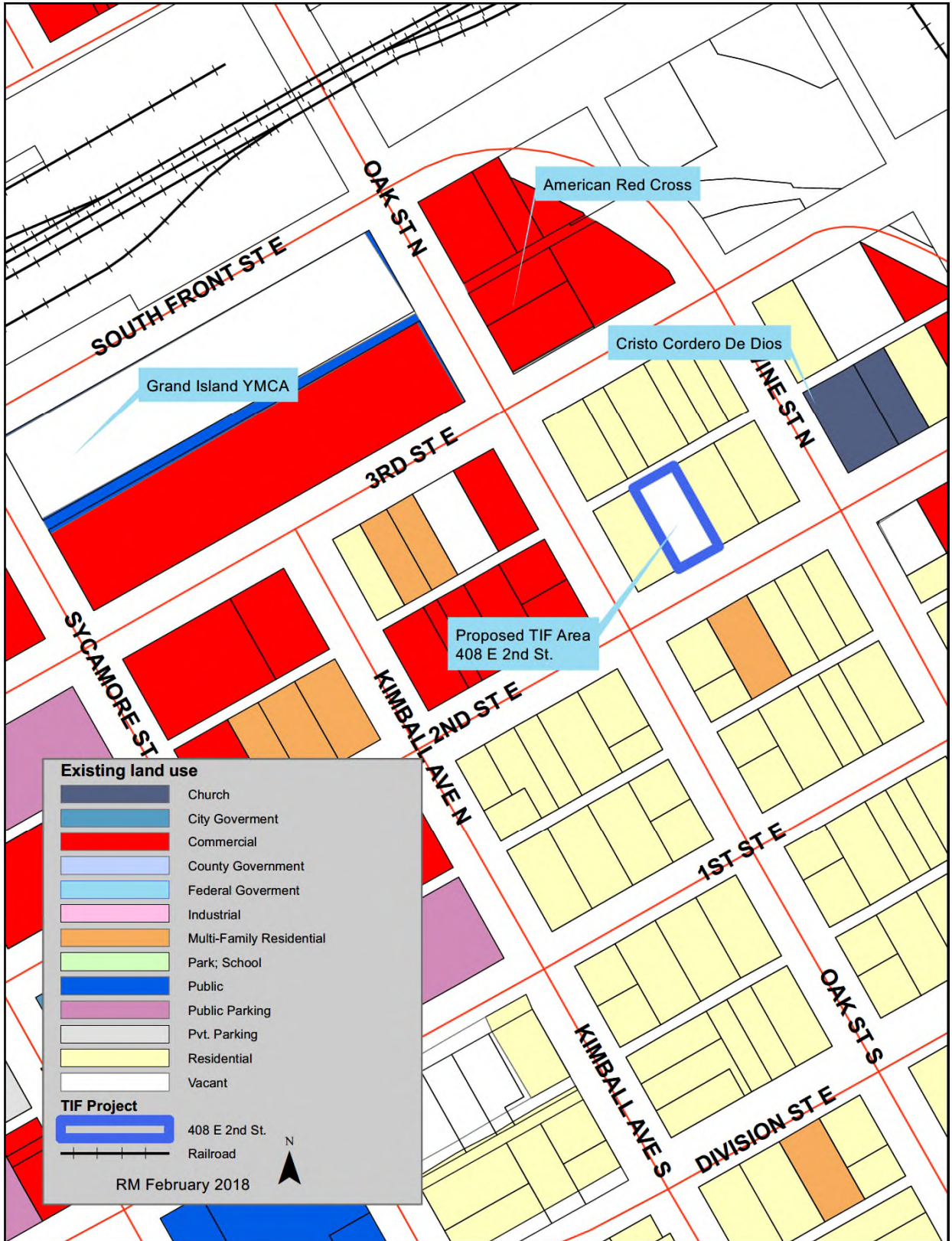
Weinrich Developments Inc. has made an offer to purchase the property from the CRA with the plan to build 3 apartments. Their offer is contingent on the approval of TIF. The property is currently vacant. The developer is responsible for and has provided evidence that they can secure adequate debt-financing to cover the costs associated with this project. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated for up to 15 years for a period beginning January 1, 2020 towards the allowable costs and associated financing for the renovation of this building.

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

Property Description (the “Redevelopment Project Area”)

408 E 2nd Street in Grand Island Nebraska

Legal Descriptions: Lot Six (6) in Block Seventy (70) Original Town in the City of Grand Island, Hall County, Nebraska



Existing Land Use and Subject Property

The tax increment will be captured for the tax years for which the payments become delinquent in years 2020 through 2033 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from the construction of the proposed apartment building as permitted in the B-3 Heavy Business Zoning District.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of up to 15 years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

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

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

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

Redevelopment Plan Amendment Complies with the Act:

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

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

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

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

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations. The Hall County Regional Planning Commission held a public hearing at their meeting on March 14, 2018 and passed Resolution 2018-05 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.

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

a. Land Acquisition:

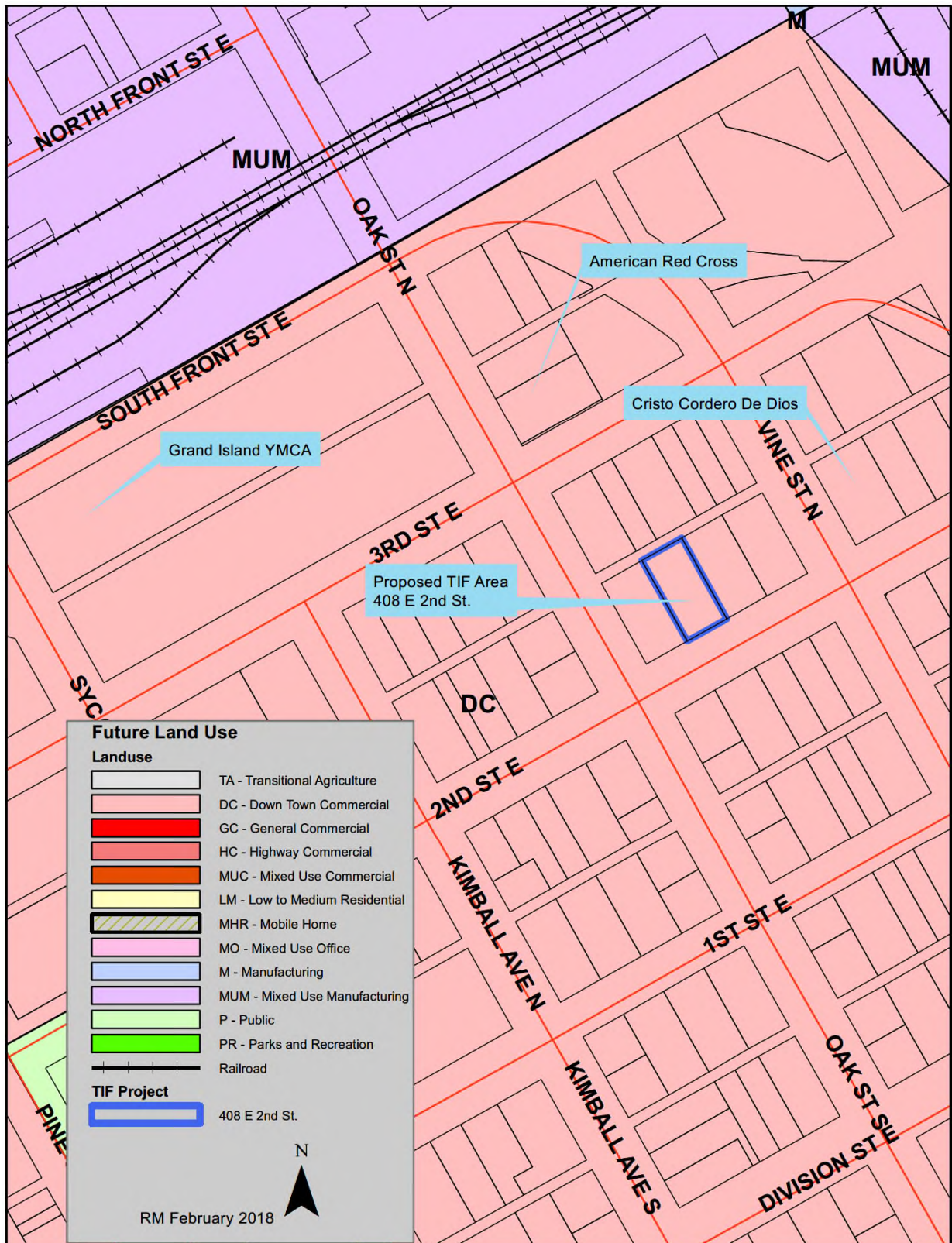
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. The developer is proposing to acquire the property from the authority. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented does not involve the removal or demolition of any structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for Downtown Commercial use which includes higher density housing. This property is in private ownership. [§18-2103(b) and §18-2111]



City of Grand Island Future Land Use Map

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

The area is zoned B-3 Heavy Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to increase the number of dwelling units on the property from zero to three. The size of the building and lot coverage will increase, but remain in conformance with the applicable regulations regarding site coverage and intensity of use. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. The developer will be required meet the minimum sewer and water line sizing requirements to serve the number of dwelling units and fixtures.

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

No other utilities would be impacted by the development.

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

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property has been owned by the Authority since 2005 an no structures have been on the property since that time. No relocation is contemplated or necessary. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA have any interest in this property. The property is owned by the Authority. Tom Gdowski, Chair of the CRA is also President of Equitable Bank. Equitable Bank is providing financing to Weinrich Developments Inc. Mr. Gdowski will abstain from any votes on this project.

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 has offered the Authority \$15,000 for this property. The estimated costs for this project including acquisition are \$216,178. Site improvements including: tree removal, utility improvements, sidewalks and other flat concrete of \$18,346. Architectural and Engineering planning services of \$2,000 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$5,600 are included as TIF eligible expense. The total of eligible expenses for this project is \$40,946.

This 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 \$40,946 from the proceeds of the TIF. 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, 2019 through December 2033.

c. Statement of feasible method of relocating displaced families.

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

7. Section 18-2113 of the Act requires:

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

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions. This will develop a vacant property with three brand new dwelling units in a manner consistent with the goals of the 2014 Housing Study for the City of Grand Island.

8. Time Frame for Development

Development of this project is anticipated to be completed between May 2018 and May of 2019. Excess valuation should be available for this project for up to 15 years beginning with the 2019 tax year.

9. Justification of Project

This is a lot that has been vacant since 2005. The proposed construction with a three-unit apartment building will provide new quality housing in an existing neighborhood and remove a structure contributing to blight within the neighborhood.

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

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

Project Sources and Uses. Public funds from tax increment financing in the amount of \$40,946 provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$175,232 in private sector financing and \$42,876 equity investment; a private investment of \$5.32 for every TIF dollar invested.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Site Acquisition	\$15,000	\$	\$15,000
Site Improvements/Utilities	\$18,346		\$18,346
New Construction Costs		\$175,232	\$175,232
Legal and Plan	\$3,500		\$3,500
Engineering/Arch	\$2,000		\$2,000
City Fees/Reimbursements	\$2,100		\$2,100
Financing Fees		\$4,100	\$4,100
TOTALS	\$40,946	\$179,108	\$220,278

Tax Revenue. The property to be redeveloped has January 1, 2018, valuation of approximately \$8,712. Based on the 2017 levy this would result in a real property tax of approximately \$196. It is anticipated that the assessed value will increase by \$292,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$6,560 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2018 assessed value:	\$ 8,712
Estimated taxable value after completion	\$ 300,000
Increment value	\$ 291,288
Annual TIF generated (estimated)	\$ 6,561
TIF bond issue	\$ \$40,946

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

The redevelopment project area currently has an estimated valuation of \$8,712. The proposed redevelopment will create additional valuation of \$291,288. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

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

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. The Grand Island Public School system was notified of this application prior to consideration of this plan by the Grand Island CRA, Regional Planning Commission or City Council. Fire and police protection are available and should not be negatively impacted by this development.

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

This will provide additional housing options consistent with the 2014 Housing Study for the City Grand Island.

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

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

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

This project is consistent with the goals of Grow Grand Island and the 2014 Housing Study.

Time Frame for Development

Development of this project is anticipated to be completed during between May of 2018 and May of 2019. The base tax year should be calculated on the value of the property as of January 1, 2018. Excess valuation should be available for this project for 15 years beginning in 2019 with taxes due in 2020. 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 \$40,946 the projected amount of increment based upon the anticipated value of the project and current tax rate. The developer will spend at least \$40,946 on eligible activities based on the estimates presented. Based on the projected increment the bonds on this project will be paid off in year 7 or 8 depending on final valuation.

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

RESOLUTION NO. 268

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, TAX INCREMENT DEVELOPMENT REVENUE NOTE OR OTHER OBLIGATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$40,946 FOR THE PURPOSE OF (1) PAYING THE COSTS OF ACQUIRING, DEMOLISHING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, EXTENDING, REHABILITATING, INSTALLING, EQUIPPING, FURNISHING AND COMPLETING CERTAIN IMPROVEMENTS WITHIN THE AUTHORITY'S WEINRICH DEVELOPMENTS, INC., REDEVELOPMENT PROJECT AREA, SPECIFICALLY INCLUDING SITE PURCHASE, PREPARATION, DEMOLITION, REHABILITATION, UTILITY EXTENSION AND (2) PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE OR OTHER OBLIGATION AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE NOTE OR OTHER OBLIGATION TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO EXERCISE HIS OR HER INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING CERTAIN TERMS AND PROVISIONS OF THE NOTE OR OTHER OBLIGATION NOT SPECIFIED HEREIN; APPROVING A REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

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

ARTICLE I

FINDINGS AND DETERMINATIONS

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

(a) The City of Grand Island, Nebraska (the "**City**"), pursuant to the Plan Resolution (hereinafter defined), approved the City of Grand Island Redevelopment Area #1 Plan Amendment February 2018 (the "**Redevelopment Plan**") under and pursuant to which the Authority shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

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

Weinrich 408 East 2nd

portion of the improvements (as defined in the Redevelopment Contract hereinafter identified) in the Redevelopment Area (the “**Project Costs**”), including, without limitation) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, and completing the acquisition of the Project Site (as defined in the Redevelopment Contract), (collectively, the “**Project**”), as more fully described in the Redevelopment Contract (hereinafter defined).

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

(d) In order to provide funds to pay a portion of the costs of the Project, it is necessary, desirable, advisable, and in the best interest of the Authority for the Authority to issue a Tax Increment Development Revenue Note or other obligation in a principal amount not to exceed \$40,946 (the “**Note**”).

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

ARTICLE II

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

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

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

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

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

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

“**Note**” means the Weinrich Developments, Inc., Redevelopment Project Tax Increment Development Revenue Note of the Authority, in a principal amount not to exceed \$40,946, issued pursuant to this Resolution, and shall include any note, including refunding note, interim certificate, debenture, or other obligation issued pursuant to the Redevelopment Law. At the option of the Owner of the Note, the titular designation of such Note may be revised to state note, interim certificate, debenture, obligation, or such other designation as is appropriate.

“**Secretary**” means the Secretary of the Authority.

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

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

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

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

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

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

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

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

“Payment Date” means June 1 and December 1 of each year any Note is outstanding, commencing on the first Payment Date following the Date of Original Issue.

“Chairman” means the Chairman of the Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

“Redevelopment Plan” means the “City of Grand Island Redevelopment Plan Amendment for Redevelopment Area #1 February 2018” passed, adopted and approved by the City pursuant to the Plan Resolution, and shall include any amendment of such Redevelopment Plan heretofore or hereafter made by the City pursuant to law.

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

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

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

“Revenue” means the Tax Revenue.

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

“**State**” means the State of Nebraska.

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

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

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

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

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

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

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

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

ARTICLE III

AUTHORIZATION AND ISSUANCE OF THE NOTE; GENERAL TERMS AND PROVISIONS

Section 3.1. Authorization of Note. Pursuant to and in full compliance with the Redevelopment Law and this Resolution, and for the purpose of providing funds to pay (a) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing, and completing the Project, and (b) the costs of issuing the Note, the Authority shall issue the Note in a principal amount not to exceed \$40,946. The Note shall be designated as “Community Redevelopment Authority of the City of Grand Island, Nebraska, Weinrich Developments, Inc., Redevelopment Project Tax Increment Development Revenue Note,” shall have an appropriate series designation as determined by the Finance Director, shall be dated the Date of Original Issue, shall mature, subject to right of prior redemption, not later than the December 31, 2034, and shall bear interest at an annual rate of 0.00%. The Note shall be issued as a single Note as further described in **Section 3.2**.

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

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

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

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

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

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

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

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

(3) Such amounts shall be deemed proceeds of the Note and the Finance Director shall inform the Registrar in writing of the date and amount of such allocation. The Registrar shall keep and maintain a record of the amounts allocated to the note pursuant to the terms of this Resolution as “Principal Amount Advanced” and shall enter the aggregate principal amount then Outstanding as the “Cumulative Outstanding Principal Amount” on the Note and its records maintained for the Note. The aggregate amount endorsed as the Principal amount Advanced on the Note shall not exceed \$40,946.

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

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

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

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

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

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

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

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

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

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

(i) The Finance Director is hereby authorized to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Resolution, (1) the Date of Original Issue, the principal amount of the Note in accordance with **Section 3.2(a)**, (2) the maturity date of the Note, which shall be not later than December 31, 2034, (3) the initial Payment Date and (4) any other term of the Note not otherwise specifically fixed by the provisions of this Resolution.

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

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

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

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

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

Section 3.6. Negotiability, Registration and Transfer of Note. The Registrar shall keep books for the registration and registration of transfer of the Note as provided in this Resolution. The transfer of the Note may be registered only upon the books kept for the registration and registration of transfer of the Note upon (a) surrender thereof to the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar and (b) evidence acceptable to the Authority that the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission. Prior to any transfer and assignment, the Owner will obtain and provide to the Authority, an investor's letter in form and substance satisfactory to the Authority evidencing compliance with the provisions of all federal and state securities laws, and will deposit with the Authority an amount to cover all reasonable costs incurred by the Authority, including legal fees, of accomplishing such transfer. A transfer of any Note may be prohibited by the Authority if (1) a default then exists under the Redevelopment Contract, (2) the assessed valuation of the Redeveloper Property (as defined in the Redevelopment Contract) is less than \$1,300,000, or (3) a protest of the valuation of the Redeveloper Property is ongoing. Upon any such registration of transfer the Authority shall execute and deliver in exchange for such Note a new Note, registered in the name of the transferee, in a principal amount equal to the principal amount of the Note surrendered or exchanged, of the same series and maturity and bearing interest at the same rate.

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

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

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

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

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

ARTICLE IV

REDEMPTION OF NOTE

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

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

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

ARTICLE V

REFUNDING NOTES

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

ARTICLE VI

EFFECTIVE DATE OF PROJECT; PLEDGE OF REVENUE

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

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

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

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

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS; PAYMENTS THEREFROM

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

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

Section 7.2. Special Fund. All of the Revenue shall be deposited into the Special Fund. The Revenue accumulated in the Special Fund shall be used and applied on the Business Day prior to each Payment Date (a) to make any payments to the Authority as may be required under the Redevelopment Contract and (b) to pay principal on the Note to the extent of any money then remaining the Special Fund on such Payment Date. Money in the Special Fund shall be used solely for the purposes described in this **Section 7.2.** All Revenues received through and including December 31, 2034 shall be used solely for the payments required by this **Section 7.2.**

ARTICLE VIII

COVENANTS OF THE AUTHORITY

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

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

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

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

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

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

ARTICLE IX

FORM OF NOTE

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

(FORM OF NOTE)

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

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

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

WEINRICH DEVELOPMENTS, INC., REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2018

No. R-1

Up to \$40,946
(subject to reduction as described herein)

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2034	0.00%

REGISTERED OWNER: Weinrich Developments, Inc.

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

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

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

[S E A L]

By: _____ (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 to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the "Registrar"), payable semiannually on June 1 and December 1 of each year until payment in full of such

Principal Amount, beginning June 1, 2020, by check or draft mailed to the Registered Owner hereof as shown on the note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable payment date occurs, at such Owner's address as it appears on such note registration books. The principal of this Note is payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____, 2018, 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 \$40,946.

This Note has been issued by the Authority for the purpose of financing the costs of constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing and completing certain improvements within the area identified and referred to as the City of Grand Island Redevelopment Plan Amendment for Redevelopment Area #1 February 2018, (Weinrich Developments, Inc., Project) which is more specifically described in the Resolution, and to carry out the Authority's corporate purposes and powers in connection therewith.

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

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

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

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

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

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

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

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

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

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

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

[The remainder of this page intentionally left blank]

(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]

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

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

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

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

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

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

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

ARTICLE XI

AMENDING AND SUPPLEMENTING OF RESOLUTION

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

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

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

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

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

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

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

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

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

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

ARTICLE XII

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED: _____, 2018.

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

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Secretary



Community Redevelopment Authority (CRA)

**Wednesday, April 11, 2018
Regular Meeting**

Item X1

**Presentation of CRA Audit for Fiscal Year Ending September 30,
2017**

Staff Contact:



To the Board of Directors
Community Redevelopment Authority of Grand Island
Grand Island, Nebraska

We have audited the financial statements of the governmental activities of the Community Redevelopment Authority of Grand Island for the year ended September 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Community Redevelopment Authority of Grand Island are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2017. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the accruals for estimated TIF receivables and payables.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Four audit adjustments decreased the net position of the Authority by \$31,624. The following material misstatement detected as a result of audit procedures was corrected by management:

- 1) Accounts payable and redeveloper bond principal expenses were increased \$31,624 to record amounts due to redevelopers for TIF proceeds held as county treasurer cash.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 13, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of the Community Redevelopment Authority of Grand Island, Nebraska as of September 30, 2017, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. The March 2017 TIF proceeds for two redevelopers were not remitted to the redevelopers, so \$3,891.98 is due to Copper Creek II and \$429.56 is due to the Poplar

Street Water Line project. Also, the \$214.81 of TIF proceeds collected on the TC Builder – Eddy Street project were not remitted during the year ended September 30, 2017 due to the small amount of the collection. We recommend paying all three of the redevelopers the unpaid amounts as soon as possible.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of General Fund expenditures, which accompany the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Community Redevelopment Authority of Grand Island and is not intended to be and should not be used by anyone other than these specified parties.

*August, Mathew,
Galloway & Lath, P.C.*

Grand Island, Nebraska
March 13, 2018



To the Board of Directors
Community Redevelopment Authority of Grand Island
Grand Island, Nebraska

In planning and performing our audit of the financial statements of the Community Redevelopment Authority of Grand Island as of and for the year ended September 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Authority's internal control to be a significant deficiency:

The size of the Authority's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the Board of Directors remain involved in the financial affairs of the Authority to provide oversight and independent review functions.

Wealth Management, LLC Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C.
and offers wealth management and investment advisory services.

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PO Box 1407
Grand Island, NE 68802
Ph. 308-381-1810
Fax 308-381-4824
Email: cpa@gicpas.com

A PROFESSIONAL
CORPORATION

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

*Amquist, Mathyahn.
Galloway + Luth, P.C.*

Grand Island, Nebraska
March 13, 2018

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Redevelopment Authority
of Grand Island, Nebraska
Grand Island, Nebraska

We have audited the accompanying financial statements of the governmental activities and the major fund of the Community Redevelopment Authority of Grand Island, Nebraska, a component unit of the City of Grand Island, Nebraska, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Community Redevelopment Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

SHAREHOLDERS

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Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf

no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Community Redevelopment Authority of Grand Island, Nebraska, as of September 30, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements present only the Community Redevelopment Authority of Grand Island, Nebraska component unit and do not purport to, and do not, present fairly the financial position of the City of Grand Island, Nebraska, as of September 30, 2017, and the change in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–10 and 39–40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements. The schedule of expenditures for the General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures for the General Fund is the responsibility of management and was

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures for the General Fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2018, on our consideration of the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting and compliance.

*Angust. Malthalm,
Galloway & Luth, P.C.*

Grand Island, Nebraska
March 13, 2018

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Community Redevelopment Authority of Grand Island, Nebraska, we offer readers of the Community Redevelopment Authority of Grand Island, Nebraska financial statements this narrative overview and analysis of the financial activities of the Community Redevelopment Authority of Grand Island, Nebraska, for the fiscal year ended September 30, 2017.

Financial Highlights

- The assets of the Community Redevelopment Authority of Grand Island, Nebraska, exceeded its liabilities at the close of the most recent fiscal year by \$426,616 (*net position*). Of this amount, there was a deficit balance of (\$254,228) in *unrestricted net position*, which may be used to meet the government’s ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$78,183, or 4.1 percent of current year General Fund expenditures.

Program Highlights

- The CRA will continue to emphasize the acquisition and demolition of substandard properties. The CRA and City Council will continue to encourage developers to look for areas of “Micro-Blight” that could be significantly improved by the acquisition, demolition and construction of a new residential unit or units.
- The CRA will continue to direct attention toward business/industry developments that result in economic development and the creation of new jobs. These efforts may include tax increment financing (TIF), infrastructure development, land acquisition, or other types of allowable assistance. The City of Grand Island and the CRA also approved the use of TIF to support the development of several businesses in Grand Island, most notably the new hospital at the southwest corner of U.S. Highway 281 and Husker Highway. This proposed development is hoped to spur development toward Interstate 80. Several projects were approved for downtown buildings.
- The CRA will continue to look for areas ripe for redevelopment and encourages private individuals and developers to submit blighted and substandard studies to the Grand Island City Council for consideration. During 2014, the CRA contracted to have a blighted and substandard study conducted for the Veteran’s Home Property. The study was completed and presented to the CRA in November of 2014. On December 1, 2015, Governor Pete Ricketts announced plans to return the Veteran’s Home Property to the City of Grand Island. A portion of that property has been deeded back to the City, with the remainder committed for return after the closure of the Grand Island Veterans Home. The City is moving forward with plans for redevelopment of the entire site. Those plans are likely to include declaration of the area as blighted and substandard with TIF being used to redevelop the property. This year the City Council also approved three Redevelopment Areas encompassing the entirety of the Cornhusker Army Ammunition Plant along with a

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

40 acre area at Seedling Mile and Highway 30 and two small areas ideal for microblight redevelopment. The Talon apartments have been built there.

- The CRA has developed strategies to limit the exposure of the CRA and the City when a TIF project is approved. Primarily this is done with the TIF contract. The CRA issues a TIF bond that the developer funds through a private investor or financial institution. The bond is repaid from the TIF revenue generated from the project on its TIF-eligible expenses. The bond is limited to no more than 15 years from the time it is issued or amended. The bond amount is capped at either the TIF-eligible expenses or the amount of TIF generated by the project over its life.
- The CRA will continue to work with housing providers, including Habitat for Humanity and the Housing Development Corporation. The CRA actively seeks out opportunities to partner with these types of organizations to provide quality and affordable housing in Grand Island. The final phase of the first part of the Copper Creek subdivision will be concluded during the 2018 year, resulting in more than 200 affordable new single family detached housing units.
- The CRA continues to work with Downtown, and is supportive of continued efforts to redevelop buildings, especially on the upper floors. During the 2017 year, the CRA approved two more grants under the upper-story Life Safety program and made the first payment for upper story residential. To date, the program has committed to more than 40 additional units in downtown. The CRA also approved TIF for the redevelopment of former Brown Hotel on 2nd Street. The 2018 budget includes \$200,000 (\$100,000 each from the City and the CRA) for life safety infrastructure grants in the downtown area for projects that include upper story residential development.
- The CRA approved tax increment financing for a project along South Locust for the Talon Apartments. Final build out is expected to be 288 units over a 4 to 8 year period, the first 4 buildings have been completed. A project was approved for an additional 88 apartments at the final phase of the Cherry Park Apartments on Stuhr Road north of Bismark Avenue. All of the units have been completed.
- The entirety of the Cornhusker Army Ammunition Plant has been declared blighted and substandard and two projects have been approved at the site. The City, through the CRA will participate in providing funding for infrastructure improvements at the Husker Harvest Days site in exchange for guarantees that the three day show with an estimated \$7.5 million impact on the local economy will continue for the next 20 years with state of the art facilities necessary to attract high quality national vendors. The second project will support the development of a locally operated construction and demolition landfill and recycling center. This will, ideally lower the cost of demolition to local contractors by reducing the transportation costs for demolition debris. Other projects at the formerly used military site are also contemplated and under review.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements. The Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Community Redevelopment Authority of Grand Island, Nebraska's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Community Redevelopment Authority of Grand Island, Nebraska's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Community Redevelopment Authority of Grand Island, Nebraska, is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include only the CRA itself (known as the *primary government*).

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Community Redevelopment Authority of Grand Island, Nebraska, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Community Redevelopment Authority of Grand Island, Nebraska, maintains one individual governmental fund, the General Fund.

The Community Redevelopment Authority of Grand Island, Nebraska, adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-38 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Community Redevelopment Authority of Grand Island, Nebraska's budgetary comparison schedule. Required supplementary information can be found on pages 39 and 40 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Community Redevelopment Authority of Grand Island, Nebraska, assets exceeded liabilities by \$426,616 at the close of the most recent fiscal year.

Summary Statements of Net Position

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Current and Other Assets	\$ 1,368,135	\$ 1,336,462	\$ 31,673
Capital Assets	575,369	575,369	-
Total Assets	1,943,504	1,911,831	31,673
Long-term Liabilities	1,045,295	1,303,701	(258,406)
Other Liabilities	471,593	357,158	114,435
Total Liabilities	1,516,888	1,660,859	(143,971)
 Net Position:			
Net investment in capital assets	575,369	575,369	-
Restricted	105,475	118,743	(13,268)
Unrestricted	(254,228)	(443,140)	188,912
Total Net Position	\$ 426,616	\$ 250,972	\$ 175,644

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

A significant portion of the Community Redevelopment Authority of Grand Island, Nebraska's net position (\$575,369) reflects its investment in capital assets (land held for redevelopment). These assets are *not* available for future spending.

Net position of \$105,475 is restricted for redevelopers and for life safety grants. The remaining balance of *unrestricted net position* is a deficit balance of (\$254,228). Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Net position increased \$175,644 for the year ended September 30, 2017.

Expenses and Program Revenues

	Year Ended September 30, 2017		Year Ended September 30, 2016	
	Program Revenues	Program Expenses	Program Revenues	Program Expenses
General government	\$ -	\$ 60,296	\$ -	\$ 71,975
Community development	1,149,995	1,655,962	706,427	1,162,173
Interest expense	-	38,519	-	45,276
Total	\$ 1,149,995	\$ 1,754,777	\$ 706,427	\$ 1,279,421

Revenues by Source

SOURCES OF REVENUE

	Year Ended September 30, 2017		Year Ended September 30, 2016	
Operating grants and contributions	\$ 1,149,995	59.57 %	\$ 706,427	48.49 %
Property taxes	754,109	39.07	725,532	49.80
Interest	252	0.01	173	0.01
Other income	26,065	1.35	24,806	1.70
Total	\$ 1,930,421	100.00 %	\$ 1,456,938	100.00 %

Financial Analysis of the Government's Funds

As noted earlier, the Community Redevelopment Authority of Grand Island, Nebraska, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund. The focus of the Community Redevelopment Authority of Grand Island, Nebraska's *governmental* fund is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Community Redevelopment Authority of Grand Island, Nebraska's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Community Redevelopment Authority of Grand Island, Nebraska's governmental fund reported an ending fund balance of \$925,835. The *unassigned fund balance*, which is available for spending at the government's discretion, was

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

\$78,183. The remainder of the fund balance is not available for new spending because it has already been 1) committed for future grant projects (\$742,177), 2) restricted for developers (\$25,475), or 3) restricted for life safety grants (\$80,000).

The General Fund is the only fund of the Community Redevelopment Authority of Grand Island, Nebraska. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 48.0 percent of General Fund expenditures.

The fund balance of the Community Redevelopment Authority of Grand Island, Nebraska's General Fund increased by \$2,406 during the current fiscal year.

General Fund Budgetary Highlights

There was no difference between the original budget and the final adopted budget.

Capital Asset and Debt Administration

Capital Assets. The Community Redevelopment Authority of Grand Island, Nebraska's investment in capital assets (land held for redevelopment) as of September 30, 2017, amounts to \$575,369.

Long-term debt. During the year ended September 30, 2013, the Community Redevelopment Authority of Grand Island, Nebraska issued \$1,800,000 of limited tax obligation bonds payable to finance the Lincoln Pool project. Bond principal of \$175,000 was paid during the year ended September 30, 2017, leaving an outstanding balance of \$1,105,000. At the end of the current fiscal year, the Community Redevelopment Authority of Grand Island, Nebraska, had notes payable of \$198,779. The notes payable decreased by \$80,296 (28.8 percent) during the current fiscal year.

Economic Factors and Next Year's Budget

- Grants of \$505,216 are committed to be paid during the next 12 months, with an additional \$316,961 committed to be paid through 2019.

These factors were considered in preparing the Community Redevelopment Authority of Grand Island, Nebraska's budget for the year ending September 30, 2018.

Request for Information

This financial report is designed to provide a general overview of the Community Redevelopment Authority of Grand Island, Nebraska's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Community Redevelopment Authority of Grand Island, Nebraska, P.O. Box 1968, Grand Island, NE 68802.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

STATEMENT OF NET POSITION

September 30, 2017

ASSETS

Current assets:

Cash	\$ 756,528
County treasurer cash	130,440
Property taxes receivable	146,501
Current portion of TIF receivables	37,822
Total current assets	1,071,291

Noncurrent assets:

Restricted cash	105,475
Noncurrent portion of TIF receivables	191,369
Land held for redevelopment	575,369
Total noncurrent assets	872,213

Total assets 1,943,504

LIABILITIES

Current liabilities:

Accounts payable	66,767
Unavailable property taxes	140,461
Accrued interest payable	5,881
Current portion of notes payable	83,484
Current portion of bonds payable	175,000
Total current liabilities	471,593

Noncurrent liabilities:

Noncurrent portion of notes payable	115,295
Noncurrent portion of bonds payable	930,000
Total noncurrent liabilities	1,045,295

Total liabilities 1,516,888

NET POSITION

Net investment in capital assets	575,369
Restricted for developers	25,475
Restricted for life safety grants	80,000
Unrestricted	(254,228)
Total net position	\$ 426,616

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

STATEMENT OF ACTIVITIES

For the year ended September 30, 2017

		Program Revenues			Net (Expenses)
		Operating	Capital	Revenues and	
<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes</u>	
	<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>in Net Position</u>	
				<u>Governmental</u>	
				<u>Activities</u>	
FUNCTIONS/PROGRAMS					
Governmental activities:					
General government	\$ 60,296	\$ -	\$ -	\$ -	\$ (60,296)
Community development	1,655,962	-	1,149,995	-	(505,967)
Interest on long-term debt	38,519	-	-	-	(38,519)
Total governmental activities	<u>\$ 1,754,777</u>	<u>\$ -</u>	<u>\$ 1,149,995</u>	<u>\$ -</u>	<u>(604,782)</u>
General revenues:					
Taxes:					
Property taxes					754,109
Interest income					252
Other income					<u>26,065</u>
Total general revenues					<u>780,426</u>
Change in net position					175,644
Net position - beginning of year					<u>250,972</u>
Net position - end of year					<u>\$ 426,616</u>

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

BALANCE SHEET - GOVERNMENTAL FUND

September 30, 2017

ASSETS

Cash	\$ 862,003
County treasurer cash	130,440
Property taxes receivable	<u>146,501</u>
Total assets	<u><u>\$ 1,138,944</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 66,767
Unavailable property taxes	140,461
Accrued interest payable	<u>5,881</u>
Total liabilities	213,109

Fund balance:

Restricted for developers	25,475
Restricted for life safety grant	80,000
Committed for projects	742,177
Unassigned	<u>78,183</u>
Total fund balance	<u><u>925,835</u></u>

Total liabilities and fund balance **\$ 1,138,944**

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUND TO THE
STATEMENT OF NET POSITION**

September 30, 2017

Total fund balance - governmental funds	\$	925,835
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.		575,369
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TIF receivables are noncurrent assets that are not available to pay for current-period expenditures and therefore are not reported in the fund statements.		229,191
--	--	---------

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the fund statements.

Notes payable	\$	(198,779)	
Bonds payable		<u>(1,105,000)</u>	<u>(1,303,779)</u>

Total net position - governmental activities	\$	<u><u>426,616</u></u>
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See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND**

For the year ended September 30, 2017

REVENUES

Property taxes	\$ 754,109
TIF receipts	1,151,756
Interest income	252
Other income	26,065
Total revenues	1,932,182

EXPENDITURES

Contract services	49,535
Matching grant funds	500,303
Professional services	10,246
Other	514
Capital outlay	3,797
Conduit debt payments	1,071,566
Debt service:	
Principal payments	255,296
Interest	37,994
Bond fees	525
Total expenditures	1,929,776

Net change in fund balance 2,406

Fund balance - September 30, 2016 923,429

Fund balance - September 30, 2017 \$ 925,835

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2017

Total net change in fund balance - governmental funds	\$	2,406
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
TIF proceeds were received, decreasing the TIF receivable balance on the statement of net position. These proceeds are recorded as revenue on the fund statement.		(82,058)
Principal payments on long-term debt are recorded as expenditures in the fund statement, but are recorded as a reduction in liabilities on the statement of net position.		
Notes payable	\$ 80,296	
Bonds payable	<u>175,000</u>	<u>255,296</u>
Change in net position of governmental activities		<u><u>\$ 175,644</u></u>

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS

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**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Community Redevelopment Authority of Grand Island, Nebraska (Authority) are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

1. Financial Reporting Entity

The Community Redevelopment Authority of Grand Island, Nebraska, was created by the Grand Island City Council on June 27, 1994, pursuant to Nebraska State Statutes. The purpose of the Authority is to prevent and eliminate blighted areas in the City of Grand Island, Nebraska. The Authority is reported as a component unit of the City of Grand Island, Nebraska.

The Authority's financial reporting entity comprises the following:

Primary Government:	Community Redevelopment Authority of Grand Island, Nebraska
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In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the Authority may be financially accountable, and, as such, should be included within the Authority's financial statements. The Authority (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority Board or the component unit provides services entirely to the Authority. These component units' funds are blended into those of the Authority by appropriate activity type to compose the primary government presentation. Currently, the Authority has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The Authority currently has no discretely presented component units.

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements, continued

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The major fund of the financial reporting entity is described below:

Governmental Fund

General Fund

The General Fund is the primary operating fund of the Authority and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

4. Assets, Liabilities, and Equity

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Cash and Certificates of Deposit

For the purpose of the Statement of Net Position, “cash” includes all demand accounts and savings accounts. The County Treasurer’s cash represents revenues collected not yet remitted to the Authority.

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and certificate of deposit disclosures are presented in Notes B1, C1, and D1.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Property Taxes Receivable and Unavailable Property Taxes

In both the government-wide statements and fund financial statements, property taxes receivable represents levied but uncollected taxes. The unavailable property taxes represent the portion of property taxes receivable expected to be collected more than 60 days after September 30, 2017.

TIF Receivables

In the government-wide statements, TIF receivables consist of all estimated future amounts to be received under the TIF agreements. Estimated receivables are adjusted annually. There is no allowance for uncollectible TIF receivables.

In the fund financial statements, the TIF receivables are not reported as assets. Revenue is recognized as TIF payments are received by the CRA.

Land Held for Redevelopment

Land held for redevelopment is carried at historical cost in the government-wide statements. It is not reported in the fund financial statements, which use the current financial resources measurement focus.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Bonds and Notes Payable

The accounting treatment of bonds and notes payable depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of bonds and notes payable.

Fund Financial Statements

Bonds and notes payable for governmental funds are not reported as liabilities in the fund financial statements. The payment of these liabilities is reported as an expenditure.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The land held for redevelopment is included in this category of net position.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements

Governmental fund equity is classified as fund balance. Effective October 1, 2010, the CRA adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements.

Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the CRA Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by CRA Board ordinance or resolution.

Assigned—Amounts that are designated by the Executive Director for a specific purpose but are not spendable until a budget ordinance is passed by the CRA Board.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the CRA Board or the Assignment has been changed by the Executive Director. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Property Taxes

The Authority has the power to levy taxes through the City of Grand Island each year sufficient to pay any judgment existing against the Authority, the interest on bonded debt, and the principal on bonded debt, as well as taxes authorized by state law.

On or before August 1, the Authority submits a request for property taxes to the City of Grand Island, who is responsible for levying such taxes for operational costs.

The tax levies for all political subdivisions in Hall County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2016-2017 are recorded as revenue when levied by the County. The CRA also records deferred revenue for property taxes expected to be received more than 60 days after year end.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function for governmental activities.

In the fund financial statements, governmental funds report expenditures of financial resources, classified by character and function.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the Authority is subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows:

1. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The Authority's cash deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the Authority's name.

2. Budgetary Data

The Authority is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Budgetary Data, continued

The Authority follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

- a. On or before August 1, the Authority prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 20, the Board adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the Authority which levied property taxes in the county the previous year based on the combined valuation and amount required for the Authority the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before November 1. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Budgetary Data, continued

- h. The Community Redevelopment Authority of Grand Island, Nebraska, adopts a budget by resolution for all funds.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for the Authority's various assets, liabilities, equity, revenues, and expenditures/expenses.

1. Cash and Certificates of Deposit

Deposits

The Authority's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2017. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Authority (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Authority's name; or collateralized with no written or approved collateral agreement.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

1. Cash and Certificates of Deposit, continued

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 861,525	\$ 250,000	\$ 611,525	\$ -	\$ <u>862,003</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash	\$ 756,528
Restricted cash	<u>105,475</u>
	<u>\$ 862,003</u>

2. TIF Receivables

The Community Redevelopment Authority of Grand Island, Nebraska, has undertaken a program for the redevelopment of blighted areas in the City. Under the program, various projects agree to create a minimum taxable valuation for real estate tax assessment purposes. The CRA receives the incremental real estate taxes paid by the projects and then uses the tax incremental financing (TIF) funds to make debt service payments on the related notes payable. Estimated future receivables under TIF agreements were as follows as of September 30, 2017:

Poplar Street	\$ 87,695
RSF Limited	1,741
PROCON Development Company, LLC	(7,270)
Walnut Housing, Ltd.	<u>147,025</u>
	<u>\$ 229,191</u>
Current portion of TIF receivables	\$ 37,822
Noncurrent portion of TIF receivables	<u>191,369</u>
	<u>\$ 229,191</u>

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Land Held for Redevelopment

Capital asset activity for the year ended September 30, 2017, was as follows:

	<u>Balance at October 1, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at September 30, 2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land held for redevelopment	\$ <u>575,369</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>575,369</u>

4. Long-term Debt

The following is a summary of the changes to long-term debt for the year ended September 30, 2017:

	<u>Balance 9/30/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 9/30/17</u>	<u>Due Within One Year</u>
Limited Tax Obligation Bonds	\$ 1,280,000	\$ -	\$ (175,000)	\$ 1,105,000	\$ 175,000
Note payable – Wells Fargo Bank	5,616	-	(3,875)	1,741	1,741
Note payable – Home Federal Savings & Loan	44,010	-	(16,396)	27,614	17,585
Note payable – Lincoln Federal Savings	<u>229,449</u>	<u>-</u>	<u>(60,025)</u>	<u>169,424</u>	<u>64,158</u>
Total	\$ <u>1,559,075</u>	\$ <u>-</u>	\$ <u>(255,296)</u>	\$ <u>1,303,779</u>	\$ <u>258,484</u>

Long-term debt at September 30, 2017, consists of the following:

- a. The Authority issued \$1,800,000 of limited tax obligation bonds on October 30, 2012. The funds were used to finance the Lincoln Pool project. The bonds bear interest ranging from 0.40 to 2.40 percent. Principal payments are due annually commencing December 15, 2013 through December 15, 2022. Interest payments are due semi-annually on June 15th and December 15th.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
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NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Long-term Debt, continued

- b. The Authority borrowed \$37,000 from Wells Fargo Bank on September 3, 2002. The funds were used to finance the RSF Limited redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 6.90 percent and payments are due semi-annually through December 15, 2017. The unpaid principal balance at September 30, 2017, was \$1,741.
- c. The Authority borrowed \$169,267 from Home Federal Savings and Loan on September 1, 2003. The funds were used to finance the PROCON Development Company, LLC, redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 7.0 percent and payments are due semi-annually beginning June 15, 2005, through December 15, 2018. The unpaid principal balance at September 30, 2017, was \$27,614.
- d. The Authority borrowed \$668,000 from Lincoln Federal Savings Bank on December 15, 2005. The funds were used to finance the Walnut Housing, Ltd., redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 6.74 percent and payments are due semi-annually beginning June 15, 2006, through December 15, 2019. The unpaid principal balance at September 30, 2017, was \$169,424.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Long-term Debt, continued

Scheduled debt service payments are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 258,484	\$ 31,254	\$ 289,738
2019	258,586	23,682	282,268
2020	216,709	15,444	232,153
2021	185,000	10,805	195,805
2022	190,000	6,818	196,818
2023-2027	<u>195,000</u>	<u>2,340</u>	<u>197,340</u>
	<u>\$ 1,303,779</u>	<u>\$ 90,343</u>	<u>\$ 1,394,122</u>

NOTE D – OTHER NOTES

1. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased commercial insurance to minimize the effect of possible exposure to these risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three years.

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The CRA did not have any investments nor certificates of deposit held at banks in the name of the CRA at year end.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

1. Risk Management, continued

Deposits and Investments, continued

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. There were no certificates of deposit at September 30, 2017.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investments consist of certificates of deposit and money market funds, minimizing credit risk associated with the Authority's investment portfolio.

Concentration of Credit Risk. The Authority's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2017, the Authority's cash balances consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Wells Fargo	\$ <u>862,003</u>

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Authority's investments had no exposure to foreign currency risk and the Authority held no investments denominated in foreign currency at September 30, 2017.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

2. Commitments and Contingencies

Grant Commitments

The Authority has made commitments to fund the following projects:

<u>Committed Projects</u>	<u>Amount</u>	<u>Estimated Due Date</u>
South Locust BID	\$ 30,000	2018
Federation of Labor – Ziller	113,200	2017
Wing Properties – 110-114 E Third St	167,016	2017
Othy’s Place – 724 W Third St	26,961	2019
Auto America	80,000	2017
 <u>Fire & Life Safety Grants:</u>		
Anson – 201-203 West Third St	240,000	2018
Federation of Labor – Ziller	115,000	2017
Peaceful Root – 112 W Second St	<u>50,000</u>	2018
	<u>\$ 822,177</u>	

3. Interlocal Agreement

The Authority is a participant in an Interlocal Agreement within the City of Grand Island. The purpose of the Agreement is to provide for reimbursement by the Authority to the City for certain services provided by whomever the City Administrator shall designate as Director of the Authority. The Authority shall reimburse to the City approximately \$3,255 per month to reimburse 20 percent of the Director’s total annual salary and benefits and 20 percent of the Planning Secretary’s total annual salary and benefits. The Agreement is in effect for the period October 1, 2016, through September 30, 2017. Thereafter, it will automatically renew for successive one-year terms until terminated.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

4. Conduit Debt

The Authority collects TIF proceeds and pays the proceeds to financial institutions under several conduit debt arrangements. The Authority has no obligation to make principal and interest payments on the conduit debt except to the extent of the TIF proceeds that are collected.

<u>Redeveloper</u>	<u>Remaining Life</u>	<u>Estimated Amount to be Remitted</u>
Bruns Pet Grooming	3	\$ 15,459
Girard Vet Clinic	3	32,152
PROCON - Geddes Street	5	141,225
Southeast Crossing	4	62,194
Casey's	6	85,387
South Pointe	6	508,527
Todd Enck	5	7,666
Pharmacy Properties	7	45,590
John Schulte	7	23,671
Ken-Ray, LLC	6	99,308
Token Properties	9	26,814
Gordman of GI	10	539,175
Baker Development	10	31,193
Stratford Plaza	10	334,002
Copper Creek	12	865,784
Chief Industries	11	403,265
Token Properties-Kimball St	11	29,052
Habitat for Humanity	11	45,819
Auto One	11	127,744
EIG	10	722,963
Token Properties-Cary St	10	54,795
Wenn	10	36,729
Copper Creek II	13	3,529,231
T. C. Enck	14	37,570
Super Market	14	1,600,000
Mainstay	13	390,256
Tower 217	13	220,903
Northwest Commons	14	1,984,265
Habitat (8 th & Superior)	14	118,588
Copper Creek III	15	3,274,798
Kaufman Building	15	193,367
Pridon Victory Village	15	330,000

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
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NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

4. Conduit Debt, continued

<u>Redeveloper</u>	<u>Remaining Life</u>	<u>Estimated Amount to be Remitted</u>
Bosselman – Webb Road	15	6,552,000
Talon Apartments	15	880,506
Middledon Properties II	15	247,561
Wing Properties	15	<u>110,485</u>
		<u>\$ 23,708,044</u>

5. Additional TIF Agreements

On July 16, 2013, the Authority entered into a redevelopment contract with The Guarantee Group, LLC (Redeveloper). The Redeveloper intends to purchase and develop property for a subdivision and install all of the necessary public infrastructure to build 200+ single family dwellings in the first phase of the project over the course of approximately 10 years from the date of the contract. The initial sales price of the houses is limited to between \$139,900 and \$145,900. The sales price may be modified over the course of the contract to accommodate changes in prices for materials and labor. A second phase of this project, subject to a second TIF contract, is anticipated for the remainder of the property with approximately 300 additional dwelling units. A \$4,000,000 TIF bond bearing interest of 8.0 percent was issued by the Authority with an expiration date of December 31, 2039. The developer is responsible for providing to the Authority by July 1 of each year the legal description of all lots with new homes and the sales price of each house to that a “Notice of Intent to Divide Tax for Development Project” form can be filed on the improvements with the Hall County Assessors office by August 1 of each year. TIF financing will be made available and paid toward the bond until either the bond is paid off, the bond expires, or the allowable tax increment is no longer available.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with Peaceful Root, LLC (Redeveloper). The Redeveloper intends to redevelop the former Brown Hotel Building located at 112 W Second Street into apartments. The estimated value upon completion is \$1,014,538. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$263,000.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
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NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

5. Additional TIF Agreements, continued

During the year ended September 30, 2017, the Authority approved a redevelopment plan with Hedde Building, LLC (Redeveloper). The Redeveloper intends to redevelop 201 – 205 West Third Street. The estimated value upon completion is \$1,952,402. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority plans to grant the Redeveloper \$603,425.

In July of 2015 the Authority approved a redevelopment contract with T&S Development (Redeveloper). The contract was executed on November 2, 2015. The Redeveloper intends to finish office space on the second floor of their building at 312 W 3rd Street. The estimated value upon completion is \$1,136,841. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$272,788.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with Weinrich Developments, Inc. (Redeveloper). The Redeveloper intends to redevelop the property located at 523 East Division Street from a vacant single-family home into a four-unit apartment building. The estimated value upon completion is \$300,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$52,768.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with Think Smart, LLC (Redeveloper). The Redeveloper intends to redevelop 204 North Carey. The estimated value upon completion is \$519,140. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$48,150.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with O'Neill Wood Resources (Redeveloper). The Redeveloper intends to redevelop 7100 West Old Potash Highway. The estimated value upon completion is \$1,140,993. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$209,000.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

6. Related Party Transactions

T&S Development, one of the redevelopers the Authority has entered into a TIF agreement with, is owned by a board member of the Authority.

7. Subsequent Events

Management has evaluated subsequent events through March 13, 2018, the date on which the financial statements were available for issue.

On October 18, 2017, the Authority approved a \$90,000 life safety grant, a \$168,677 façade grant, and a \$15,000 other grant for Urban Island (Kinkaider); a \$106,500 façade grant to Staab Management for the Fonner Court project; and a \$300,000 façade grant (payable \$100,000 per year over three years) for the Hedde Building.

On November 8, 2017, the Authority approved a \$35,000 life safety grant for Take Flight. On December 13, 2017, the Authority approved a \$100,000 façade grant to Mendez Enterprises.

On December 13, 2017, the Authority approved a redevelopment contract for Husker Harvest Days. This contract will allow expenditure of \$2 million of public funds over the course of 10 years for improvements to the Husker Harvest Days show site. The City of Grand Island will fund \$200,000 a year for 10 years for the CRA to pay out to Farm Progress Companies, Inc. The CRA will forgive \$100,000 of that payment a year for every year Farm Progress has an outdoor farm show for up to 20 years. The first payment by the CRA will be November 1, 2018, per a period of 10 years.

On December 13, 2017, the Authority entered into a redevelopment contract with Urban Island, LLC (Redeveloper) toward the renovation of 320 – 322 North Pine. This contract will allow for \$156,000 in tax increment financing to provide \$115,000 toward the redevelopment project.

On December 13, 2017, the Authority entered into a redevelopment contract with Mendez Enterprises (Redeveloper) for phase 1 of redevelopment of the property along Old Lincoln Highway between Carey and Waldo Avenues. Phase 1 tax increment financing is for \$205,000.

On January 10, 2018, the Authority entered into a redevelopment contract with Take Flight, LLC (Redeveloper) for redevelopment of the building at 209 West Third Street. Approved tax increment financing is \$99,200.

REQUIRED SUPPLEMENTARY INFORMATION

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

BUDGETARY COMPARISON SCHEDULE

Year ended September 30, 2017

	Budget (Original and Final)	<u>Actual</u>	Variance - Actual Over (Under) <u>Final Budget</u>
RESOURCES (INFLOWS)			
Property taxes	\$ 762,835	\$ 753,983	\$ (8,852)
TIF receipts	1,833,576	1,151,756	(681,820)
Interest income	300	252	(48)
Loan proceeds	8,000	-	(8,000)
Land sales	250,000	-	(250,000)
Other	130,000	26,065	(103,935)
Total resources	<u>2,984,711</u>	<u>1,932,056</u>	<u>(1,052,655)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Contract services	80,000	49,535	(30,465)
Capital outlay	50,000	3,797	(46,203)
Matching grant funds	1,350,148	500,303	(849,845)
Professional services	24,000	10,246	(13,754)
Printing and publishing	1,500	-	(1,500)
Travel and training	1,000	-	(1,000)
Other	1,750	514	(1,236)
Conduit debt payments	1,735,774	1,039,273	(696,501)
Debt service:			
Principal payments	255,000	255,296	296
Interest expense	38,326	38,402	76
Bond fees	-	525	525
Total charges to appropriations	<u>3,537,498</u>	<u>1,897,891</u>	<u>(1,639,607)</u>
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<u>\$ (552,787)</u>	<u>\$ 34,165</u>	<u>\$ 586,952</u>

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**BUDGETARY COMPARISON SCHEDULE -
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

Year ended September 30, 2017

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
Accrual Basis Revenue and Expenditures**

	<u>General Fund</u>
Sources/inflows of resources:	
Actual amounts of resources (budgetary basis) from the budgetary comparison schedule	\$ 1,932,056
Differences - budget to accrual:	
Cash to accrual adjustments	<u>126</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 1,932,182</u></u>
Uses/outflows of resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,897,891
Differences - budget to accrual:	
Cash to accrual adjustments	<u>31,885</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 1,929,776</u></u>

SUPPLEMENTARY INFORMATION

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

SCHEDULE OF EXPENDITURES - GENERAL FUND

For the Year Ended September 30, 2017

	General Services	Facade Improvement & Other Projects	Walnut Housing Project	PROCON Debt Service	RSF Limited Debt Service	Bruns Pet Grooming	Wile E. Investment Properties, LLC
Legal/other professional services	\$ 10,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract services	48,535	1,000	-	-	-	-	-
Miscellaneous	514	-	-	-	-	-	-
Grant funds	-	500,303	-	-	-	-	-
Capital outlay	3,797	-	-	-	-	-	-
Conduit debts payments	-	-	-	-	-	14,227	10,582
Principal payments	175,000	-	60,024	16,396	3,876	-	-
Interest expense	20,454	-	14,448	2,766	326	-	-
Bond fees	525	-	-	-	-	-	-
	<u>\$ 259,071</u>	<u>\$ 501,303</u>	<u>\$ 74,472</u>	<u>\$ 19,162</u>	<u>\$ 4,202</u>	<u>\$ 14,227</u>	<u>\$ 10,582</u>

<u>PROCON - Geddes St Apartments</u>	<u>Southeast Crossing</u>	<u>Casey's</u>	<u>South Pointe Hotel</u>	<u>Todd Enck Project</u>	<u>John Schulte Construction</u>	<u>Pharmacy Properties</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,888	15,352	14,051	83,682	6,434	7,060	11,824
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 27,888</u>	<u>\$ 15,352</u>	<u>\$ 14,051</u>	<u>\$ 83,682</u>	<u>\$ 6,434</u>	<u>\$ 7,060</u>	<u>\$ 11,824</u>

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

SCHEDULE OF EXPENDITURES - GENERAL FUND, Continued

For the Year Ended September 30, 2017

	Poplar Street	Ken-Ray Project	County Fund #8598	Gordman	Baker Development, Inc.	Stratford Plaza, LLC	Copper Creek	Chief Industries Aurora Coop
Legal/other professional services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Grant funds	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Conduit debts payments	12,046	45,346	2,942	53,235	3,465	32,978	72,718	36,197
Principal payments	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Bond fees	-	-	-	-	-	-	-	-
	<u>\$ 12,046</u>	<u>\$ 45,346</u>	<u>\$ 2,942</u>	<u>\$ 53,235</u>	<u>\$ 3,465</u>	<u>\$ 32,978</u>	<u>\$ 72,718</u>	<u>\$ 36,197</u>

<u>Token Properties Kimball Street</u>	<u>Habitat for Humanity</u>	<u>Auto One, Inc.</u>	<u>EIG Grand Island</u>	<u>Token Properties Cary Street</u>	<u>Wenn Housing Project</u>	<u>Copper Creek II</u>	<u>TC Enck</u>	<u>Mainstay</u>	<u>Tower 217</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,607	4,113	11,866	71,016	8,333	4,326	254,406	413	63,881	14,471
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 2,607</u>	<u>\$ 4,113</u>	<u>\$ 11,866</u>	<u>\$ 71,016</u>	<u>\$ 8,333</u>	<u>\$ 4,326</u>	<u>\$ 254,406</u>	<u>\$ 413</u>	<u>\$ 63,881</u>	<u>\$ 14,471</u>

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

SCHEDULE OF EXPENDITURES - GENERAL FUND, Continued

For the Year Ended September 30, 2017

	<u>Copper Creek III</u>	<u>Northwest Commons</u>	<u>Habitat 8th & Superior</u>	<u>Kaufman</u>	<u>Totals</u>
Legal/other professional services	\$ -	\$ -	\$ -	\$ -	\$ 10,246
Contract services	-	-	-	-	49,535
Miscellaneous	-	-	-	-	514
Grant funds	-	-	-	-	500,303
Capital outlay	-	-	-	-	3,797
Conduit debts payments	40,620	139,369	4,412	1,706	1,071,566
Principal payments	-	-	-	-	255,296
Interest expense	-	-	-	-	37,994
Bond fees	-	-	-	-	525
	<u>\$ 40,620</u>	<u>\$ 139,369</u>	<u>\$ 4,412</u>	<u>\$ 1,706</u>	<u>\$ 1,929,776</u>



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Community Redevelopment Authority of Grand Island, Nebraska
Grand Island, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Community Redevelopment Authority of Grand Island, Nebraska, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Wealth Management, LLC Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C.
and offers wealth management and investment advisory services.

SHAREHOLDERS

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A PROFESSIONAL
CORPORATION

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below that we consider to be significant deficiencies.

Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Community Redevelopment Authority of Grand Island, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Community Redevelopment Authority of Grand Island, Nebraska's Response to Findings

The Community Redevelopment Authority of Grand Island, Nebraska's response to the findings identified in our audit is that due to the small size of the Authority, it is impractical to further segregate duties. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Amquist, Malthalm,
Galloway & Luth, PC*

Grand Island, Nebraska
March 13, 2018



Community Redevelopment Authority (CRA)

Wednesday, April 11, 2018
Regular Meeting

Item X2

Director's Report LB 874

Staff Contact:

35 **LB 874**

- ☛ Changes to Definitions
 - ☛ Reordered So Alphabetical
 - ☛ Slight Changes to Redevelopment Project Definition
 - ☛ Enhancements to structures which exceed the minimum design and building standards in the community are authorized,
 - ☛ Other improvements in accordance with the redevelopment plan removed

36 **LB 874**

- ☛ Changes to Notifications –
 - ☛ Certified Mail to Taxing Entities
 - ☛ Neighborhood Associations
 - ☛ Public Hearing Notice
 - ☛ Planning Commission same as Council 2 time 7 days apart 10 days prior
 - ☛ Map Does not need to be published but does need to be available.

37 **LB 874**

- ☛ TIF Funds Cannot Be Used to Set Up a Revolving Loan Fund
- ☛ Copies of All Blighted and Substandard Analysis Must be Posted on City's Website or Available at a Designated Location
- ☛ Cost Benefit Analysis Must Include Impact on the Student Populations of School Districts Within the City or Village

38 **LB 874**

- ☛ Document in Writing
 - ☛ That the plan is feasible and in conformity with the general plan for the development of the city as a whole
 - ☛ That the redevelopment project in the plan would not be economically feasible without the use of TIF
 - ☛ That the redevelopment project would not occur in the CRA area without TIF
 - ☛ That the costs and benefits are in the long term best interest of the community

39 **LB 874**



- ☛ On or before May 1 of each year the CRA or other entity within the City must compile the approval and progress of redevelopment projects and report to the governing body or each county, school district, community college area, educational service unit and natural resources district
 - ☛ The number of redevelopment projects that have been financed, estimated project costs, a comparison of initial valuation and the assessed value each year, number of projects paid in full, number of projects approved the previous year and details on those projects, the percentage of the City declared blighted and substandard

40 **LB 874**



- ☛ Defines Costs Incurred Before Approval that are Allowed
 - ☛ Materials and applications for the project
 - ☛ Preparation of redevelopment contract
 - ☛ Preparation of bond or other financing instrument
 - ☛ Land Acquisition and due diligence activities
 - ☛ Site demolition and preparation

41  **LB 874**

 Retention of Documentation

-  All redevelopment plans and supporting documents for blight and substandard studies
-  Redevelopment Plans and supporting documentation as defined in the records management act or 3 years beyond the last year of receipts and payment on the project whichever is longer

42  **LB 874**

-  Can require that taxes are paid before they become delinquent within the contract
-  Tax statement will changes to show taxes paid to taxing entities and taxes remitted for project with a statement that the taxes have been divided as part of a redevelopment project for a period not to exceed 15 years.