



# **Community Redevelopment Authority (CRA)**

**Wednesday, January 13, 2010  
Regular Meeting Packet**

---

## **Board Members:**

**Lee Elliott**

**Tom Gdowski**

**Barry Sandstrom**

**Sue Pirnie**

**Glen Murray**

---

**4:00 PM  
Grand Island City Hall  
100 E 1st Street**

---

## **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, January 13, 2010**  
**Regular Meeting**

## **Item A1**

### **Agenda**

Staff Contact: Chad Nabity

**AGENDA**  
**Wednesday January 13, 2010**  
**4:00 p.m.**  
**Grand Island City Hall**

Open Meetings Notifications

1. Call to Order  
This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.
2. Approval of Minutes of December 8, 2009 Meeting.
3. Approval of Financial Reports.
4. Approval of Bills.
5. Consideration of Redevelopment contract for 703 S Lincoln Ave., with John Schulte Construction.
6. Review of Committed Projects and CRA Properties.
7. ADJOURN TO EXECUTIVE SESSION TO DISCUSS NEGOTIATIONS.

RETURN TO REGULAR SESSION

8. Approve Resolution or Resolutions to Purchase/Sell Property.
9. Directors Report
10. Adjournment

Next Meeting February 10, 2010

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



# Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2010  
Regular Meeting**

## **Item B1**

### **Meeting Minutes**

Staff Contact: Chad Nabity

## OFFICIAL PROCEEDINGS

### MINUTES OF

#### COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF

December 14, 2009

Pursuant to due call and notice thereof, a Regular Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on December 14, 2009 at City Hall 100 E First Street. Notice of the meeting was given in the December 11, 2009 Grand Island Independent.

1. CALL TO ORDER Chairman Barry Sandstrom called the meeting to order at 4:01 p.m. The following members were present: Barry Sandstrom, Lee Elliott and Tom Gdowski. Sue Pirnie joined the meeting at 4:06. Also present were; Director, Chad Nabity; Rose Woods.

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

2. APPROVAL OF MINUTES. A motion for approval of the Minutes for the November 12, 2009 meeting, Gdowski made the motion to approve the November 12, 2009 meeting minutes. Motion was seconded by Elliott. Upon roll call vote, all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Chad Nabity reviewed the financial reports for the period of November 1, 2009 through November 30, 2009. He noted revenue in the amount of \$6,649 and expenses in the amount of \$3190 for the month. Total cash was \$1,668,193. Motion by Gdowski, seconded by Elliot, to approve the financial reports. Upon roll call vote, all present voted aye. Motion carried unanimously.
4. APPROVAL OF BILLS. The bills were reviewed by Sandstrom. Motion made by Gdowski seconded by Elliott to approve the bills in the amount of \$151,946.32. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$151,946.32.
5. CONSIDERATION OF RESOLUTION 106. This is a consideration of Resolution 106, to forward a redevelopment plan amendment to the Hall County Regional Planning Commission for an area on 9<sup>th</sup> Street and 12<sup>th</sup> Street, in Grand Island. Nabity explained this is the "Bucket" TIF and CRA is going to help fund the project. Habitat for Humanity is in the process of

purchasing 4 lots that are currently vacant. There is no water to these lots currently and CRA could lend GI Utilities money to provide water this area. Over the next 15 years the project should be able to use the tax increment to repay the CRA. There is also future expansion of 3 lots. Motion was made by Elliott and seconded by Pirnie to approve Resolution 106 to forward the redevelopment plan to Hall County Regional Planning. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 106.

6. CONSIDERATION OF RESOLUTION 107. The consideration to approve Resolution 107 sending notice of intent to enter into a Redevelopment contract with CRA, for redevelopment of an area within the city limits of the City of Grand Island, an area on Poplar Street between 9<sup>th</sup> Street and 12<sup>th</sup> Street. Motion was made by Elliott and seconded by Gdowski to approve Resolution 107 to forward notice of intent to enter into a Redevelopment contract with CRA to City Council. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 107.
7. CONSIDERATION OF RESOLUTION 108. This is a consideration of Resolution 108, to forward a redevelopment plan amendment to the Hall County Regional Planning Commission for 423 W 4<sup>th</sup> Street, in Grand Island. Nabity explained Mike Hamik is purchasing the ground where the old Glovera Ballroom once stood before it burnt down in 1956. Hamik is looking to build a new U-Save Pharmacy to reach the Hispanic population of Grand Island. Hamik noted 20% of Grand Island's population is Hispanic and he would like to bring the pharmacy to them. Motion was made by Gdowski and seconded by Pirnie to approve Resolution 108 to forward the redevelopment plan to Hall County Regional Planning. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 108.
8. CONSIDERATION OF RESOLUTION 109. The consideration to approve Resolution 109 sending notice of intent to enter into a Redevelopment contract with Pharmacy Properties, LLC, for redevelopment of an area within the city limits of the City of Grand Island, 423 W 4<sup>th</sup> Street. Motion was made by Pirnie and seconded by Elliott to approve Resolution 109 to forward notice of intent to enter into a Redevelopment contract with Pharmacy Properties, LLC, to City Council. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 109.
9. CONSIDERATION OF RESOLUTION 110. The consideration of a Resolution to approve a Redevelopment Plan Amendment for 703 S Lincoln Street. Motion was made by Gdowski and seconded by Elliott to approve Resolution 110 to forward notice of intent to enter into a Redevelopment contract with John Schulte Construction. Upon roll call

vote all present voted aye. Motion carried unanimously to approve Resolution 110.

10. REVIEW OF COMMITTED PROJECTS. Nabity discussed BID 6 landscaping had submitted a bill to be paid in December and there remaining balance was approximately \$6200.00, Romsa Real Estate was finally complete and had been submitted for payment in December. BID 6 (Conduit) date would be moved to spring of 2010. Paul Warshauer (Masonic Temple would be moved to spring of 2010. Wayside Horns for 2008 and 2009 will be moved to spring of 2010 as will the Dock Façade and T.R. Merchen Façade for the Tattered Book. The "Bucket" TIF for 11<sup>th</sup> & Poplar Streets will change amount to \$136,000 and be starting in the spring of 2010. Sin City will be removed as project is finished and had been submitted for payment in December. Ryder, Rosacker, McHue and Huston Insurance has yet to start their project, date will remain unchanged for spring of 2010. The purchase of 3235 S Locust is still pending. Patrick Heng should be bringing up signed purchase agreement December 16, 2009.

11. ADJOURN TO EXECUTIVE SESSION TO DISCUSS NEGOTIATIONS. Pirnie made the motion to enter into executive session, seconded by Gdowski, at 4:27 p.m. Gdowski made the motion to adjourn out of executive session, seconded by Elliott at 4:52 p.m.

12. APPROVE RESOLUTION TO PURCHASE/SELL PROPERTY. No Resolutions to purchase or sell property.

13. DIRECTOR'S REPORT.

14. ADJOURNMENT.

Chairman Sandstrom adjourned the meeting at 4:55 p.m.

The next meeting is scheduled for January 13, 2010 at 4:00 p.m.

Respectfully submitted  
Chad Nabity  
Director





# Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2010  
Regular Meeting**

## **Item C1**

### **Financial Reports**

Staff Contact: Chad Nabity

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF DECEMBER 2009

	<u>MONTH ENDED</u> <u>DECEMBER 2009</u>	<u>2009 - 2010</u> <u>YEAR TO DATE</u>	<u>2010</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
<b>CONSOLIDATED</b>				
Beginning Cash	1,668,193	1,547,542	1,547,542	
<b>REVENUE:</b>				
Property Taxes	3,528	125,954	662,843	536,889
Loan Proceeds	-	-	-	-
Interest Income	212	10,197	12,940	2,743
Land Sales	-	-	50,000	50,000
Other Revenue	8,047	8,169	-	(8,169)
<b>TOTAL REVENUE</b>	<u>11,788</u>	<u>144,321</u>	<u>725,783</u>	<u>581,462</u>
<b>TOTAL RESOURCES</b>	<u>1,679,980</u>	<u>1,691,863</u>	<u>2,273,325</u>	<u>581,462</u>
<b>EXPENSES</b>				
Auditing & Accounting	-	417	7,500	7,083
Legal Services	240	495	10,000	9,505
Consulting Services	-	-	10,000	10,000
Contract Services	2,113	8,306	40,000	31,694
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	-	5,000	5,000
General Liability Insurance	-	-	250	250
Postage	14	14	200	186
Matching Grant	-	-	-	-
Legal Notices	14	486	800	314
Licenses & Fees	-	-	-	-
Travel & Training	-	-	1,000	1,000
Other Expenditures	50	50	500	450
Office Supplies	-	-	500	500
Supplies	3,975	3,975	300	(3,675)
Land	-	-	100,000	100,000
Façade Improvement	145,540	145,540	539,950	394,410
South Locust	-	-	-	-
Alleyway Improvement	-	-	-	-
Other Projects	-	-	800,000	800,000
Bond Principal	72,826	77,372	161,611	84,239
Bond Interest	38,572	38,572	81,172	42,600
Interest Expense	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>263,344</u>	<u>275,227</u>	<u>1,759,783</u>	<u>1,484,556</u>
<b>INCREASE(DECREASE) IN CASH</b>	(251,557)	(130,906)	513,542	
<b>ENDING CASH</b>	1,416,636	1,416,636	2,061,084	
<b>LESS COMMITMENTS</b>	<u>1,175,369</u>	<u>1,334,909</u>		
<b>AVAILABLE CASH</b>	<u>241,267</u>	<u>81,727</u>	<u>2,061,084</u>	<u>-</u>
<b>CHECKING</b>	<u>500,799</u>			
<b>PETTY CASH</b>	<u>-</u>			
<b>INVESTMENTS</b>	<u>915,837</u>			
<b>Total Cash</b>	<u><u>1,416,636</u></u>			

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF DECEMBER 2009

	<u>MONTH ENDED</u> <u>DECEMBER 2009</u>	<u>2009 - 2010</u> <u>YEAR TO DATE</u>	<u>2010</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
<b>CRA</b>				
<b>GENERAL OPERATIONS:</b>				
Property Taxes	3,528	81,456	425,000	343,544
Interest Income	147	10,024	8,000	(2,024)
Land Sales	-	-	50,000	50,000
Other Revenue & Motor Vehicle Tax	-	122	-	(122)
<b>TOTAL</b>	<b>3,676</b>	<b>91,602</b>	<b>483,000</b>	<b>391,398</b>
<b>GILI TRUST</b>				
Property Taxes	-	31,386	65,780	34,394
Interest Income	-	-	-	-
Other Revenue	8	8	-	(8)
<b>TOTAL</b>	<b>8</b>	<b>31,394</b>	<b>65,780</b>	<b>34,386</b>
<b>CHERRY PARK LTD II</b>				
Property Taxes	-	-	59,180	59,180
Interest Income	55	143	-	(143)
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>55</b>	<b>143</b>	<b>59,180</b>	<b>59,037</b>
<b>GENTLE DENTAL</b>				
Property Taxes	-	-	4,202	4,202
Interest Income	0	1	-	(1)
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>4,202</b>	<b>4,201</b>
<b>PROCON TIF</b>				
Property Taxes	-	8,567	19,162	10,595
Interest Income	2	5	-	(5)
Other Revenue	998	998	-	(998)
<b>TOTAL</b>	<b>1,000</b>	<b>9,569</b>	<b>19,162</b>	<b>9,593</b>
<b>WALNUT HOUSING PROJECT</b>				
Property Taxes	-	-	74,472	74,472
Interest Income	7	25	-	(25)
Other Revenue	7,041	7,041	-	(7,041)
<b>TOTAL</b>	<b>7,049</b>	<b>7,067</b>	<b>74,472</b>	<b>67,405</b>
<b>BRUNS PET GROOMING</b>				
Property Taxes	-	-	4,986	4,986
Interest Income	-	-	4,940	4,940
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>9,926</b>	<b>9,926</b>
<b>GIRARD VET CLINIC</b>				
Property Taxes	-	4,546	-	(4,546)
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>4,546</b>	<b>-</b>	<b>(4,546)</b>
<b>GEDDES ST APTS-PROCON</b>				
Property Taxes	-	-	1,195	1,195
Interest Income	-	-	-	-
Other Revenue	-	-	-	-

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF DECEMBER 2009

	<u>MONTH ENDED</u> <u>DECEMBER 2009</u>	<u>2009 - 2010</u> <u>YEAR TO DATE</u>	<u>2010</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
<b>TOTAL</b>	-	-	1,195	1,195
<b>SOUTHEAST CROSSING</b>				
Property Taxes	-	-	8,866	8,866
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	-	8,866	8,866
<b>TOTAL REVENUE</b>	11,788	144,321	725,783	581,462

**COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF DECEMBER 2009**

	<b><u>MONTH ENDED</u></b> <b><u>DECEMBER 2009</u></b>	<b><u>2009 - 2010</u></b> <b><u>YEAR TO DATE</u></b>	<b><u>2010</u></b> <b><u>BUDGET</u></b>	<b><u>REMAINING</u></b> <b><u>BALANCE</u></b>
<b>EXPENSES</b>				
<b>CRA</b>				
<b>GENERAL OPERATIONS:</b>				
Auditing & Accounting	-	417	7,500	7,083
Legal Services	240	495	10,000	9,505
Consulting Services	-	-	10,000	10,000
Contract Services	2,113	8,306	40,000	31,694
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	-	5,000	5,000
General Liability Insurance	-	-	250	250
Postage	14	14	200	186
Matching Grant	-	-	-	-
Legal Notices	14	486	800	314
Licenses & Fees	-	-	-	-
Travel & Training	-	-	1,000	1,000
Other Expenditures	50	50	500	450
Office Supplies	-	-	500	500
Supplies	3,975	3,975	300	(3,675)
Land	-	-	100,000	100,000
<b>PROJECTS</b>				
Façade Improvement	145,540	145,540	539,950	394,410
South Locust	-	-	-	-
Alleyway Improvement	-	-	-	-
Other Projects	-	-	800,000	800,000
<b>TOTAL CRA EXPENSES</b>	<b>151,946</b>	<b>159,283</b>	<b>1,517,000</b>	<b>1,357,717</b>
<b>GILI TRUST</b>				
Bond Principal	27,039	27,039	51,001	23,962
Bond Interest	5,851	5,851	14,779	8,928
Other Expenditures	-	-	-	-
<b>TOTAL GILI EXPENSES</b>	<b>32,890</b>	<b>32,890</b>	<b>65,780</b>	<b>32,890</b>
<b>CHERRY PARK LTD II</b>				
Bond Principal	21,025	21,025	39,729	18,704
Bond Interest	8,565	8,565	19,451	10,886
<b>TOTAL CHERRY PARK EXPENSES</b>	<b>29,590</b>	<b>29,590</b>	<b>59,180</b>	<b>29,590</b>
<b>GENTLE DENTAL</b>				
Bond Principal	1,175	1,175	2,276	1,101
Bond Interest	926	926	1,926	1,000
<b>TOTAL GENTLE DENTAL</b>	<b>2,101</b>	<b>2,101</b>	<b>4,202</b>	<b>2,101</b>
<b>PROCON TIF</b>				
Bond Principal	5,029	5,029	9,467	4,438
Bond Interest	4,552	4,552	9,695	5,143
<b>TOTAL PROCON TIF</b>	<b>9,581</b>	<b>9,581</b>	<b>19,162</b>	<b>9,581</b>
<b>WALNUT HOUSING PROJECT</b>				
Bond Principal	18,559	18,559	39,151	20,592
Bond Interest	18,677	18,677	35,321	16,644
<b>TOTAL WALNUT HOUSING</b>	<b>37,236</b>	<b>37,236</b>	<b>74,472</b>	<b>37,236</b>

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF DECEMBER 2009

	<u>MONTH ENDED</u> <u>DECEMBER 2009</u>	<u>2009 - 2010</u> <u>YEAR TO DATE</u>	<u>2010</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
<b>BRUNS PET GROOMING</b>				
Bond Principal	-	-	4,986	4,986
Bond Interest	-	-	-	-
<b>TOTAL BRUNS PET GROOMING</b>	-	-	4,986	4,986
<b>GIRARD VET CLINIC</b>				
Bond Principal	-	4,546	4,940	394
Bond Interest	-	-	-	-
<b>TOTAL GIRARD VET CLINIC</b>	-	4,546	4,940	394
<b>GEDDES ST APTS - PROCON</b>				
Bond Principal	-	-	1,195	1,195
Bond Interest	-	-	-	-
<b>TOTAL GEDDES ST APTS - PROCON</b>	-	-	1,195	1,195
<b>SOUTHEAST CROSSINGS</b>				
Bond Principal	-	-	8,866	8,866
Bond Interest	-	-	-	-
<b>TOTAL SOUTHEAST CROSSINGS</b>	-	-	8,866	8,866
<b>TOTAL EXPENSES</b>	263,344	275,227	1,759,783	1,474,495



# Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2010  
Regular Meeting**

## **Item D1**

### **Bills**

Staff Contact: Chad Nabity

13-Jan-10

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	\$ 2,113.38
Accounting	\$ 375.00
Officenet Inc.	
Postage	\$ 6.05
Lawnscape	
Snow removal	\$ 800.00
Grand Island Independent	\$ 25.26
Monthly & Redevelopment Plan Notices	
Mayer, Burns, Koenig & Janulewicz	\$ 210.00

**Total:**

---

---

**\$ 3,529.69**





# Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2010  
Regular Meeting**

## **Item E1**

### **Committed Projects**

Staff Contact: Chad Nabity

COMMITTED PROJECTS	AMOUNT	ESTIMATED DUE DATE
BID 6 (Landscaping)	\$6217.74	Spring 2010
BID 6 (Conduit)	\$55,000	Spring 2010
Paul Warshauer (Masonic Temple)	\$17,700	Spring 2010
2008 Wayside Horns	\$140,000	Spring 2010
2009 Wayside Horns	\$100,000	Spring 2010
The Dock Façade	\$57,250	Spring 2010
T.R. Merchen Facade Tattered Book	\$154,557	Spring 2010
“Bucket” TIF 11 <sup>th</sup> & Poplar Streets	\$136,000	Starting in 2010
Ryder, Rosacker, McHue and Huston Insurance	\$58,644	Spring 2010
3235 S Locust	\$450,000	PENDING
Total Committed	\$1,175,368.74	

#### CRA PROPERTIES

Address	Purchase Price	Purchase Date	Demo Cost	Status
203 E 1 <sup>st</sup> St.	\$68,627	10-09-02	\$23,300	Surplus
217 E 1 <sup>st</sup> St	\$17,000	03-20-03	\$6,500	Surplus
408 E 2 <sup>nd</sup> St	\$4,869	11-11-05	\$7,500	Surplus
211 E 1 <sup>st</sup>	\$34,702	11-13-07	\$8,000	Surplus

December 31, 2009



# Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2010  
Regular Meeting**

## **Item H1**

**TIF**

Staff Contact: Chad Nabity

## **REDEVELOPMENT CONTRACT**

This Redevelopment Contract is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2010, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (“Authority”) and John S. Schulte, and Dianne L. Schulte, Husband and Wife, and Tim C. Plate, a Single Person, and Curt L. Ratliff, a Single Person (“Redeveloper”), whether one or more.

### **WITNESSETH:**

WHEREAS, Authority is a duly organized and existing community redevelopment authority, a body politic and corporate under the law of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Contract, acting by and through its Chair or Vice Chair and Members;

WHEREAS, the City of Grand Island, Nebraska (the “City”), in furtherance of the purposes and pursuant to the provisions of Section 2 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 1999, as amended (collectively the “Act”), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City; and

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract for acquisition and redevelopment of the redevelopment area;

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

### **ARTICLE I**

#### **DEFINITIONS AND INTREPRETATION**

##### **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, 1943, as amended, and acts amendatory thereof and supplemental thereto.

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

“Completion” means substantial completion of the Project as described on the attached Exhibit B.

“Governing Body” means the Mayor and City Council of the City, of Grand Island, Nebraska.

“Premises” or “Redevelopment Area” means all that certain real property situated in the City of Grand Island, Hall County, Nebraska, more particularly described as Exhibit A attached hereto and incorporated herein by this reference.

“Project” means the improvements to the Premises, as further described in Exhibit B attached hereto and incorporated herein by reference.

“Project Costs” means only costs or expenses incurred by Redeveloper to acquire, construct and equip the Project pursuant to the Act as identified on Exhibit C.

“Redevelopment Contract” means this redevelopment contract between Authority and Redeveloper dated \_\_\_\_\_, 20\_\_, with respect to the Project.

“Redevelopment Plan” means the Redevelopment Plan for Area No. 2, prepared by the Authority and approved by the City pursuant to the Act, as amended from time to time.

“Resolution” means the Resolution of the Authority dated \_\_\_\_\_, 20\_\_, as supplemented from time to time, approving this Redevelopment Contract.

“TIF” Revenues” means incremental ad valorem taxes generated by the Project which are allocated to and paid to the Authority pursuant to the Act.

## ARTICLE II REPRESENTATIONS

### Section 2.01 Representations by Authority.

Authority makes the following representations and findings;

(a) Authority is a duly organized and validly existing community redevelopment authority under the Act.

(b) The Redevelopment Plan has been duly approved and adopted by the City pursuant to Section 18-2116 and 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 will achieve the public purposes of the Act by, among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening conditions of blight and substandard in the Redevelopment Area.

## Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is an individual 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.

(b) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, 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, except as disclosed in writing to the Authority, as to any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

(d) Any financial statements of the Redeveloper delivered to the Authority prior to the date hereof are true and correct in all respects and fairly present the financial condition of the Redeveloper and the Project as of the dates thereof; no materially adverse change has occurred in the financial condition reflected therein since the respective dates thereof; and no additional borrowings have been made by the Redeveloper since the date thereof except in the ordinary course of business, other than the borrowing contemplated hereby or borrowings disclosed to or approved by the Authority.

## ARTICLE III

### OBLIGATIONS OF THE AUTHORITY

#### Section 3.01 Division of Taxes

In accordance with Section 18-2147 of the Act, the Authority hereby amends the Redevelopment Plan of the Authority by providing that any ad valorem tax on real property in the Project for the benefit of any public body be divided for a period of Fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act or until \$55,575.00 is provided through TIF, whichever occurs sooner. The effective date of this provision shall be January 1, 2011.



### Section 3.02 TIF Pledge of Revenues.

Authority shall not incur TIF indebtedness in the form of a principal amount bearing interest but, rather, hereby pledges to the Redeveloper and its Lender that the Authority will pay, semi-annually, the TIF Revenues to Redeveloper's Lender as additional security for the payment of the indebtedness incurred by Redeveloper for funding the Redevelopment Project.

### Section 3.03 Payment.

Authority will pay to Redeveloper's Lender the proceeds of the TIF Revenues derived from Redeveloper's semi-annual payment of ad valorem taxes on the real property included in the Redevelopment Project. If such real estate taxes are not paid by Redeveloper, no TIF Revenues will be generated to enable the Authority to pay TIF Revenues to the Redeveloper.

### Section 3.04 Creation of Fund.

Authority will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay TIF Revenues pursuant to Sections 3.02 and 3.03 above.

## ARTICLE IV

### OBLIGATIONS OF REDEVELOPER

#### Section 4.01 Construction of Project; Insurance

(a) Redeveloper will complete the Project and install all equipment necessary to operate the Project. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of the Project. Promptly after completion by the Redeveloper of the Project, the Redeveloper shall furnish to the Authority a Certificate of Completion. The certification by the Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Contract with respect to the obligations of Redeveloper and its successors and assigns to construct the Project.

(b) Any contractor chosen by the Redeveloper or the Redeveloper itself 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. The Authority and the Redeveloper shall be named as additional



insureds. Any contractor chosen by the Redeveloper or the Redeveloper itself, as an 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 or the Redeveloper, as the case may be, shall furnish the Authority 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 the policies.

#### Sections 4.02 Reserved.

#### Section 4.03 Redeveloper to Operate Project.

Except as provided in Section 4.08 hereof, Redeveloper will operate the Project for not less than until the final TIF revenue payment is made or 15 years from the effective date of the provision specified in Section 3.01 of this Redevelopment Contract whichever occurs first.

#### Section 4.04 Authority Costs.

Redeveloper shall pay to Authority on the date of execution of this Redevelopment Contract, the sum of \$1,000.00 to reimburse the Authority for its fees incurred in connection with this Redevelopment Contract.

#### Section 4.05 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as this Redevelopment Contract is in effect, 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 4.06 Pay Real Estate Taxes.

Redeveloper intends to create a taxable real property valuation of the Project of \$293,582.00 no later than as of December 31, 2010. During the term of this contract, Redeveloper will (1) not protest a real estate property valuation on the Premises of \$293,582.00 or less after substantial completion or occupancy; (2) not convey the Premises or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of

such real estate taxes; and (3) cause all real estate taxes and assessments levied on the Premises to be paid prior to the time such become delinquent.

Section 4.07 Reserved.

Section 4.08 No Assignment or Conveyance.

Redeveloper shall not convey, assign or transfer the Premises, the Project or any interest therein prior to the termination of the 15 year period commencing on the effective date specified in Section 3.01 hereof, without the prior written consent of the Authority, which shall not be unreasonably withheld and which the Authority may make subject to any terms or conditions it deems appropriate, except for the following conveyances, which shall be permitted without consent of Authority:

- (a) any conveyance as security for indebtedness (i) previously incurred by Redeveloper or incurred by Redeveloper after the effective date for Project Costs or any subsequent physical improvements to the premises with the outstanding principal amount of all such indebtedness (whether incurred prior to or after the effective date of this Agreement) secured by the Premises (ii) any additional or subsequent conveyance as security for indebtedness incurred by Redeveloper for Project Costs or any subsequent physical improvements to the premises provided that any such conveyance shall be subject to the obligations of the Redeveloper pursuant to this Redevelopment Contract;
- (b) if Redeveloper is an individual, any conveyance to Redeveloper's spouse, or to Redeveloper's spouse or issue pursuant to bequest, devise or the laws of intestacy upon the death of Redeveloper;
- (c) any conveyance to a limited partnership or limited liability company so long as Redeveloper is general partner or manager of the entity.

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

Redeveloper shall pay all Project Costs, and prior to commencing Redeveloper shall provide Authority with evidence satisfactory to the Authority that private funds have been committed to the Redevelopment Project in amounts sufficient to complete the Redevelopment Project.

Section 5.02 Encumbrances.

Redeveloper shall not create any lien, encumbrance or mortgage on the Project or the Premises except encumbrances which secure indebtedness incurred to acquire, construct and equip the Project or for any other physical improvements to the Premises.

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 either party hereto or any successor 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.

Section 6.02 Additional Remedies of Authority.

In the event that:

- (a) The Redeveloper, or successor in interest, shall fail to complete the construction of the Project on or before December 31, 2010, or shall abandon construction work for any period of 90 days;
- (b) The Redeveloper, or successor in interest, shall fail to pay real estate taxes or assessments on the Premises or any part thereof when due, and such taxes or assessments shall not have been paid, or provisions satisfactory to the Authority made for such payment within 30 days following written notice from Authority; or
- (c) There is, in violation of Section 4.08 of this Redevelopment Contract, transfer of the Premises or any part thereof, and such failure or action by the Redeveloper has not been cured within 30 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 unpaid TIF payment remaining pursuant to Section 3.03 of this Redevelopment Contract plus interest as provided herein (the "Liquidated Damages Amount"). The Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority.

Interest shall accrue on the Liquidated Damages Amount at the rate of one percent (1%) over the prime rate as published and modified in the Wall Street Journal from time to time 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 Project.

#### Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

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

#### Section 6.04 Enforced 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 Premises for redevelopment, or the beginning and completion of the construction of the Project, or progress in respect thereto, in the event of enforced 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, flood, 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 this occurrence of any such enforced 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 enforced 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 enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay.

Section 6.05 Limitation of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither Authority, City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The obligation of the Authority shall be limited solely to the TIF Revenues pledged as security for the Redeveloper's financing. Specifically, but without limitation, neither City nor Authority shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. The Redeveloper releases the Authority and the City from, agrees that the Authority and the City shall not be liable for, and agrees to indemnify and hold the Authority and the City harmless from any liability for any loss or damage to property or any injury to or death of any persons that may be occasioned by any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the Authority and the City and their directors, officers, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability disbursement, expense, including 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 the Project during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, 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 the Project during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, whether or not related to the Project, or resulting from or in any way related to the enforcement of this Redevelopment Contract or any other cause pertaining to the Project.

ARTICLE VII  
MISCELLANEOUS

Section 7.01 Notice Recording.

A notice memorandum of this Redevelopment Contract shall be recorded with 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.

This Redevelopment Contract shall be binding on the parties hereto and their respective successors and assigns. This Redevelopment Contract shall run with the Premises. The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound.

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

ATTEST:

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Its Chair

REDEVOPER

\_\_\_\_\_  
John S. Schulte

\_\_\_\_\_  
Dianne L. Schulte

\_\_\_\_\_  
Tim C. Plate

\_\_\_\_\_  
Curt L. Ratliff,

STATE OF NEBRASKA     )  
  )ss.  
COUNTY OF HALL         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Barry G. Sandstrom and Chad Nabity, Chair and Secretary, respectively, of the Community Redevelopment Authority of the City of Grand Island, Nebraska, on behalf of the Authority.

(SEAL)

\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA     )  
  )ss.  
COUNTY OF HALL         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by John S. Schulte, for the purposes therein stated.

(SEAL)

\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA     )  
  )ss.  
COUNTY OF HALL         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Dianne L. Schulte, for the purposes therein stated.

(SEAL)

\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA     )  
  )ss.  
COUNTY OF HALL         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Tim C. Plate, for the purposes therein stated.

(SEAL)

\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA     )  
  )ss.  
COUNTY OF HALL         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Curt L. Ratliff, for the purposes therein stated.

(SEAL)

\_\_\_\_\_  
Notary Public



## EXHIBIT A

### DESCRIPTION OF PREMISES

This property is located at the corner of Anna Street and Lincoln Avenue (The W ½ of the W ½ of Block 16 of Windolph's Addition to the City of Grand Island). The property address is 703 S. Lincoln Avenue in Grand Island Nebraska.

## EXHIBIT B

### DESCRIPTION OF PROJECT

The developer will acquire the property and demolish the existing 100+ year old single family structure currently occupying the lot.

The developer is proposing to a 4 unit apartment building on this lot. The developer is proposing to landscape the yards and include underground sprinkling. Each unit will have 2 bedrooms (980 square feet). The total square footage of the building will be 3,922 square feet. The improvements will be constructed at 703 S. Lincoln Avenue in Grand Island, Nebraska.

EXHIBIT C  
(Estimated)

1.	<u>Acquisition Costs:</u>	
	A. Land	\$25,000.00
	B. Building - Included in Land Cost	\$
2.	<u>Construction Costs:</u>	
	A. Demolition:	\$8,000.00
	B. Renovation or Building Costs:	\$232,165.00
	C. On-Site Improvements:	\$16,575.00
	D. Off-Site Improvements:	N/A
3.	<u>Soft Costs:</u>	
	A. Architectural & Engineering Fees:	\$
	B. Financing:	\$5,000.00
	C. Legal/Developer/Audit Fees:	\$1,000.00
	D. Contingency Reserves:	\$10,000.00
	E. Other (Building Permits)	\$1,500.000
	<b>TOTAL</b>	<b>\$299,240.00</b>