



Community Redevelopment Authority (CRA)

**Wednesday, July 11, 2012
Regular Meeting Packet**

Board Members:

Michelle Fitzke

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, July 11, 2012
Regular Meeting

Item A1

Agenda

Staff Contact: Chad Nabity

Wednesday July 11, 2012
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 June 13, 2012 Meeting.
3. Approval of Financial Reports.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Memorandum of Understanding with Chief Industries. Re: Former Aurora Coop Property.
7. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for 125 N Carey Street, Grand Island, with Token Properties, LLC.
8. Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for 125 N Carey Street, Grand Island, with Token Properties, LLC.
9. Discussion with Procon regarding the possible sale of 3rd floor of Old City Hall.
10. Budget Discussion.
11. ADJOURN TO EXECUTIVE SESSION TO DISCUSS NEGOTIATIONS.

RETURN TO REGULAR SESSION

12. Approve Resolution or Resolutions to Purchase/Sell Property.
13. Directors Report
14. Adjournment

Next Meeting July 31, 2012

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



Community Redevelopment Authority (CRA)

Wednesday, July 11, 2012
Regular Meeting

Item B1

June Meeting Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF June 13, 2012

Pursuant to due call and notice thereof, a Regular Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on June 13, 2012 at City Hall 100 E First Street. Notice of the meeting was given in the June 6, 2012 Grand Island Independent.

1. CALL TO ORDER. Chairman Barry Sandstrom called the meeting to order at 4:06 p.m. The following members were present: Glen Murray, Michelle Fitzke, and Sue Pirnie. Also present were; Director, Chad Nabity; Secretary, Rose Woods; Legal Counsel, Duane Burns; Greg Baker, Larry Fowle and Kelly Rafferty. (Member Tom Gdowski was absent).

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 May 9, 2012 meeting was made by Murray and seconded by Pirnie, with the correction noted for item # 1 of the incorrect name. Upon roll call vote all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Sandstrom reviewed the financial reports for the period of May 1, 2012 through May 31, 2012. Motion was made by Pirnie and seconded by Fitzke 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 Pirnie and seconded by Murray to approve the bills in the amount of \$14,689.20. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$14,689.20.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity reviewed the Committed Projects. He noted the individual building evaluations was complete for the Downtown BID and that would be removed from the committed projects. Larry Fowle would be submitting a bill to the CRA next month for his micro blight study. Chief Industries is continuing their demo and cleanup of the old co-op. The Howard Johnson/Denny's is scheduled to open July 1st. There still have been no final inspections on Fonner Park. YMCA has a lot of work going on. The

Grand Façade is almost done and will be sending a bill in the next few months. Willmar Reality is complete.

6. CONSIDERATION OF RESOLUTION 134.

Consideration of a Resolution to reimburse expenditures associated with the Lincoln Park Pool with the proceeds of bonds to be issued for the construction of the Lincoln Pool. This resolution will permit the CRA to use funds from the bond to pay expenses that may be incurred prior to the issuance of the bond with the bond funds. At this time we are not expecting to use this provision but it is prudent to allow for the possibility.

A motion for approval of Resolution No. 134 was made by Murray and seconded by Pirnie. Upon roll call vote all present voted aye. Motion carried unanimously.

7. CONSIDERATION OF RESOLUTION TO APPROVE A REDEVELOPMENT CONTRACT AND RESOLUTION 135.

Consideration to approve a Resolution of intent to enter into a Redevelopment Contract with EIG, Grand Island, for site specific redevelopment of an area within the city limits of the City of Grand Island, at 3420 W State Street, Grand Island, Nebraska. The CRA passed Resolution 133 notifying City Council of their intent to enter into a redevelopment contract at their meeting May 9, 2012. The Hall County Regional Planning Commission met on June 6, 2012 and passed Resolution 2012-05 finding this plan amendment is consistent with the comprehensive development plan for the City of Grand Island. The Grand Island City Council considered Resolution 2012-153 and approved the site specific redevelopment plan at their meeting on June 12, 2012.

A motion to approve a Redevelopment Contract with EIG and to approve Resolution No. 135 was made by Pirnie and seconded by Fitzke. Upon roll call vote all present voted aye. Motion carried unanimously.

8. CONSIDERATION OF A SITE SPECIFIC PLAN RESOLUTION NO. 136.

Consideration of a Resolution to forward a Site Specific redevelopment plan to the Hall County Regional Planning Commission for 709 and 715 W 18th Street. The CRA received a TIF application and staff has prepared a Site Specific redevelopment plan (the "Plan"), for redevelopment of an area within city limits of the City of Grand Island, Hall County, Nebraska.

Items # 8 and #9 were taken together in a motion.

9. CONSIDERATION OF RESOLUTION 137.

Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for 709 and 715 W 18th Street.

A motion for approval of Resolution No. 136 and Resolution No. 137 was made Pirnie and seconded by Murray. Upon roll call vote Pirnie, Murray and Fitzke voted aye. Sandstrom abstained. Motion carried unanimously.

10. REVIEW OF BLIGHT STUDY FOR AREA #10 AND REFER TO COUNCIL.

The CRA awarded a grant to Mr. Larry Fowle to cover the cost of a blight study to include his property at 809 S. Kimball and surrounding property as suggested by the CRA. Mr. Fowle has contracted with Keith Marvin of Marvin Planning Consultants to conduct the study. The findings of the study confirm that this area does meet the requirements to be declared blighted and substandard. A copy of the study is attached for review by the CRA. It would be appropriate for the CRA to forward this study the Grand Island City Council for their consideration.

A motion to forward the Blight Study for Area #10 to City Council for their approval was made by Murray and seconded by Fitzke. Upon roll call vote all present voted aye. Motion carried unanimously

10. DIRECTORS REPORT.

Budget will be discussed next month.

11. ADJOURNMENT.

Sandstrom adjourned the meeting at 4:32 p.m.

The next meeting is scheduled for July 11, 2012 at 4:00 p.m.

Respectfully submitted
Chad Nabity
Director



Community Redevelopment Authority (CRA)

Wednesday, July 11, 2012
Regular Meeting

Item C1

Financial Reports

Staff Contact: Chad Nabity

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2012

	MONTH ENDED JUNE 2012	2011-2012 YEAR TO DATE	2012 BUDGET	REMAINING BALANCE
CONSOLIDATED				
Beginning Cash	752,962	923,823	923,823	593,514
REVENUE:				
Property Taxes - CRA	86,470	338,555	437,618	99,063
Property Taxes - Lincoln Pool	37,068	101,350	201,787	100,437
Property Taxes -TIF's	34,022	317,030	318,406	1,376
Loan Proceeds	-	-	-	-
Interest Income - CRA	8	4,355	8,000	3,645
Interest Income - TIF'S	17	643	-	-
Land Sales	-	1,532	70,000	68,468
Other Revenue - CRA	1,704	8,228	10,000	1,772
Other Revenue - TIF's	2,966	9,553	1,000	-
TOTAL REVENUE	162,255	781,246	1,046,811	274,761
TOTAL RESOURCES	915,217	1,705,069	1,970,634	868,274
EXPENSES				
Auditing & Accounting	55	4,080	5,000	920
Legal Services	270	1,391	10,000	8,610
Consulting Services	-	-	10,000	10,000
Contract Services	1,942	33,063	55,000	21,937
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	7,599	5,000	(2,599)
General Liability Insurance	-	-	250	250
Postage	3	175	200	25
Matching Grant	-	-	-	-
Legal Notices	16	1,784	800	(984)
Licenses & Fees	-	-	-	-
Travel & Training	-	161	1,000	839
Other Expenditures	-	-	500	500
Office Supplies	-	-	500	500
Supplies	-	-	300	300
Land	-	-	100,000	100,000
Bond Principal - Lincoln Pool	-	-	201,787	201,787
Façade Improvement	12,414	531,792	987,500	455,708
South Locust	-	-	-	-
Alleyway Improvement	-	-	-	-
Other Projects	-	-	111,000	111,000
Bond Principal	75,057	272,475	266,659	(5,816)
Bond Interest	23,877	50,965	50,747	(218)
Interest Expense	-	-	-	-
TOTAL EXPENSES	113,632	903,484	1,807,243	903,759
INCREASE(DECREASE) IN CASH	48,623	(122,238)	(760,432)	(628,998)
ENDING CASH	801,585	801,585	163,391	(35,484)
CRA CASH	648,678			
LINCOLN POOL CASH	101,350			
TIF CASH	51,557			
Total Cash	801,585			
CHECKING	436,344			
INVESTMENTS	365,241			
Total Cash	801,585			

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2012

	MONTH ENDED JUNE 2012	2011-2012 YEAR TO DATE	2012 BUDGET	REMAINING BALANCE
CRA				
GENERAL OPERATIONS:				
Property Taxes - CRA	86,470	338,555	437,618	99,063
Property Taxes - Lincoln Pool	37,068	101,350	201,787	100,437
Interest Income	8	4,355	8,000	3,645
Land Sales	-	1,532	70,000	68,468
Other Revenue & Motor Vehicle Tax	1,704	8,228	10,000	1,772
TOTAL	125,250	454,021	727,405	273,384
GILI TRUST				
Property Taxes	-	32,019	32,890	871
Interest Income	-	511	-	-
Other Revenue	-	-	-	-
TOTAL	-	32,530	32,890	871
CHERRY PARK LTD II				
Property Taxes	-	64,641	59,180	-
Interest Income	16	124	-	-
Other Revenue	-	-	-	-
TOTAL	16	64,764	59,180	-
GENTLE DENTAL				
Property Taxes	-	161	4,202	4,041
Interest Income	0	1	-	-
Other Revenue	-	-	-	-
TOTAL	0	162	4,202	4,041
PROCON TIF				
Property Taxes	13,597	23,028	19,162	-
Interest Income	0	2	-	-
Other Revenue	-	233	-	-
TOTAL	13,597	23,263	19,162	-
WALNUT HOUSING PROJECT				
Property Taxes	-	65,147	74,472	9,325
Interest Income	1	6	-	-
Other Revenue	2,966	9,320	-	-
TOTAL	2,967	74,473	74,472	9,325
BRUNS PET GROOMING				
Property Taxes	-	13,170	11,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	13,170	11,000	-
GIRARD VET CLINIC				
Property Taxes	-	14,037	14,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	14,037	14,000	-

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2012

	MONTH ENDED JUNE 2012	2011-2012 YEAR TO DATE	2012 BUDGET	REMAINING BALANCE
GEDDES ST APTS-PROCON				
Property Taxes	13,265	28,591	30,000	1,409
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	13,265	28,591	30,000	1,409
SOUTHEAST CROSSING				
Property Taxes	1,201	8,674	14,000	5,326
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	1,201	8,674	14,000	5,326
Poplar Street Water				
Property Taxes	1,704	1,826	1,000	(826)
Interest Income	-	-	-	-
Other Revenue	-	-	1,000	1,000
TOTAL	1,704	1,826	2,000	174
CASEY'S @ FIVE POINTS				
Property Taxes	4,256	8,670	15,000	6,330
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	4,256	8,670	15,000	6,330
SOUTH POINTE HOTEL PROJECT				
Property Taxes	-	44,144	22,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	44,144	22,000	-
TODD ENCK PROJECT				
Property Taxes	-	3,126	5,500	2,374
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	3,126	5,500	2,374
JOHN SCHULTE CONSTRUCTION				
Property Taxes	-	4,449	3,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	4,449	3,000	-
PHARMACY PROPERTIES INC				
Property Taxes	-	5,347	8,000	2,653
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	5,347	8,000	2,653
KEN-RAY LLC				
Property Taxes	-	-	5,000	5,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	5,000	5,000

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2012

	MONTH ENDED JUNE 2012	2011-2012 YEAR TO DATE	2012 BUDGET	REMAINING BALANCE
SKAGWAY				
Property Taxes	-	-	-	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	-	-
TOTAL REVENUE	162,255	781,246	1,046,811	310,887
EXPENSES				
CRA				
GENERAL OPERATIONS:				
Auditing & Accounting	55	4,080	5,000	920
Legal Services	270	1,391	10,000	8,610
Consulting Services	-	-	10,000	10,000
Contract Services	1,942	33,063	55,000	21,937
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	7,599	5,000	(2,599)
General Liability Insurance	-	-	250	250
Postage	3	175	200	25
Matching Grant	-	-	-	-
Legal Notices	16	1,784	800	(984)
Licenses & Fees	-	-	-	-
Travel & Training	-	161	1,000	839
Other Expenditures	-	-	500	500
Office Supplies	-	-	500	500
Supplies	-	-	300	300
Land	-	-	100,000	100,000
Bond Principal - Lincoln Pool	-	-	201,787	201,787
PROJECTS				
Façade Improvement	12,414	531,792	987,500	455,708
South Locust	-	-	-	-
Alleyway Improvement	-	-	-	-
Other Projects	-	-	111,000	111,000
TOTAL CRA EXPENSES	14,698	580,044	1,489,837	909,793
GILI TRUST				
Bond Principal	-	33,066	31,627	(1,439)
Bond Interest	-	1,325	1,263	(62)
Other Expenditures	-	-	-	-
TOTAL GILI EXPENSES	-	34,390	32,890	(1,500)
CHERRY PARK LTD II				
Bond Principal	25,421	49,894	49,894	(0)
Bond Interest	4,169	9,286	9,286	0
TOTAL CHERRY PARK EXPENSES	29,590	59,180	59,180	-
GENTLE DENTAL				
Bond Principal	1,396	2,745	2,760	15
Bond Interest	705	1,457	1,442	(15)
TOTAL GENTLE DENTAL	2,101	4,202	4,202	(0)

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2012

	MONTH ENDED JUNE 2012	2011-2012 YEAR TO DATE	2012 BUDGET	REMAINING BALANCE
PROCON TIF				
Bond Principal	5,909	11,641	11,782	141
Bond Interest	3,672	7,521	7,380	(141)
TOTAL PROCON TIF	9,581	19,162	19,162	0
WALNUT HOUSING PROJECT				
Bond Principal	21,905	43,096	43,096	(0)
Bond Interest	15,331	31,376	31,376	0
TOTAL WALNUT HOUSING	37,236	74,472	74,472	0
BRUNS PET GROOMING				
Bond Principal	-	13,170	11,000	(2,170)
Bond Interest	-	-	-	-
TOTAL BRUNS PET GROOMING	-	13,170	11,000	(2,170)
GIRARD VET CLINIC				
Bond Principal	-	14,037	14,000	(37)
Bond Interest	-	-	-	-
TOTAL GIRARD VET CLINIC	-	14,037	14,000	(37)
GEDDES ST APTS - PROCON				
Bond Principal	13,265	28,591	30,000	1,409
Bond Interest	-	-	-	-
TOTAL GEDDES ST APTS - PROCON	13,265	28,591	30,000	1,409
SOUTHEAST CROSSINGS				
Bond Principal	1,201	8,674	14,000	5,326
Bond Interest	-	-	-	-
TOTAL SOUTHEAST CROSSINGS	1,201	8,674	14,000	5,326
POPLAR STREET WATER				
Bond Principal	1,704	1,826	-	(1,826)
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
Contract Services	-	-	-	-
TOTAL POPLAR STREET WATER	1,704	1,826	-	(1,826)

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF JUNE 2012

	MONTH ENDED JUNE 2012	2011-2012 YEAR TO DATE	2012 BUDGET	REMAINING BALANCE
CASEY'S @ FIVE POINTS				
Bond Principal	4,256	8,670	15,000	6,330
Bond Interest	-	-	-	-
TOTAL CASEY'S @ FIVE POINTS	4,256	8,670	15,000	6,330
SOUTH POINTE HOTEL PROJECT				
Bond Principal	-	44,144	22,000	(22,144)
Bond Interest	-	-	-	-
TOTAL SOUTH POINTE HOTEL PROJECT	-	44,144	22,000	(22,144)
TODD ENCK PROJECT				
Bond Principal	-	3,126	5,500	2,374
Bond Interest	-	-	-	-
TOTAL TODD ENCK PROJECT	-	3,126	5,500	2,374
JOHN SCHULTE CONSTRUCTION				
Bond Principal	-	4,449	3,000	(1,449)
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL JOHN SCHULTE CONSTRUCTION	-	4,449	3,000	(1,449)
PHARMACY PROPERTIES INC				
Bond Principal	-	5,347	8,000	2,653
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL PHARMACH PROPERTIES INC	-	5,347	8,000	2,653
KEN-RAY LLC				
Bond Principal	-	-	5,000	5,000
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL KEN-RAY LLC	-	-	5,000	5,000
SKAGWAY				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL SKAGWAY	-	-	-	-
TOTAL EXPENSES	113,632	903,484	1,807,243	903,759



Community Redevelopment Authority (CRA)

Wednesday, July 11, 2012
Regular Meeting

Item D1

July Bills

Staff Contact: Chad Nabity

11-Jul-12

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		\$ 1,913.34
Accounting		
Officenet Inc.		
Postage		\$ 28.53
Lawnscape	408 E 2nd mowing	\$ 64.00
Lawnscape	3525 S Locust Shredding	\$ 350.00
Jerry's Sheet Metal	State Fair Sheep Barn	\$ 96,311.50
Grand Island Independent		
Monthly & Redevelopment Plan Notices		\$ 15.52
Mayer, Burns, Koenig & Janulewicz	Legal Services	\$ 105.00

Total:

\$ 98,787.89



Community Redevelopment Authority (CRA)

Wednesday, July 11, 2012
Regular Meeting

Item E1

Committed Projects

Staff Contact: Chad Nabity

COMMITTED PROJECTS	TOTAL AMOUNT	2012 FISCAL YR	2013 FISCAL YR	2014 FISCAL YR	ESTIMATE D COMP
Downtown BID					
Grand Generation/YMCA		\$ 7,500.00			
Indv. Building Evaluations		\$ -			
Historic Lighting Projects		\$ 30,000.00			
Total Downtown BID *	\$ 97,500.00				Fall 2012
Larry Fowle/Micro Blight	\$ 2,000.00	\$ 2,000.00			Fall 2012
Chief Industries	\$ 100,000.00	\$ 100,000.00			Summer 2012
The Chocolate Bar	\$ 116,536.00		\$ 116,536.00		Spring 2013
3333 Ramada Rd - Howard Johnson	\$ 100,000.00	\$ 100,000.00			Fall 2012
Fonner Park **	\$ 192,623.00	\$ 96,311.50	\$ 96,311.50		Spring 2012
YMCA	\$ 48,000.00	\$ 48,000.00			Summer 2012
2014 Wayside Horns (Custer/Blaine)	\$ 100,000.00			\$ 100,000.00	Winter 2014
The Grand Façade \$300,000 (\$100 over 3 fiscal yrs)	\$ 300,000.00	\$ 200,000.00	\$ 100,000.00		Spring 2012
Wilmar Realty LLC \$300,000 (\$100k over 3 fiscal yrs) ***	\$ 100,000.00		\$ 100,000.00		Fall 2012
Total Committed	\$ 1,156,659.00	\$ 583,811.50	\$ 412,847.50	\$ 100,000.00	

Façade Budget \$ Remaining	\$ 422,708.37	\$ 987,500.00
Other Budget \$ to use	\$ 100,000.00	\$ 100,000.00
Other Budget \$ to use	\$ 111,000.00	\$ 111,000.00
 subtotal	\$ 666,708.37	\$ 1,198,500.00
Less committed	\$ (583,811.50)	\$ (412,847.50)
Balance remaining	\$ 82,896.87	\$ 785,652.50

CRA PROPERTIES

Address	Purchase Price	Purchase Date	Demo Cost	Status
408 E 2 nd St	\$4,869	11/11/2005	\$7,500	Surplus
3235 S Locust	\$450,000	4/2/2010	\$39,764	Surplus

June 30, 2012

* Downtown BID 8 has been paid for the POW Marker and for a part of the building evaluations.

** Fonner Park to be paid out over two years (project completed in Spring 2012).

*** Wilmar has been paid \$200,000 for their Façade grant (they have \$100,000 remaining).



Community Redevelopment Authority (CRA)

**Wednesday, July 11, 2012
Regular Meeting**

Item I1

Redevelopment Plan for 125 N Carey St. - Token Properties LLC

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: TOKEN Properties, LLC
Address: 511 Fleetwood Circle Grand Island, NE 68803
Telephone No.: 308-380-1041
Fax No.: 308-382-7054
Contact: Todd Enck

Brief Description of Applicant's Business:

TOKEN Properties, LLC is a real estate holding company formed by Todd Enck
Todd Enck is a rental property manager, General Contractor and owner of T.C.
Enck Builders, Inc.

Present Ownership Proposed Project Site: 125 N Carey St, Grand Island, NE 68803

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

(2) Energy Efficient duplexes with attached garages. 980 sq ft each. (4 units total) with landscaped yards and sprinklers installed.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land \$42,000.00

B. Building \$10,818.00

Demo, Tree Removal, Asbestos

Construction Costs:

A. Renovation or Building Costs: \$310,955.08

B. On-Site Improvements: \$ 15,344.00

Sidewalk, landscaping, sprinklers, sewer taps/water, survey

Soft Costs:

A. Architectural & Engineering Fees: \$ 1,400.00

B. Financing Fees: \$ 2,000.00

Appraisal, closing costs (no interest)

C. Legal/Developer/Audit Fees: \$

D. Contingency Reserves:	\$ 2,500.00
<hr/>	
E. Other (Please Specify)	\$ 2,750.00
<u>TIF financing fees</u>	
TOTAL	\$ 387,767.08

Total Estimated Market Value at Completion:	\$ 150,316.00(ea)
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Source of Financing:

A. Developer Equity:	\$
<hr/>	
B. Commercial Bank Loan:	\$289,000.00
Tax Credits:	
1. N.I.F.A.	\$
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2. Historic Tax Credits	\$
1 <hr/>	
D. Industrial Revenue Bonds:	\$
<hr/>	
E. Tax Increment Assistance:	\$ 76,812.00
F. Other	\$
<hr/>	

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

T.C. Enck Builders, Inc. – General Contractor

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

$(\$300,632 \times .90) \times (.0211) - (\$873.14) = \$4,835.86$ 90% of estimated value x
Expected Annual Mil Levy less Current taxes being paid on real estate

Project Construction Schedule:

Construction Start Date: September 2012

Construction Completion Date: September 2013

If Phased Project:

_____	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:

Amount of Incremental Prospective Annual Real Estate Taxes over 2011 Real
Estate Taxes on the subject property for 15 years will be used to redevelop the
property.

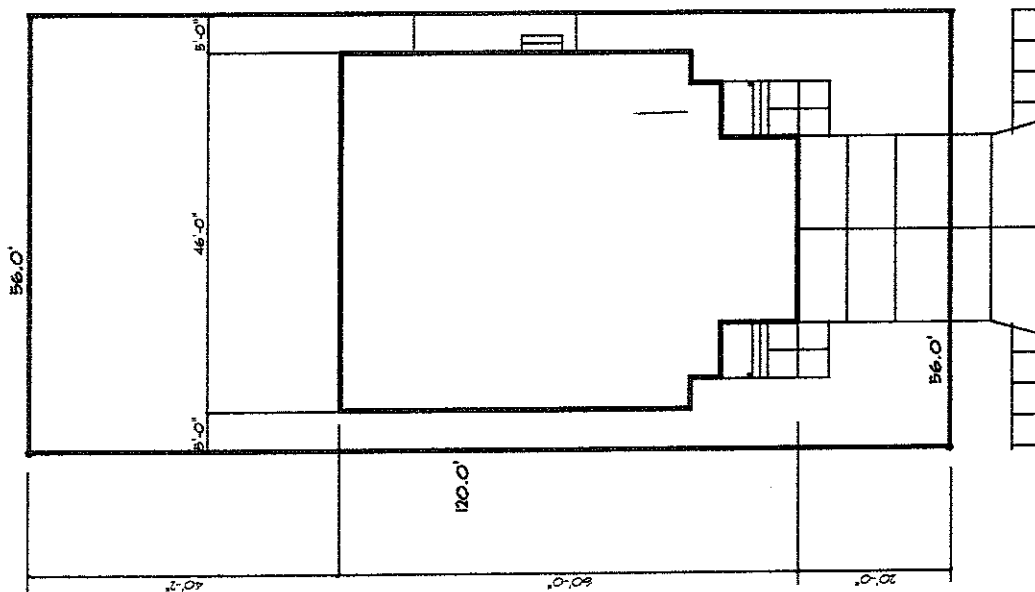
Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing
for Proposed Project: TIF is an important component in order for this project
to bridge the deficit between the actual cost of the project and the income
producing capability of the real estate. We feel that this project will add value to
a defined blighted area in the community as well as provide much needed quality
affordable rental housing.

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

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

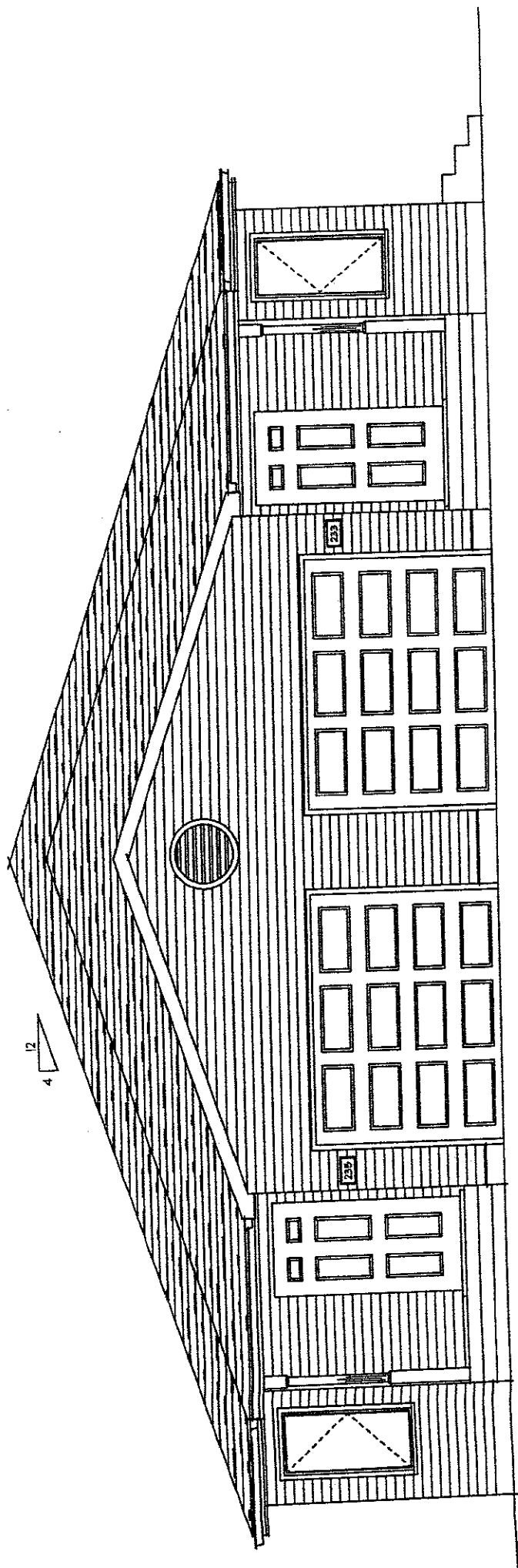
Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com

ALLEY

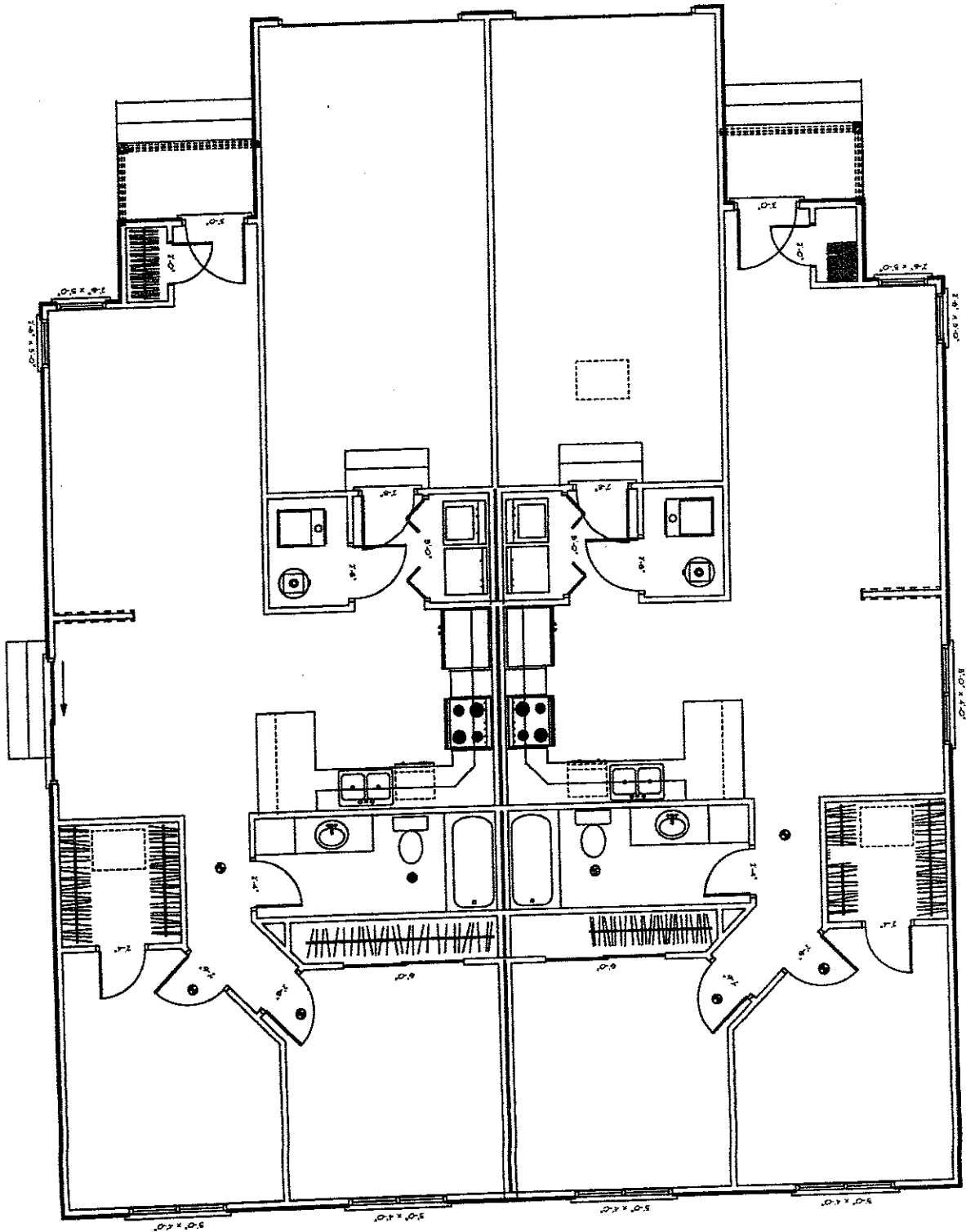


SITE PLAN

1" = 10.0'



FRONT ELEVATION



**Redevelopment Plan Amendment
Grand Island CRA Area #6
July 2012**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #6 with in the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area #6.

**Executive Summary:
Project Description**

THE DEMOLITION OF THE EXISTING SINGLE FAMILY HOUSE AT 125 N CAREY AND THE SUBSEQUENT ACQUISITION, SITE WORK, UTILITY IMPROVEMENTS, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR REBUILDING TWO DUPLEXES AT THIS LOCATION.

The use of Tax Increment Financing to aid in demolition of existing structures along with costs associated with redevelopment of this site with two new duplexes. The use of Tax Increment Finance makes it affordable to provide additional housing in Grand Island at this location at a contract rent that is consistent with the neighborhood. This project would not be possible in an affordable manner without the use of TIF.

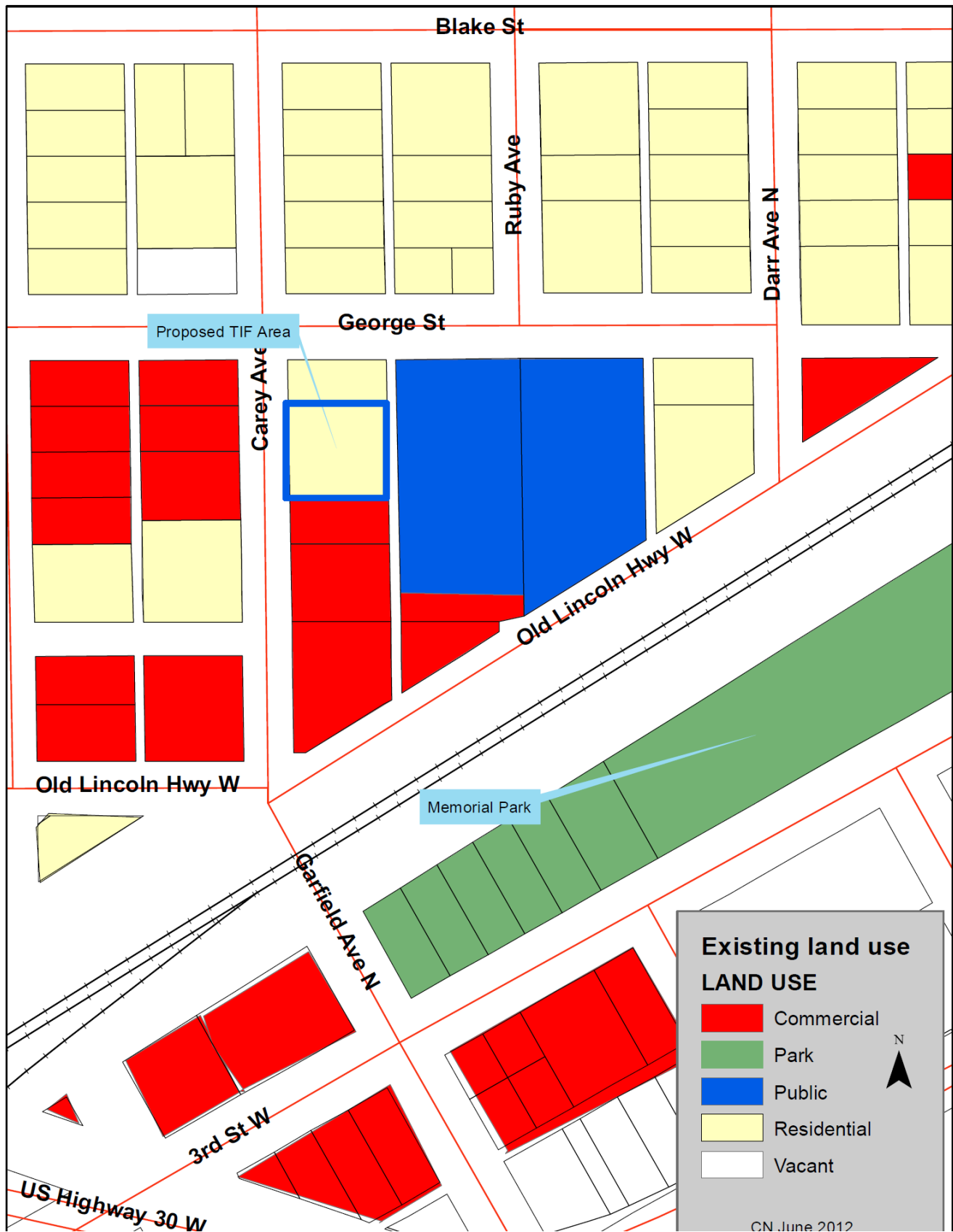
The site is owned by the developer and will be acquired for actual purchase price by a Limited Liability Corporation owned and controlled by the developer. All site work, demolition and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2013 towards the allowable costs and associated financing for the acquisition and site work.

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 at the northeast corner of 125 N Carey in northeast Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lots 7 and 8 Block 37 of Packer and Barr’s Second Addition to the City of Grand Island.



The tax increment will be captured for the tax years the payments for which become delinquent in years 2014 through 2028 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 development of a duplex housing unit at this location.

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, 2013.

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 October 9, 2007.[§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 acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

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

a. Land Acquisition:

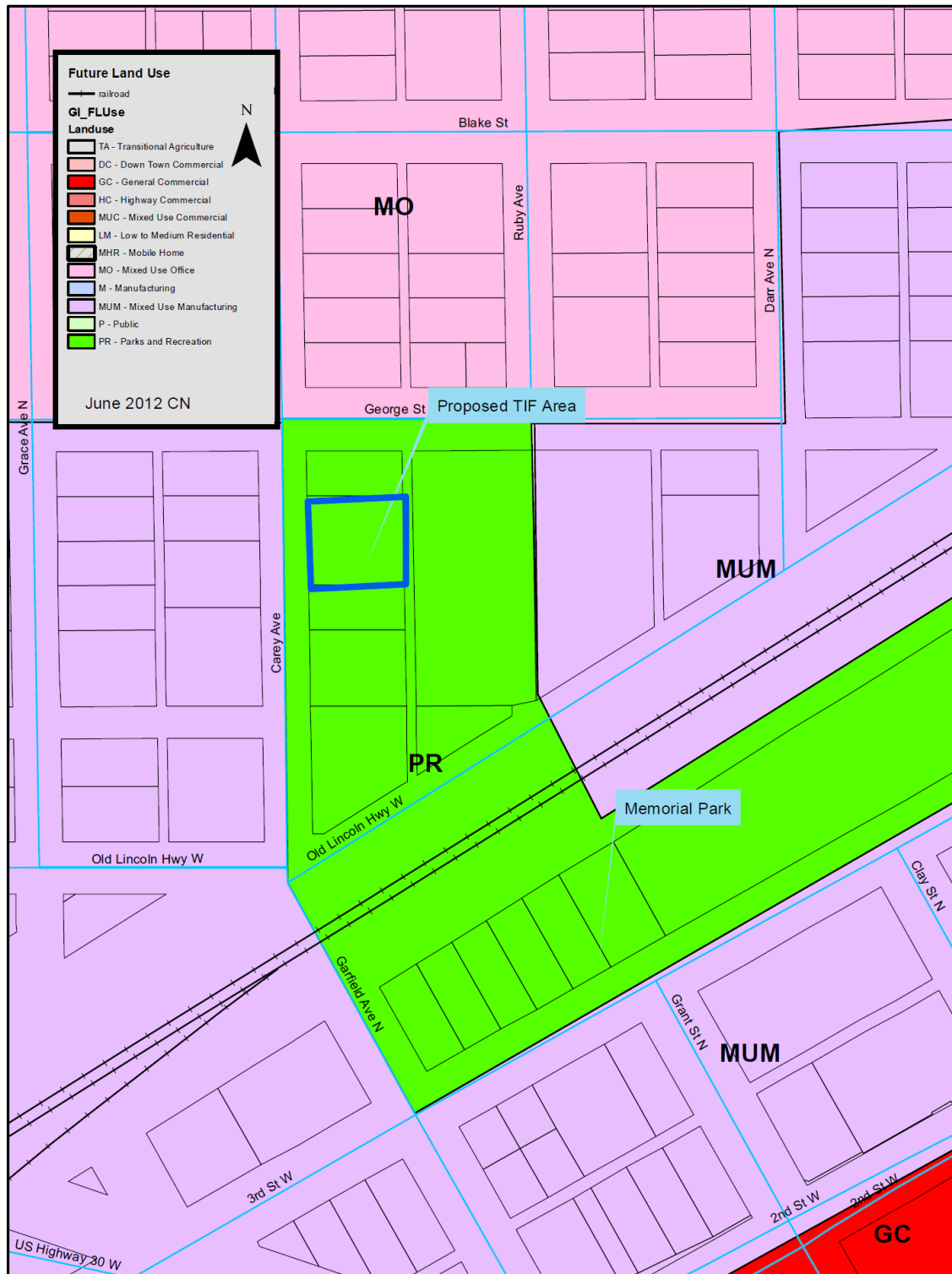
The Redevelopment Plan for Area #6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does for the demolition and removal of an existing substandard housing unit at this location. The structure to be demolished is a vacant substandard residential structure owned by the applicant.

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 mixed-used manufacturing development, this includes both small scale manufacturing and housing. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

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

The area is zoned M3-Mixed Use Manufacturing zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing remove the existing structures from the property. The M3 zoning district allows 1 dwelling unit per 1000 square feet of property the size of each lot is 6720 square feet; enough to legally accommodate a duplex housing unit on each lot. The property is zoned M3 and could accommodate a building of up to 65% of the property area; allowable coverage would be about 4,368 square feet. The proposed units including the attached garages will cover about 2,400 square feet, well within the allowable coverage. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. New water and sewer services may be required for this building.

No other utilities would be impacted by the development.

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

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property, owned by the developer is currently vacant, 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]

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 purchased the property in 2006. The cost of property acquisition \$42,000 is included as a TIF eligible expense. The property will be transferred to Token Properties, LLC for the original purchase price. Costs for demolition, site preparation, landscaping, concrete and contingencies of \$28,662 are included as a TIF eligible expense. Engineering and design fees are estimated at \$1,400 and are included as a TIF eligible expense. Fees and reimbursement to the City and the CRA of \$2750 are included as a TIF eligible expense. Finance, interest and closing costs of \$2000 are included as a TIF eligible expense. The total of eligible expenses for this project is \$76,812.

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

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$76,812 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, 2014 through December 2028.

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 the utilization of and redevelopment of commercial lots. This will not significantly impact traffic on at the Five Points intersection. Renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between October 2012 and September of 2013. Excess valuation should be available for this project for 15 years beginning with the 2014 tax year.

9. Justification of Project

This is a residential neighborhood characterized by single family dwellings on smaller lots. The existing structure is considered badly worn by the Hall County Assessor and has a number of safety issues that cannot be fixed without the cost of the repairs exceeding the value of the building. The City of Grand Island is in need of additional housing units and this development will remove one very poor housing unit and replace it with 4 brand new units. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value.

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.

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

The redevelopment project area currently has an estimated valuation of \$41,244. The proposed demolition and subsequent construction of duplexes at this location will result in an additional \$259,750 of taxable valuation based on an analysis by the Hall County Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

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

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be 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;

The proposed facility will provide jobs for persons employed with T.C. Enck Construction. It will have no impact on other firms locating or expanding in the area.

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

This project will not have a negative impact on other employers and will result in additional housing choices for employees within 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 project will increase the available quality housing in Grand Island by a net of four (4) units. The existing structure is worn out and not acceptable as a housing unit. These types of smaller projects spread throughout the city will have a less drastic impact on neighborhoods and schools than a centralized larger housing project.

This neighborhood has not had a great deal of new development in many years and some newer buildings, especially ones that replace worn out buildings are likely to raise all of the property values.

Time Frame for Development

Development of this project is anticipated to be completed during between October 1, 2012 and September 1 of 2013. The base tax year should be calculated on the value of the property as of January 1, 2013. Excess valuation should be available for this project for 15 years beginning in 2013 with taxes due in 2014. 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 \$76,812 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the cost of demolition, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend at least \$76,812 on TIF eligible activities.

See Attached Building Plans

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

RESOLUTION NO. 138

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

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

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

Passed and approved this ____ day of _____, 2012.

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

By _____
Chairperson

ATTEST:

Secretary

EXHIBIT 1

REDEVELOPMENT PLAN AMENDMENT

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

RESOLUTION NO. 139

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

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within redevelopment area #6, from Token Properties, LLC, (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area #6;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

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

Passed and approved this ____ day of _____, 2012.

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

By _____
Chairperson

ATTEST:

Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ____th day of _____, 2012, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (**“Authority”**), and Token Properties, LLC, a limited liability company (**“Redeveloper”**).

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the **“City”**), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended (collectively the **“Act”**), has designated an area in the City as blighted and substandard; and

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract for acquisition and redevelopment of a parcel in the 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, 2007, as amended, and acts amendatory thereof and supplemental thereto

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

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

“Governing Body” means the Mayor and City Council of the City.

“Holder” means the holders of TIF indebtedness issued by the Authority from time to

time outstanding.

“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 Area, as fully described in application of the Redeveloper to the Authority for assistance and the Redevelopment Plan Amendment, related to the application, approved by the Governing Body incorporated herein by reference and, as used herein, shall include the Redevelopment Area real estate.

“Project Costs” means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103 (a) through (f), inclusive, of the Act as identified on Exhibit C.

“Redeveloper” means Token Properties, LLC, a limited liability company.

“Redevelopment 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.

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

“Redevelopment Plan” means the Amended Redevelopment Plan for the Redevelopment Area related to the Project, prepared by the Authority and approved by the City pursuant to the Act.

“Resolution” means the Resolution of the Authority, as supplemented from time to time, approving this Redevelopment Contract and the issuance of the TIF Indebtedness.

“TIF Indebtedness” means the note incurred by the Authority pursuant to Article III hereof and secured in whole or in part by TIF Revenues, as shown on attached Exhibit B.

“TIF Revenues” means incremental ad valorem taxes generated by the Project which are 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) Wherever in this Redevelopment Contract it is provided that any person may do or perform any act or thing the word “may” shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by Authority.

The Authority makes the following representations and 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 and adopted by the City pursuant to Section 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 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.

(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 plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based on Representations made by the Redeveloper:

(i) the Project would not be economically feasible without the use

of tax-increment financing,

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

(iii) 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.

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

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is 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 in any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

(d) Any financial statements of the Redeveloper or its Members 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.

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

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

(g) The Redeveloper is an accredited investor as that term is defined for purposes Regulation D, issued pursuant to the Securities Act of 1933, as amended.

(h) The Redeveloper hereby verifies it has been legally obligated to incur the costs set forth on Exhibit C as part of the Project.

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on the following real property in the Project: to wit: Lot 8 Block 31 of Packer and Barr's Second Addition to the City of Grand Island, Hall County, Nebraska, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be January 1, 2013.

(a) That proportion 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 (as defined in the Act) 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 proportion of the ad valorem tax on real property in the Redevelopment 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 to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such 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 Project shall be paid into the funds of the respective public bodies.

Section 3.02 Issuance of TIF Indebtedness

Execute and deliver to the Redeveloper, as Purchaser, at closing, the Redevelopment Note in substantially the same form as the copy attached hereto as Exhibit B. The purchase price of the TIF Indebtedness shall be offset against the Grant described in Section 3.04 hereof.

The TIF Indebtedness issued pursuant to the provisions of this contract constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1) (b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Redevelopment Area" The TIF Indebtedness shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. The TIF Indebtedness shall not constitute an obligation of the State of Nebraska or of the City or the Authority (except for such receipts as have been pledged pursuant to Section 3.03) and neither the State or Nebraska, the Authority nor the City shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 3.03). Neither the members of the Authority's governing body nor any person executing the TIF Indebtedness shall be liable personally on the TIF Indebtedness by reason of the issuance thereof. The Authority's obligation to the holder of the TIF Indebtedness shall terminate, in all events no later than 15 years from the effective date set forth in Section 3.01 hereof.

Section 3.03 Pledge of TIF Revenues.

The Authority hereby pledges 100% of the annual TIF Revenues as security for the TIF Indebtedness.

Section 3.04 Grant of Proceeds of TIF Indebtedness.

From the proceeds of the TIF indebtedness incurred as described on Exhibit B, the Authority shall grant the following sums to the following entities, to wit: 100% to the Redeveloper for Project Costs.

Notwithstanding the foregoing, the amount of the grant shall not exceed the amount of Project Costs certified pursuant to Section 4.02. The grants shall be paid to the Redeveloper upon certification that the Redeveloper has incurred or is obligated to incur such Project Costs which include supporting documentation requested by Authority from time to time.

Section 3.05 Creation of Fund.

The 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 Indebtedness issued pursuant to Sections 3.02 above.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Insurance.

(a) Redeveloper will complete the Project and install all infrastructure, improvements, buildings, fixtures, equipment and furnishings 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. As used herein, the term "completion" shall mean substantial completion of the Project.

(b) Any general 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 City, the Authority and the Redeveloper shall be named as additional insured. 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 any of the policies.

Section 4.02 Cost Certification.

Redeveloper shall submit to Authority a certification of Project Costs, on or before the issuance of the TIF Indebtedness which shall contain detail and documentation showing the payment or obligation for payment of Project Costs specified on the attached Exhibit C in an amount at least equal to the grant to Redeveloper pursuant to Section 3.05.

Section 4.03 Costs.

Redeveloper shall pay the Authority the following sums on execution of this agreement:

- a. \$1,250 for legal expenses of Authority
- b. \$1,000 for City administrative accounting of incremental tax payments.

Redeveloper understands that the law firm assisting with the issuance of the TIF Indebtedness represents the Authority and not the Redeveloper.

Section 4.04 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as any TIF Indebtedness is outstanding, 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 4.05 Pay Real Estate Taxes.

Redeveloper intends to create a taxable real property valuation of the Redevelopment Area and Project of Two Hundred Ten Thousand Dollars (\$210,000) no later than January 1, 2014. During the period that any TIF Indebtedness is outstanding, neither the Redeveloper, nor its assigns, will (1) file a protest seeking to obtain a real estate property valuation on the Redevelopment Area of less than Two Hundred Ten Thousand Dollars (\$210,000) after substantial completion or occupancy; (2) convey the Redevelopment Area on 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; nor (3) allow real estate taxes and assessments levied on the Redevelopment Area and Project to become delinquent during the term that any TIF Indebtedness is outstanding.

Section 4.07 Assignment or Conveyance.

Any assignment or conveyance of the any portion of the Redevelopment, 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 Area by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract.

Section 4.08 Purchase of TIF Indebtedness.

The Redeveloper shall purchase the TIF Indebtedness at 100% of the principal amount thereof upon issuance of such debt. The Authority offset such purchase against the grant provided in Section 3.04 hereof.

Section 4.09 Penal Bond.

The Redeveloper shall execute a penal bond for the Project with good and sufficient surety to be approved by the Authority meeting the requirements of Section 18-2151, Reissue Revised Statutes of Nebraska, as amended, on or prior to its execution of this Contract.

Section 4.10 Immigration Status.

Redeveloper agrees that any contractor providing services on the Project site will utilize the federal immigration verification system, as defined in Section 4-114, Reissue Revised Statutes of Nebraska, (Supp. 2009), to determine the work eligibility status of new employees physically performing services on the Project.

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

Redeveloper shall pay all Project Costs and any and all other costs related to the Redevelopment Area and the Project which are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to Redeveloper. Prior to issuance of the TIF Indebtedness, 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. 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 on in breach of its obligations.

Section 6.02 Additional Remedies of Authority

In the event that:

(a) The Redeveloper, on successor in interest, shall fail to complete the construction of the Project on or before January 1, 2014, or shall abandon construction work for any period of 90 days,

(b) The Redeveloper, on successor in interest, shall fail to pay real estate taxes or assessments on the Redevelopment Area on any part thereof or payments in lieu of taxes pursuant to Section 4.07 when due; or

(c) There is, in violation of Section 4.08 of this Redevelopment Contract, 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 grant to Redeveloper pursuant to Section 3.04 of this Redevelopment Contract, less any reductions in the principal amount of the TIF Indebtedness, plus interest on such amounts 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 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 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 officers, directors, employees, agents nor their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be the issuance of the TIF Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, as specifically set forth in Sections 3.02 and 3.04. The obligation of the City and Authority on any TIF Indebtedness shall be limited solely to the payment of the TIF Revenues on the TIF Indebtedness. Specifically, but without limitation, neither the 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 City and Authority from, agrees that neither the City or 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 directors, officers, agents, employees and member 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, whether on not related to the Project, or resulting from or in any way connected with specified events, including the management of the Project, 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.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract shall be recorded with the County Register of Deeds in which the Redevelopment Area is located.

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 Redevelopment Area. The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound.

Section 7.04 Third Party Enforcement.

The provisions of this Redevelopment Contract which obligate the Redeveloper shall inure to the benefit of the holder of the TIF Indebtedness, the Hall County Assessor, the City and the Authority, any of whom may, but are not obligated to enforce the terms of this Redevelopment Contract in a court of law.

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: _____
Chairman

Token Properties, LLC

Managing Member

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

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

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
_____, by _____, Managing Member of Token Properties, LLC, on behalf of
the company.

Notary Public

EXHIBIT A

DESCRIPTION OF REDEVELOPMENT AREA

Lots 7 and 8 Block 37 of Packer and Barr's Second Addition to the City of Grand Island, Hall County, Nebraska.

A-I

EXHIBIT B

FORM OF TIF INDEBTEDNESS

Exhibit B

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (1933 ACT) AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE 1933 ACT SHALL BE IN EFFECT WITH RESPECT HERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE 1933 ACT AND ALL RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND (THE AUTHORITY) PRIOR TO SUCH TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AN OPINION OF COUNSEL, SATISFACTORY TO THE AUTHORITY TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY
AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(TOKEN PROPERTIES, LLC (TODD ENCK) PROJECT)

Principal Amount
\$76,812

Interest Rate Per Annum
0.00%

Final Maturity Date
December 31, 2027

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to Token Properties, LLC, or order, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest at the rate of zero percent [0.00%] per annum on the unpaid balance. This Note is due and payable in full on December 31, 2027. This Note shall also be subject to mandatory partial redemption, without notice, on each June 1 and December 1, ("Payment Date") beginning June 1, 2013, from all funds available in the Debt Service Fund established by the Grand Island City Treasurer for the tax increment revenues pledged to payment of this Note, rounded down to the nearest one hundred dollars (which funds are referred to in this Note as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each payment date and shall be remitted to the registered owner of the Note. The payment of principal due upon the final

maturity is payable upon presentation and surrender of this Note to the Treasurer of said Authority, as Paying Agent and Registrar for said Authority, at the offices of the Community Redevelopment Authority of the City of Grand Island at City Hall, in Grand Island, Nebraska. The payments of mandatory partial redemption of principal on each payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Note, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the payment date occurs, to such owner's address as shown on such books and records.

The Authority, however, reserves the right and option of prepaying principal of this Note, in whole or in part, from any available sources at any time at the principal amount thereof. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Note at said registered owner's address. The principal of this Note shall be subject to mandatory redemptions made in part on any payment date, as set forth in this Note, from available funds without any requirement for notice.

This Note is the single Note in the total principal amount of Seventy Six Thousand Eight Hundred Twelve and no one hundredths Dollars (\$76,812.00) issued by the Authority for the purpose of paying the costs of redevelopment of certain real estate located in the City of Grand Island, as designated in that redevelopment plan amendment recommended by the Authority and approved by the City Council of the City of Grand Island, Nebraska, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, and has been duly authorized by resolution passed and approved by the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Redevelopment Contract). Pursuant to Section 18-2150, R.R.S. Neb. 2007, said portion of taxes has been pledged for the payment of this Note, as the same become subject to mandatory redemption. This Note shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Note shall not constitute an obligation of the State of Nebraska or of the City or Grand Island (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007) and neither the State or Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007). Neither the members of the Authority's governing body nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

This Note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Note for notation of transfer as provided on the reverse hereof and subject to the conditions provided for established by the Authority. The Authority, the Paying Agent and Registrar and any other person may treat the person whose name this Note is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Note be overdue or not.

THIS NOTE MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS ESTABLISHED BY THE AUTHORITY.

If the day for payment of the principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Grand Island, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

THE PRINCIPAL AND INTEREST DUE ON THIS NOTE SHALL BE REDUCED TO ZERO AFTER ALL AVAILABLE FUNDS PLEDGED TO THIS NOTE HAVE BEEN PAID TO THE HOLDER HEREOF REGARDLESS OF WHETHER SUCH PAYMENTS ARE SUFFICIENT TO AMORTIZE THE ORIGINAL PRINCIPAL AND INTEREST HEREON. "AVAILABLE FUNDS" IN THIS REGARD SHALL MEAN ALL INCREMENTAL AD VALOREM TAXES RELATED TO THE PROJECT WHICH BECOME DELINQUENT PRIOR TO JANUARY 1, 2027.

IN WITNESS WHEREOF, the Chair and Secretary of the Community Redevelopment Authority of the City of Grand Island have caused this Note to be executed on behalf of said Authority by being signed by the Chair and Secretary and by causing the official seal of said Authority to be affixed hereto, all as of the date of issue shown above.

Delivered this ____th day of _____, 2012.

(SEAL)

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

:

By: _____
Chair

ATTEST:

Secretary

PROVISION FOR REGISTRATION

The ownership of this Note shall be registered as to both principal and interest on the books and records of the Community Redevelopment Authority of the City of Grand Island, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing Note, who shall make notation of such registration in the registration blank below, and the transfer of this Note may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar
_____, 2012	Token Properties, LLC	

EXHIBIT C

PROJECT COSTS

All Project Costs payable from the proceeds of TIF indebtedness pursuant to the Act including:

1. Acquisition	\$42,000
2. Demolition site preparation and concrete	\$ 28,662
3. Finance & Closing	\$ 2,000
4. Architectural	\$ 1,400
5. Authority costs	<u>\$ 2,750</u>
TOTAL	\$76,812



Community Redevelopment Authority (CRA)

**Wednesday, July 11, 2012
Regular Meeting**

Item K1

2012-2013 Budget

Staff Contact: Chad Nabity

July 5, 2011

From: Chad Nabity, AICP Director

To: CRA Board

Re: 2012-2013 Budget

Enclosed you will find a draft of the 2012-2013 CRA Budget.

The 2012-2013 CRA Budget is presented with projected revenue from taxes of \$640,000 the levy from last year is being retained and includes about \$436,000 for CRA purposes including grants, façade improvements, committed projects and staffing as well as \$204,000 for Lincoln Park Pool. This budget does project \$90,000 of revenue for property sales during the upcoming year but has enough flexibility to accomplish all of budgeted activities without this occurrence.

Based on our recent history the budget includes \$150,000 for façade improvement. I am suggesting only \$50,000 for property acquisitions. The other projects line will drop from \$100,000 to \$90,000 this year this money could be shifted to property purchase, grants or façade improvements depending on the need. Budgeting money in other projects makes it possible for the CRA to consider purchases like heating the sheep barn at Fonner Park or helping pay for the demolition of the Aurora Coop buildings. This is the first look you have had at the budget and I appreciate your attention to it. Depending on the budget schedule with Council you will either consider approval of the budget at your next regular meeting on August 8th, 2012 or we may need to schedule a special meeting at the end of July.

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2012- 2013 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2012 Forecasted	2013 Budget
CONSOLIDATED							
Beginning Cash	952,497	1,236,622	1,547,542	985,902	918,329	918,329	333,272
There are rows that are hidden because they have formulas in them. If you unhide them DO NOT enter anything in them. Enter information for revenues and expenses below.							
REVENUE:							
TOTAL REVENUE	807,920	842,571	692,826	790,379	1,046,811	977,144	1,093,921
EXPENSES							
TOTAL EXPENSES	523,795	531,650	1,260,276	857,952	1,807,243	1,562,201	1,378,651
INCREASE(DECREASE) IN CASH	284,125	310,920	(567,451)	(67,572)	(1,034,000)	(585,057)	(284,730)
ENDING CASH	1,236,622	1,547,542	980,091	918,329	655,880	333,272	48,542
LESS COMMITMENTS	-	-			-	-	-
AVAILABLE CASH	1,236,622	1,547,542	980,091	918,329	655,880	333,272	48,542
CRA CASH	1,144,841	1,449,401	938,028	870,571	608,122	285,514	784
LINCOLN POOL CASH	-	-	-	-			
TIF CASH	91,781	98,141	42,063	47,758	47,758	47,758	47,758
TOTAL CASH	1,236,622	1,547,542	980,091	918,329	655,880	333,272	48,542

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2012- 2013 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2012 Forecasted	2013 Budget
CRA	REVENUES						
GENERAL OPERATIONS: 01							
Property Taxes	493,602	487,610	442,832	421,109	436,320	436,320	436,320
Property Taxes-Lincoln Pool Levy					203,085	203,085	203,085
Interest Income	41,561	14,889	19,804	2,403	8,000	2,000	1,000
Loan Income (Poplar Street Water Line)					-	1,800	2,500
Land Sales	-	47,335	-	30,000	70,000	-	100,000
Other Revenue & Motor Vehicle Tax	1,300	8,959	12,156	12,372	10,000	12,000	12,000
TOTAL	536,463	558,792	474,791	465,884	727,405	655,205	754,905
GILI TRUST-07							
Property Taxes	66,410	65,817	65,694	66,223	32,890	31,627	
Interest Income	-		-	12		1,263	
Other Revenue	1,108	277	8				
TOTAL	67,518	66,094	65,702	66,235	32,890	32,890	-
CHERRY PARK LTD II-08							
Property Taxes	62,743	91,836	32,832	63,374	59,180	49,894	53,831
Interest Income	251	497	301	186	-	9,286	5,349
Other Revenue		-	-				
TOTAL	62,994	92,334	33,133	63,561	59,180	59,180	59,180
GENTLE DENTAL-09							
Property Taxes	3,497	4,427	4,479	4,512	4,202	2,790	2,986
Interest Income	3	1	2	2	-	1,412	1,216
Other Revenue	947	2,610	-	-			
TOTAL	4,447	7,037	4,481	4,514	4,202	4,202	4,202
PROCON TIF-10							
Property Taxes	18,138	17,925	17,972	18,163	19,162	11,638	12,467
Interest Income	53	36	5	4	-	7,524	6,695
Other Revenue	972	232	1,172	1,555	-		
TOTAL	19,163	18,193	19,148	19,722	19,162	19,162	19,162
WALNUT HOUSING PROJECT-11							
Property Taxes	93,632	62,942	33,089	63,871	74,472	43,096	46,051
Interest Income	100	207	26	13	-	31,376	28,421
Other Revenue	10,825	12,395	11,180	10,588	-		
TOTAL	104,557	75,544	44,296	74,471	74,472	74,472	74,472

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2012- 2013 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2012 Forecasted	2013 Budget
BRUNS PET GROOMING-12							
Property Taxes	9,536	9,575	10,502	6,727	11,000	13,170	13,500
Interest Income			-				
TOTAL	9,536	9,575	10,502	6,727	11,000	13,170	13,500
GIRAD VET CLINIC-13							
Property Taxes	3,242	4,940	13,855	350	14,000	14,037	14,500
Interest Income	-	-	-		-	-	-
TOTAL	3,242	4,940	13,855	350	14,000	14,037	14,500
GEDDES ST APTS - PROCON-14							
Property Taxes		1,195	14,809	29,185	30,000	28,591	30,000
Interest Income	-	-	-		-	-	-
TOTAL	-	1,195	14,809	29,185	30,000	28,591	30,000
SOUTHEAST CROSSINGS-15							
Property Taxes	-	8,866	12,109	12,200	14,000	8,674	12,000
Interest Income	-	-	-		-	-	-
TOTAL	-	8,866	12,109	12,200	14,000	8,674	12,000
POPLAR STREET WATER-16							
Property Taxes	-	-	-	-	1,000	1,826	2,500
Interest Income	-	-	-	-	-	-	-
Other Revenue					1,000		
TOTAL	-	-	-	-	2,000	1,826	2,500
CASEY'S FIVE POINTS-17							
Property Taxes	-			4,429	15,000	8,670	10,000
Interest Income	-	-	-		-		
TOTAL CASEY'S FIVE POINTS	-	-	-	4,429	15,000	8,670	10,000
SOUTHPOINTE HOTEL-18							
Property Taxes	-	-	-	41,479	22,000	44,144	46,000
Interest Income	-	-	-		-		
TOTAL SOUTHPOINTE HOTEL	-	-	-	41,479	22,000	44,144	46,000
TODD ENCK-19							
Property Taxes	-	-	-	1,622	5,500	3,126	2,500
Interest Income	-	-	-	-	-		
TOTAL TC ENCK	-	-	-	1,622	5,500	3,126	2,500
JOHN SCHULTE CONSTRUCTION-21							
Property Taxes	-	-	-	-	3,000	4,448	6,000
Interest Income	-	-	-	-	-	-	
TOTAL JOHN SCHULTE CONSTRUCTION	-	-	-	-	3,000	4,448	6,000
PHARMACY PROPERTIES INC-22							
Property Taxes	-	-	-	-	8,000	5,347	11,000
Interest Income	-	-	-	-	-	-	
TOTAL PHARMACY PROPERTIES INC	-	-	-	-	8,000	5,347	11,000
KEN-RAY LLC-23							
Property Taxes	-	-	-	-	5,000	-	34,000
Interest Income	-	-	-	-	-	-	
TOTAL KEN-RAY LLC	-	-	-	-	5,000	-	34,000
TOTAL REVENUE	807,920	842,571	692,826	790,379	1,046,811	977,144	1,093,921

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2012- 2013 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2012 Forecasted	2013 Budget
EXPENSES	EXPENSES						
CRA							
GENERAL OPERATIONS: 01							
Auditing & Accounting	5,000	7,601	4,392	3,998	5,000	4,000	5,000
Legal Services	2,143	4,829	3,060	2,389	10,000	3,000	3,000
Consulting Services	-	-	-	-	10,000	5,000	10,000
Contract Services	34,362	26,122	84,977	40,666	55,000	55,000	55,000
Printing & Binding	568	-	-	-	1,000	-	1,000
Other Professional Services	4,112	-	-	6,393	5,000	-	5,000
General Liability Insurance	-	-	-	-	250	250	250
Postsge	142	159	202	712	200	200	200
Legal Notices	828	750	613	881	800	1,500	2,500
Licenses & Fees	-	-	-	-	-	-	-
Travel & Training	-	-	-	-	1,000	200	1,000
Other Expenditures	-	-	-	94	500	-	-
Office Supplies	105	38	328	746	500	300	300
Supplies	-	-	-	-	300	-	300
Land	33,090	129	448,720	2,002	100,000	-	50,000
						-	-
DEBT						-	-
Bond Payments/Fees					120,787	-	203,085
Payment to City-Lincoln Pool engineering fees					80,000	80,000	-
PROJECTS: 05						-	-
Façade Improvement	207,871	241,793	354,015	442,155	150,000	231,000	150,000
South Locust	-	-	-	-	-	-	-
2nd Street BID	-	-	-	-	-	-	-
Outstanding Façade Improvement Grants	-	-	-	-	500,000	400,000	318,000
Railroad Horns	-	-	-	-	240,000	144,500	-
Other Committed Projects	-	-	-	-	97,500	60,000	134,000
Other Projects	-	2,858	-	-	100,000	244,312	90,000
Property Taxes BID Fees	-	-	-	-	11,000	11,000	11,000
Property Management	-	-	-	-	-	-	-
TOTAL CRA OPERATING EXPENSES	288,221	284,279	896,308	500,035	1,488,837	1,240,262	1,039,635
GILI TRUST-07							
Bond Principal	47,158	51,009	55,158	59,654	31,627	31,627	-
Bond Interest	18,622	14,779	10,622	6,126	1,263	1,263	-
Other Expenditures	-	-	-	-	-	-	-
TOTAL GILI EXPENSES	65,780	65,788	65,780	65,780	32,890	32,890	-
CHERRY PARK LTD II-08							
Bond Principal	36,824	39,729	42,864	46,245	49,894	49,894	53,831
Bond Interest	22,356	19,451	16,316	12,935	9,286	9,286	5,349
TOTAL CHERRY PARK EXPENSES	59,180	59,180	59,180	59,180	59,180	59,180	59,180
GENTLE DENTAL-09							
Bond Principal	2,127	2,236	2,395	2,566	2,760	2,790	2,986
Bond Interest	2,075	1,966	1,807	1,636	1,442	1,412	1,216
TOTAL GENTLE DENTAL	4,202	4,202	4,202	4,202	4,202	4,202	4,202
PROCON TIF-10							
Bond Principal	10,601	9,064	10,183	10,829	11,782	11,638	12,467
Bond Interest	8,561	10,098	8,979	8,333	7,380	7,524	6,695
TOTAL PROCON TIF	19,162	19,162	19,162	19,162	19,162	19,162	19,162

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2012- 2013 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2012 Forecasted	2013 Budget
WALNUT HOUSING PROJECT-11							
Other Expenditures							
Bond Principal	33,055	35,321	37,743	40,331	43,096	43,096	46,051
Bond Interest	41,417	39,151	36,729	34,141	31,376	31,376	28,421
TOTAL WALNUT HOUSING PROJECT	74,472	74,472	74,472	74,472	74,472	74,472	74,472
BRUNS PET GROOMING-12							
Bond Principal	9,536	9,575	10,502	6,727	11,000	13,170	13,500
Bond Interest	-	-	-	-	-	-	-
TOTAL BRUNS PET GROOMING	9,536	9,575	10,502	6,727	11,000	13,170	13,500
GIRARD VET CLINIC-13							
Bond Principal	6,242	4,940	13,855	350	14,000	14,037	14,500
Bond Interest	-	-	-	-	-	-	-
TOTAL GIRARD VET CLINIC	6,242	4,940	13,855	350	14,000	14,037	14,500
GEDDES ST APTS - PROCON-14							
Bond Principal	-	1,195	14,809	29,185	30,000	28,591	30,000
Bond Interest	-	-	-	-	-	-	-
TOTAL GEDDES ST APTS - PROCON	-	1,195	14,809	29,185	30,000	28,591	30,000
SOUTHEAST CROSSINGS-15							
Bond Principal	-	8,866	12,109	12,200	14,000	8,674	12,000
Bond Interest	-	-	-	-	-	-	-
TOTAL SOUTHEAST CROSSINGS	-	8,866	12,109	12,200	14,000	8,674	12,000
POPLAR STREET WATER-16							
Auditing & Accounting	-	-	1,000		-		
Contract Services	-	-	89,899	38,129			
Bond Principal	-	-	-	-	1,000	1,826	2,500
Bond Interest	-	-	-	-	-	-	-
TOTAL POPLAR STREET WATER	-	-	90,899	38,129	1,000	1,826	2,500
CASEY'S FIVE POINTS-17							
Bond Principal	-			4,429	15,000	8,670	10,000
Bond Interest	-	-	-	-	-	-	-
TOTAL CASEY'S FIVE POINTS	-	-	-	4,429	15,000	8,670	10,000
SOUTHPOINTE HOTEL-18							
Bond Principal	-			41,479	22,000	44,144	46,000
Bond Interest	-	-	-	-	-	-	-
TOTAL SOUTHPOINTE HOTEL	-	-	-	41,479	22,000	44,144	46,000
TODD ENCK PROJECT - 19							
Bond Principal	-			1,622	5,500	3,126	2,500
Bond Interest	-	-	-	-	-	-	-
TOTAL TODD ENCK PROJECT	-	-	-	1,622	5,500	3,126	2,500
SKAGWAY - 20							
Auditing & Accounting	-	-	-	1,000			
Bond Principal	-			-	-		
Bond Interest	-	-	-	-	-	-	-
TOTAL SKAGWAY	-	-	-	1,000	-	-	-
JOHN SCHULTE CONSTRUCTION-21							
Bond Principal	-	-	-	-	3,000	4,448	6,000
Bond Interest	-	-	-	-	-	-	-
TOTAL JOHN SCHULTE CONSTRUCTION	-	-	-	-	3,000	4,448	6,000
PHARMACY PROPERTIES INC-22							
Bond Principal	-	-	-	-	8,000	5,347	11,000

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2012- 2013 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2012 Forecasted	2013 Budget
Bond Interest	-	-	-		-		
TOTAL PHARMACY PROPERTIES INC	-	-	-	-	8,000	5,347	11,000
KEN-RAY LLC-23							
Bond Principal	-	-	-	-	5,000	-	34,000
Bond Interest	-	-	-	-	-		
TOTAL KEN-RAY LLC	-	-	-	-	5,000	-	34,000
TOTAL EXPENSES	526,795	531,658	1,261,276	857,952	1,807,243	1,562,201	1,378,651

Paid this fiscal

Jerke Façade	59400
Downtown BID	60000
Primitive Touch	70443
Skagway	200000
Wayside Horns	144500
Total	534343

To Be Paid this fiscal

Chief	100000
Denny's	100000
Fonner Park	96312
YMCA	48000
Grand	200000
Lincoln Pool	80000
Total	624312

Total 1158655

Outstanding Projects due in 2013**Façade**

Skagway	100000
Grand	100000
Chocolate Bar	118000
	318000

Other

Downtown	37500
Fonner	96500
	134000

Total 452000

TIF Projects to Add

Skagway
Arnold Wenn
Token Properties LLC (Ruby)
Stratford Plaza LLC
EIG Grand Island LLC



Community Redevelopment Authority (CRA)

**Wednesday, July 11, 2012
Regular Meeting**

Item X1

Memorandum of Understanding with Chief Industries

Staff Contact: Chad Nabity

MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING** (the “**MOU**”) is made and entered into this ____ day of July, 2012, between the City of Grand Island, NE (the “**City**”), the Community Redevelopment Authority of the City of Grand Island, NE (the “**Authority**”) and Chief Industries, Inc., a Delaware corporation (the “**Company**”).

WHEREAS, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), prescribes the requirements and procedures for the Planning and implementation of Redevelopment Projects; and

WHEREAS, the Company has acquired certain real Property in the City legally described on Exhibit A (the “**Property**”) which lies within an area declared blighted and substandard by the City; and

WHEREAS, the Property lies within an area subject to a Redevelopment Plan adopted by the Authority and approved by the City; and

WHEREAS, the Company desires to demolish and remove the blighted and substandard improvements on the Property, (the “**Preliminary Activities**”); and

WHEREAS, the Company intends to formulate and present a Redevelopment Plan for the Property to the Authority, which plan shall include demolition of blighted and substandard improvements, installation of municipal utilities including, but not limited to, a municipal water main line, and the eventual redevelopment of certain private improvements to be identified by the Company; and

WHEREAS, the Authority finds it in the public interest to consider a request for a grant to be funded in part by Tax Increment Financing (TIF) to promote the development of the Project and assist with the funding of the Preliminary Activities.

NOW THEREFORE, the parties set forth their understanding in regard to certain actions and expenditures that the Company will make for funding Preliminary Activities prior to Redevelopment Plan submission and approval but which Preliminary Activities shall remain eligible for inclusion in a subsequent Redevelopment Project and Plan:

1. *Definitions.* Capitalized items used in this MOU shall have the meanings assigned herein.
2. *Company’s Obligations.* Upon execution of this MOU, the Company may proceed with the following actions:
 - a. *Preliminary Activities.* Upon presentation to the Authority of a Demolition Plan identifying the existing improvements on the Property to be demolished the Company may proceed with the demolition in accordance with the Demolition Plan.

- b. *Redevelopment Plan and Project.* The Company shall cooperate with the Authority to prepare a Redevelopment Plan identifying a Redevelopment Project for the Property. Such Redevelopment Plan shall include, at a minimum:
 - i) the demolition of the existing blighted and substandard structures;
 - ii) the installation of municipal utilities including, specifically, a city water main extension to provide service to the Property; and
 - iii) the eventual development of the Property with private improvements.
- c. *Funding.* Upon completion of the demolition pursuant to the Demolition Plan, the Company shall provide the Authority an itemized list of expenditures incurred in the demolition.
- d. *Indemnification.* The Company agrees to indemnify, and hold the Authority and the City, their employees, agents, independent contractors and consultants harmless from and against any and all suits, claims, cost of defense, damages, injuries, liabilities, costs and/or expenses resulting from, arising out of, or in any way connected with this MOU.

3. *Authority's Obligations.*

- a. *Funding.* In order to finance in part the Preliminary Activities the Authority shall grant to the Company up to the sum of \$100,000.00 ("**Grant**"), provided such amount shall not exceed the sum determined to be qualifying expenditures eligible for reimbursement pursuant to §18-2103 (12) of the Act. Such grant shall be financed by the issuance of TIF indebtedness to be repaid from a division of taxes pursuant to §18-2147 (1)(b) of the Act as provided herein. The Redevelopment Plan for the Property shall provide for the reimbursement of the Authority in an amount not to exceed the Grant solely from excess TIF Note proceeds or excess incremental tax revenue generated by the Project. The Redevelopment Plan and the Redevelopment Contract shall first provide for the payment of the Company's eligible project costs once the Authority and/or the City approve the use of TIF for the Project, pursuant to subsection (b) below.
- b. *Tax Increment Financing.* The City and Authority shall consider, after appropriate proceedings as required by law approving and implementing a Redevelopment Plan for the Property authorizing tax increment financing for the Project to pay costs eligible for reimbursement as Redevelopment Project costs as defined by §18-2103(12) of the Act. The grant for Preliminary Activity qualifying expenditures as set forth in paragraph 3a hereof, shall be payable only from Authority funds and those funds generated by the TIF revenues on the Property divided pursuant to §18-2147(1) (b) of the Act. After approval of a Redevelopment Plan dividing taxes on the Property pursuant to §18-2147(1)(b) of the Act, the Authority may consider the issuance of additional TIF indebtedness, to be purchased by the Company, the proceeds of which shall be granted to the Company to fund remaining qualifying Preliminary Activity expenditures, and other Redevelopment Project costs as defined by §18-2103(12) of the Act. The Authority and City, in entering in this MOU, do not pre approve use of TIF for the Project. The Authority and/or the City, without any liability to the Company, may ultimately decline to utilize TIF for the Project, and if either or both do so, the Company shall have no claim against the Authority or the City. The

Company knowingly accepts its own risk in site acquisition, demolition and site preparation prior to the Authority's implementation and City's approval of the TIF process.

- c. *Good Faith Meeting Schedule.* The City and Authority agree to takes all reasonable steps to establish public meeting schedules, according to law, to establish and maintain the proposed schedule for Redevelopment Plan adoption and Redevelopment Contract approval and other steps required by the Project.
4. *Economic Feasibility.* The Company hereby declares to the City and the Authority that the Redevelopment Project for the Property, and specifically the Preliminary Activities are not economically feasible and the Project will not occur on the Property as designed without the use of tax increment financing as required by §18-2116(1) of the Act.. The Company's investment of costs of Preliminary Activities to begin the Project development will not alter the Company's determination, based upon its analysis of cash flow requirements, not to implement the Project in the proposed location unless tax increment financing is ultimately provided by the City and the Authority. Section 18-2116(1) of the Act requires the City to make findings as follows if a TIF application requests the use of funds as described in Section 3 above: (i) the Project would not be economically feasible without the use of tax increment financing, and (ii) the Project would not occur in the City without the use of tax increment financing. Due to the proposed schedule of the Project the Company desires to begin the Project immediately and to undertake the Preliminary Activities prior the formal submittal of a Redevelopment Plan/ Project to the Authority and the city for approval. The purpose of this MOU is to make clear the parties intentions to consider the costs of Preliminary Activities as eligible for TIF funding, if and only if, the City and Authority approve TIF funding for the Project even if the Project is commenced prior to the approval of a Redevelopment Plan or Redevelopment Project by the Authority or the City. The parties agree that if the Project is commenced prior to the approval of a Redevelopment Plan providing for TIF funding, the allowable costs for the Preliminary Activities will remain eligible for TIF funding under a Redevelopment Contract.
5. *Preliminary Activity Costs.* The Company estimates that the costs to conduct the Preliminary Activities shall be in excess of Two Hundred Thousand and No/100 Dollars (\$200,000.00). The Redevelopment Project ultimately proposed by the Company for the Redevelopment Project Site shall be eligible for payment or reimbursement as part of the Project Eligible Costs. Any sums expended by the Company in excess of the Preliminary Activity Grant are subject to reimbursement to the Company in accordance with the priority and order set forth herein and subject to the terms of the Redevelopment Contract. Further, the Preliminary Activity Grant made by the Authority is subject to reimbursement from excess incremental tax revenues generated by the Redevelopment Project to be undertaken by the Company.
6. *Counterparts.* This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The parties may execute this MOU and all other agreements, certificates, instruments and other documents contemplated by this MOU and exchange the

counterparts of such documents by means of facsimile transmission. The parties agree that the receipt of such executed counterparts shall be binding on such parties and shall be construed as originals.

7. *Governing Law.* The MOU shall be governed by the laws the State of Nebraska.

July ____, 2012

“The Authority”

Community Redevelopment Authority
of the City of Grand Island, Nebraska

Attest

Secretary Chad Nabity

By: _____
Barry Sandstrom, Chair

July ____, 2012

“The City”

City of Grand Island, Nebraska

Attest

City Clerk RaNae Edwards

By: _____
Jay Vavricek, Mayor

July ____, 2012

“The Company”

Chief Industries, Inc., a Delaware corporation

By: _____
DJ Eihusen, President

Exhibit A

LEGAL DESCRIPTION OF PROJECT

Lots One (1) and Two (2), Chief Fab Second Subdivision, City of Grand Island,
Hall County, Nebraska

4813-3490-9967,v . 2



Community Redevelopment Authority (CRA)

Wednesday, July 11, 2012
Regular Meeting

Item X2

**Discussion with Procon regarding the possible sale of the 3rd floor
of Old City Hall**

Staff Contact: Chad Nabity