



Community Redevelopment Authority (CRA)

**Wednesday, May 29, 2013
Regular Meeting Packet**

Board Members:

Michelle Fitzke

Tom Gdowski

Barry Sandstrom

Sue Pirnie

Glen Murray

**4:00 PM
City Hall
100 E First St**

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, May 29, 2013
Regular Meeting

Item A1

Agenda

Staff Contact: Chad Nabity

AGENDA
Wednesday, May 29, 2013
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 April 10, 2013 Meeting.
3. Approval of Financial Reports.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Consideration of Redevelopment Contract for 1119 S Adams, Chief Industries. Resolution No. 158.
7. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for 2422 N Wheeler Ave., Grand Island, Pridon, LLC. Resolution No. 159.
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 2422 N Wheeler Ave., Pridon, LLC. Resolution No. 160.
9. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for Copper Creek Estates, Guarantee Group, LLC. Resolution No. 161.
10. 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 Copper Creek Estates, Guarantee Group, LLC. Resolution No. 162.

11. Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract Modification & Approval of related actions 30 day notice to City Council for 2018-2020 Blake Street and 233-235 Darr Ave. for Token Properties, LLC Resolution No. 163.
12. 2013 Housing Study
13. Discussion concerning Purchase/Sale of Real Estate of property.
14. Approve Resolution or Resolutions to Purchase/Sell Real Estate.
15. Directors Report
16. Adjournment

Next Meeting June 12, 2013

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



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item B1

Meeting Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF April 10, 2013

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 April 10, 2013 at City Hall 100 E First Street. Notice of the meeting was given in the April 6, 2013 Grand Island Independent.

1. CALL TO ORDER. Chairman Barry Sandstrom called the meeting to order at 4:00 p.m. The following members were present: Sue Pirnie, Tom Gdowski and Glen Murray. Also present were; Director, Chad Nabity; Secretary, Rose Rhoads; Senior Account, Mike Kezeor.

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 Minutes for the March 13, 2013 meeting was made by Gdowski and seconded by Murray. Upon roll call vote all present voted aye. Motion carried unanimously.

Sue joined the meeting at 1:03 p.m.

3. APPROVAL OF FINANCIAL REPORTS. Kezeor reviewed the financial reports for the period of March 1, 2013 through March 31, 2013. Motion was made by Murray and seconded by Gdowski 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 \$150,886.08. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$150,886.08.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity reviewed the Committed Projects.
6. ADJOURN TO EXECUTICE SESSION TO DISCUSS NEGOTIATIONS.
7. APPROVE RESOLUTION OR RESOLUTIONS TO PURCHASE/SELL PROPERTY.

8. DIRECTORS REPORT.

Nabity stated a TIF application had been received from Pridon and will be on the Agenda for May as will a TIF application from Copper Creek (Ray O'Connor).

9. ADJOURNMENT.

Murray adjourned the meeting at 1:23 p.m.

The next meeting is scheduled for May ?, 2013 at 4:00 p.m.

Respectfully submitted

Chad Nabity

Director



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item C1

Financial Reports

Staff Contact: Chad Nabity

**COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF APRIL 2013**

	MONTH ENDED APRIL 2013	2012-2013 YEAR TO DATE	2013 BUDGET	REMAINING BALANCE
CONSOLIDATED				
Beginning Cash	611,935	186,509	186,509	
REVENUE:				
Property Taxes - CRA	23,193	132,959	446,578	313,619
Property Taxes - Lincoln Pool	7,585	51,146	207,859	156,713
Property Taxes - TIF's	-	94,688	438,016	343,328
Loan Proceeds (Lincoln Pool)	-	1,800,000	1,800,000	-
Loan Income (Poplar Street Water Line)	-	1,594	5,000	3,406
Interest Income - CRA	30	263	1,000	737
Interest Income - TIF'S	8	91	-	-
Land Sales	-	-	100,000	100,000
Other Revenue - CRA	-	22,500	22,000	-
Other Revenue - TIF's	-	5,365	-	-
TOTAL REVENUE	30,816	2,108,606	3,020,453	917,803
TOTAL RESOURCES	642,751	2,295,116	3,206,962	917,803
EXPENSES				
Auditing & Accounting	-	15,075	5,000	-
Legal Services	300	945	3,000	2,055
Consulting Services	-	-	10,000	10,000
Contract Services	6,266	34,519	55,000	20,481
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	7,210	16,000	8,790
General Liability Insurance	-	-	250	250
Postage	19	197	200	3
Matching Grant	-	-	-	-
Legal Notices	16	544	2,500	1,956
Licenses & Fees	-	-	-	-
Travel & Training	-	-	1,000	1,000
Other Expenditures	-	-	-	-
Office Supplies	-	-	300	300
Supplies	-	-	300	300
Land	-	-	20,000	20,000
Bond Principal - Lincoln Pool	-	-	207,859	207,859
Fiscal Agent Fees/ Bond Costs	-	525	-	-
Façade Improvement	-	271,049	572,000	300,951
Lincoln Pool Project	143,586	1,366,446	1,800,000	433,554
Blank Project	-	-	-	-
Other Projects	-	-	50,000	50,000
Bond Principal	700	84,826	396,335	311,509
Bond Interest	-	21,915	41,681	19,766
Interest Expense	-	-	-	-
TOTAL EXPENSES	150,886	1,803,251	3,182,425	1,389,774
INCREASE(DECREASE) IN CASH	(120,070)	305,355	(161,972)	
ENDING CASH	491,865	491,865	24,537	-
CRA CASH	14,099			
Lincoln Pool Tax Income Balance	170,546			
LINCOLN POOL Bond Account	253,094			
TIF CASH	54,125			
Total Cash	491,865			

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF APRIL 2013

	<u>MONTH ENDED</u> <u>APRIL 2013</u>	<u>2012-2013</u> <u>YEAR TO DATE</u>	<u>2013</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
CRA				
GENERAL OPERATIONS:				
Property Taxes - CRA	23,193	132,959	446,578	313,619
Property Taxes - Lincoln Pool	7,585	51,146	207,859	156,713
Interest Income	30	263	1,000	737
Loan Income (Poplar Street Water Line)	-	1,594	5,000	3,406
Land Sales	-	-	100,000	100,000
Bond Proceeds Lincoln Pool	-	1,800,000	1,800,000	-
Other Revenue & Motor Vehicle Tax	-	22,500	22,000	-
TOTAL	30,808	2,008,462	2,582,437	574,475
CHERRY PARK LTD II				
Property Taxes	-	32,847	59,180	26,333
Interest Income	8	86	-	-
Other Revenue	-	-	-	-
TOTAL	8	32,933	59,180	26,333
GENTLE DENTAL				
Property Taxes	-	76	4,202	4,126
Interest Income	0	0	-	-
Other Revenue	-	-	-	-
TOTAL	0	77	4,202	4,126
PROCON TIF				
Property Taxes	-	306	19,162	18,856
Interest Income	0	2	-	-
Other Revenue	-	271	-	-
TOTAL	0	579	19,162	18,856
WALNUT HOUSING PROJECT				
Property Taxes	-	33,226	74,472	41,246
Interest Income	0	2	-	-
Other Revenue	-	5,094	-	-
TOTAL	0	38,323	74,472	41,246
BRUNS PET GROOMING				
Property Taxes	-	219	13,500	13,281
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	219	13,500	13,281
GIRARD VET CLINIC				
Property Taxes	-	159	14,500	14,341
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	159	14,500	14,341

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF APRIL 2013

	<u>MONTH ENDED</u> <u>APRIL 2013</u>	<u>2012-2013</u> <u>YEAR TO DATE</u>	<u>2013</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
GEDDES ST APTS-PROCON				
Property Taxes	-	450	30,000	29,550
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	450	30,000	29,550
SOUTHEAST CROSSING				
Property Taxes	-	2,165	12,000	9,835
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	2,165	12,000	9,835
Poplar Street Water				
Property Taxes	-	1,594	2,500	906
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	1,594	2,500	906
CASEY'S @ FIVE POINTS				
Property Taxes	-	4,422	10,000	5,578
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	4,422	10,000	5,578
SOUTH POINTE HOTEL PROJECT				
Property Taxes	-	1,398	90,000	88,602
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	1,398	90,000	88,602
TODD ENCK PROJECT				
Property Taxes	-	99	2,500	2,401
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	99	2,500	2,401
JOHN SCHULTE CONSTRUCTION				
Property Taxes	-	82	6,000	5,918
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	82	6,000	5,918
PHARMACY PROPERTIES INC				
Property Taxes	-	169	11,000	10,831
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	169	11,000	10,831
KEN-RAY LLC				
Property Taxes	-	16,775	34,000	17,225
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	16,775	34,000	17,225

**COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF APRIL 2013**

	MONTH ENDED APRIL 2013	2012-2013 YEAR TO DATE	2013 BUDGET	REMAINING BALANCE
SKAGWAY				
Property Taxes	-	654	55,000	54,346
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	654	55,000	54,346
COUNTY FUND 8598				
Property Taxes	-	46	-	(46)
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	46	-	(46)
TOTAL REVENUE	30,816	2,108,606	3,020,453	917,803
EXPENSES				
CRA				
GENERAL OPERATIONS:				
Auditing & Accounting	-	15,075	5,000	-
Legal Services	300	945	3,000	2,055
Consulting Services	-	-	10,000	10,000
Contract Services	6,266	34,519	55,000	20,481
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	7,210	16,000	8,790
General Liability Insurance	-	-	250	250
Postage	19	197	200	3
Matching Grant	-	-	-	-
Legal Notices	16	544	2,500	1,956
Licenses & Fees	-	-	-	-
Travel & Training	-	-	1,000	1,000
Other Expenditures	-	-	-	-
Office Supplies	-	-	300	300
Supplies	-	-	300	300
Land	-	-	20,000	20,000
Bond Principal - Lincoln Pool	-	-	207,859	207,859
Fiscal Agent Fees/Bond Costs	-	525	-	-
PROJECTS				
Façade Improvement	-	271,049	572,000	300,951
Lincoln Pool Project	143,586	1,366,446	1,800,000	433,554
Alleyway Improvement	-	-	-	-
Other Projects	-	-	50,000	50,000
TOTAL CRA EXPENSES	150,186	1,696,510	2,744,409	1,058,499
CHERRY PARK LTD II				
Bond Principal	-	26,404	53,831	27,427
Bond Interest	-	3,186	5,349	2,163
TOTAL CHERRY PARK EXPENSES	-	29,590	59,180	29,590
GENTLE DENTAL				
Bond Principal	-	1,419	2,986	1,567
Bond Interest	-	682	1,216	534
TOTAL GENTLE DENTAL	-	2,101	4,202	2,101

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF APRIL 2013

	<u>MONTH ENDED</u> <u>APRIL 2013</u>	<u>2012-2013</u> <u>YEAR TO DATE</u>	<u>2013</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
PROCON TIF				
Bond Principal	-	6,126	12,467	6,341
Bond Interest	-	3,455	6,695	3,240
TOTAL PROCON TIF	-	9,581	19,162	9,581
WALNUT HOUSING PROJECT				
Bond Principal	-	22,644	46,051	23,407
Bond Interest	-	14,592	28,421	13,829
TOTAL WALNUT HOUSING	-	37,236	74,472	37,236
BRUNS PET GROOMING				
Bond Principal	-	219	13,500	13,281
Bond Interest	-	-	-	-
TOTAL BRUNS PET GROOMING	-	219	13,500	13,281
GIRARD VET CLINIC				
Bond Principal	-	159	14,500	14,341
Bond Interest	-	-	-	-
TOTAL GIRARD VET CLINIC	-	159	14,500	14,341
GEDDES ST APTS - PROCON				
Bond Principal	-	450	30,000	29,550
Bond Interest	-	-	-	-
TOTAL GEDDES ST APTS - PROCON	-	450	30,000	29,550
SOUTHEAST CROSSINGS				
Bond Principal	-	2,165	12,000	9,835
Bond Interest	-	-	-	-
TOTAL SOUTHEAST CROSSINGS	-	2,165	12,000	9,835
POPLAR STREET WATER				
Bond Principal	-	1,594	2,500	906
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
Contract Services	-	-	-	-
TOTAL POPLAR STREET WATER	-	1,594	2,500	906

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF APRIL 2013

	<u>MONTH ENDED APRIL 2013</u>	<u>2012-2013 YEAR TO DATE</u>	<u>2013 BUDGET</u>	<u>REMAINING BALANCE</u>
CASEY'S @ FIVE POINTS				
Bond Principal	-	4,422	10,000	5,578
Bond Interest	-	-	-	-
TOTAL CASEY'S @ FIVE POINTS	-	4,422	10,000	5,578
SOUTH POINTE HOTEL PROJECT				
Bond Principal	-	1,398	90,000	88,602
Bond Interest	-	-	-	-
TOTAL SOUTH POINTE HOTEL PROJECT	-	1,398	90,000	88,602
TODD ENCK PROJECT				
Bond Principal	-	99	2,500	2,401
Bond Interest	-	-	-	-
TOTAL TODD ENCK PROJECT	-	99	2,500	2,401
JOHN SCHULTE CONSTRUCTION				
Bond Principal	-	82	6,000	5,918
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL JOHN SCHULTE CONSTRUCTION	-	82	6,000	5,918
PHARMACY PROPERTIES INC				
Bond Principal	-	169	11,000	10,831
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL PHARMACY PROPERTIES INC	-	169	11,000	10,831
KEN-RAY LLC				
Bond Principal	-	16,775	34,000	17,225
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL KEN-RAY LLC	-	16,775	34,000	17,225
SKAGWAY				
Bond Principal	654	654	55,000	54,346
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL SKAGWAY	654	654	55,000	54,346
COUNTY FUND #8598				
Bond Principal	46	46	-	(46)
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL COUNTY FUND #8598	46	46	-	(46)
TOTAL EXPENSES	150,886	1,803,251	3,182,425	1,389,774



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item D1

Bills

Staff Contact: Chad Nabity

29-May-13

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	April
Accounting	
Officenet Inc.	
Postage	

Lawnscape

Grand Island Independent	monthly notices
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JEO Consulting	Lincoln Pool
Hausmann Construction, INC	Lincoln Pool
Wells Fargo	Bond Interest Payment

TIF Pass Through

Wilmar Realty, LLC	Skagway TIF 320 N State St
Five Points Bank	Bruns TIF
Platte Valley State Bank	Token Prop. 213-215 Ruby
CRA	Poplar Street water line
Platte Valley State Bank	South Pointe Hotel
Heritage Bank	Girard TIF
Five Points Bank	Pharmacy Properties
Home Federal	Geddes TIF
Home Federal	Southeast Crossings
Ken-Ray LLC	South Locust

Casey's General Store
Platte Valley State Bank
Plate Enterprises LLC

Casey Five Points
Todd Enck Project
703 S Lincoln

Mayer, Burns, Koenig & Janulewicz Legal Services

Total:

\$ 2,970.54

\$ 49.80

\$ 57.00

\$ 1,054.61

\$ 2,935.00

\$ 174,451.00

\$ 15,104.70

\$ 9,112.92

\$ 219.44

\$ 1,432.15

\$ 337.07

\$ 85,705.34

\$ 4,941.71

\$ 5,275.53

\$ 450.27

\$ 9,461.69

\$ 22,144.44

\$ 144.47
\$ 3,084.33
\$ 81.67

\$ 339,013.68



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item E1

Committed Projects

Staff Contact: Chad Nabity

COMMITTED PROJECTS	TOTAL AMOUNT	2013 FISCAL YR	2014 FISCAL YR	2015 FISCAL YR	ESTIMATED COMP
Downtown BID					
Historic Lighting Projects	\$ 30,000.00	\$ 30,000.00	\$ -		
	\$ -				
Fonner Park **	\$ 96,311.50	\$ 96,311.50			Complete Final payment Spring 2013
2014 Wayside Horns (Custer/Blaine)	\$ 100,000.00		\$ 100,000.00	\$ -	Winter 2014
The Grand Façade \$300,000 (\$100 over 3 fiscal yrs)	\$ 100,000.00	\$ 100,000.00	\$ -		Complete Final Payment Spring 2013
	\$ -				
Total Committed	\$ 326,311.50	\$ 226,311.50	\$ 100,000.00	\$ -	

Façade Budget \$ Remaining	\$ 300,951.00
Other Projects	\$ 50,000.00
Land	\$ 20,000.00
 subtotal	\$ 370,951.00
Less committed	\$ (226,311.50)
Balance remaining	<u>\$ 144,639.50</u>

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

April 30, 2013



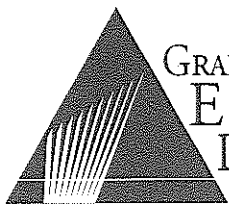
Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item G1

Grant Request

Staff Contact: Chad Nabity



GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

308-381-7500 • 800-658-4283 • Fax 308-398-7205 • www.grandisland.org

P.O. Box 1151

GRAND ISLAND, NE 68802-1151

May 17, 2013

Chad Nabity
Regional Planning
City of Grand Island
PO Box 1968
Grand Island NE 68802-1968

Re: Housing Study for Grand Island

Chad,

Grand Island Area Economic Development Corporation is asking the CRA to assist us in the development of a new Housing Study. As the applicant, we will be applying to the Nebraska Investment Finance Authority for a 50% cost share grant. The application is due on or before July 12, 2013. The GIAEDC has selected Hanna:Keelan Associates, P.C. out of Lincoln Nebraska to perform the study for a total cost of \$32,000. Therefore the CRA match would be \$16,000. Eligible applicants for the grant must be applicants including any housing or economic development entity, profit or non-profit, without direct access to property tax revenue streams.

Your assistance will be appreciated.

Sincerely,

Marlan Ferguson
President

GRAND ISLAND, NEBRASKA HOUSING STUDY SCOPE OF WORK, TIMELINE & COST SCHEDULE.

Grand Island, Nebraska Community Housing Study	Month #1	Month #2	Month #3	Month #4	Month #5	Month #6	Projected Costs
Citizen Participation Process							\$4,500
Housing Steering Committee							
*Housing Survey Options (i.e. Housing, Workforce, Elderly Surveys)							
Community Housing Listening Sessions							
Community Housing Summit							
Educational Web Site							
*Housing Study Progress Link (Community Website)							
*Alternative Participation Through Facebook, MindMixer, etc., Budget Permitting.							
Background Research							\$2,000
Tabulation of Census & Housing Information							
Review & Summary of Existing Housing & Planning Studies							
Demographic Profile & Projections							\$2,000
Effective (Housing) Market Area Analysis							
Population, Household & Income Trends & Projections							
Economic Profile & Projections							\$2,000
Labor Force & Employment							
Economic Trends & Projections							
Housing Profile							\$4,500
Housing Trends & Projections (Age, Occupancy/Vacancy, etc.)							
Housing Conditions Analysis							
Matrix of Affordable Housing Programs							
Community Housing Market Review							
Review of Building & Housing Code Enforcement							
Housing Market Demand							\$3,000
Five-Year Housing Target Demand w/ Estimated Budget							
A. Housing Demand to meet Population Estimates							
B. Housing Demand for Cost Burdened Households							
C. Housing Replacement Demand							
D. Housing Vacancy Deficiency & Pent-Up Demand							
Housing Demand For Household Types & Income Sectors							
Housing Rehabilitation Demand w/ Estimated Budget							
Housing Alternative Energy Systems Solutions							
Land Use & Housing Site Analysis							\$3,000
Evaluation of Community Future Land Use Plan							
Review of Zoning Regulations							
Owner/Renter & Family/Elderly Housing Sites							
Strategies for Affordable Housing & Action Plan							\$2,500
Strategies to Meet the Affordable Housing Needs of the Community							
Community Housing Action Plan/Target Neighborhoods							
Housing Funding Source Identification							\$2,500
Local, State & Federal Funding Options							
Financial Pooling of State and Federal Sources							
COMMUNITY HOUSING STUDY: TOTAL COST							\$26,000
ADDITIONAL PROJECT: Analysis of Impediments to Fair Housing Choice							\$6,000
Fair Housing Committee							
Community Housing Observations							
Fair Housing Choice Survey (Households & Stakeholders)							
Listening Sessions & Stakeholder Interviews							
Grand Island Zoning Ordinance & Housing Code Review							
Matrix of Impediments to Fair Housing Choice & Housing Need							
Affordability Analysis							
Analysis of Impediments - Final Presentation							
ANALYSIS OF IMPEDIMENTS: TOTAL COST							\$6,000
TOTAL PROJECT COST							\$32,000

HANNA:KEELAN ASSOCIATES, P.C. COMMUNITY PLANNING & RESEARCH

COMPREHENSIVE PLANS & ZONING * HOUSING STUDIES *
DOWNTOWN, NEIGHBORHOOD & REDEVELOPMENT PLANNING *
CONSULTANTS FOR AFFORDABLE HOUSING DEVELOPMENTS*

Lincoln, Nebraska 402.464.5383 *

Becky Hanna, Tim Keelan, Lonnie Dickson, AICP & Keith Carl



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item H1

Pridon

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Pridon LLC

Address: 102 Third Avenue NE _____

Hickory, NC 28601 _____

Telephone No.: 828-322-1296 _____ Fax No.: 828-315-9964

Contact: Dane Whitworth

Brief Description of Applicant's Business: Developer of Federal

Properties _____

Present Ownership Proposed Project Site: _Department of Vererans Affairs

Proposed Project: Building square footage, size of property, description of buildings – materials, etc. Please attach site plan, if available. One two story residential building (includes 20 one bedroom, 6 two bedroom units) built on crawl space foundation; wood framed; brick, stone, vinyl veneer exterior. The residential building has 29,862 total square feet of space, which includes 10,700 SF of office and meeting/activity rooms. Property size is 4.6 acres.

A second and third phase of apartments is also planned within the next 5 years. This would create an additional 56 units of housing.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land \$

B. Building

Construction Costs:

A. Renovation or **Building Costs:** \$2,492,200

B. On-Site Improvements: \$125,800

Streets, Parking, Landscaping 62,360

Soft Costs:

A. Architectural & Engineering Fees:	\$154,900

B. Financing Fees:	\$255,000

C. Legal/Developer/Audit Fees:	\$530,910

D. Contingency Reserves:	\$488,240

E. Other (Please Specify)	\$43,500
Insurance, Market Study, Real estate services and taxes _____	
	TOTAL \$4,152,910

Total Estimated Market Value at Completion:	\$1,597,086
Tax Assessor's Estimate _____	

Source of Financing:

A. Developer Equity:	\$

B. Commercial Bank Loan:	\$

Tax Credits:

1. N.I.F.A.	\$3,506,200
2. Historic Tax Credits	\$

D. Industrial Revenue Bonds:	\$

E. Tax Increment Assistance:

\$495,000 based on the first phase with a total of \$658,866 available based on additional construction.

F. Other \$

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

Architect: Rosemann and Associates – Dave Hendrikse
1526 Grand Boulevard
Kansas City, MO 64108
816-472-1448 (O) 816-472-4702 (Fax)

Engineer: Atriax PLLC – George Auten Jr.
PO Box 1629
Hickory NC 28603
828-315-9962 (O) 828-315-9964 (Fax)

General Contractor: Key Construction – Josh Kippenberger
741 West Second
Wichita KS 67203
316-263-9515 (O) 316-263-1161 (Fax)

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

\$33,000 for the first phase based on estimates from the Hall County Assessor.
The additional phases will add more valuation creating additional Tax Increment
and allowing this to project to be completed prior to the estimated 15 years.

Project Construction Schedule:

Construction Start Date: September 2013

Construction Completion Date: September 2014

If Phased Project:

2014 Year 40 % Complete
2016 Year 70 % Complete
2018 Year 100% Complete

Phases 2 and 3 are subject to availability of funding.

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:

\$495,000 based on the first phase and up to \$658,866 for the overall project

Site Preparation \$46,546
Utility Extensions \$79,254
Streets, Sidewalks, Parking, Landscaping \$62,360
Engineering: \$39,900
Architecture: \$115,000

Interest: \$283,206

[illegible]

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: NONE

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

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

RESOLUTION NO. 159

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, the 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 _____, 2013.

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

By _____
Chairperson

ATTEST:

Secretary

EXHIBIT 1

REDEVELOPMENT PLAN AMENDMENT

**Redevelopment Plan Amendment
Grand Island CRA Area #11
April 2013**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to approve a Redevelopment Plan for Area #11 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area #11.

**Executive Summary:
Project Description**

THE INITIAL CONSTRUCTION OF 26 UNITS OF APARTMENTS (ALONG WITH THE SUBSEQUENT CONSTRUCTION OF 52 MORE UNITS IN AT LEAST 2 PHASES) TARGETED TOWARDS VETERANS AND THEIR FAMILIES ON THE CAMPUS OF THE VETERANS MEDICAL CENTER IN GRAND ISLAND, NEBRASKA, SOUTH OF CAPITAL AVENUE BETWEEN BROADWELL AVENUE AND WHEELER AVENUE AND THE SUBSEQUENT SITE WORK, UTILITY, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY AT THIS LOCATION. ADDITIONAL APARTMENT UNITS MAY BE CONSTRUCTED IN FUTURE PHASES DEPENDING ON FUNDING AND MARKET DEMAND.

The developer intends to use Tax Increment Financing to aid in site development, for apartments to be located on property to the north of the Veterans Medical Center. The developer will be building 26 units of apartments in the initial phase of the project. The developer plans to build and is contracted with the US Department of Veterans Affairs to build a total of 78 units. While the property is owned by the United States Government, and not subject to property taxes, this project will be leased by the developer and they will be responsible for all local taxes. The increment from the new construction will be used to make necessary site improvements and utility extensions to support this development. This project would not be possible in an affordable manner without the use of TIF. TIF is just one part of the financing package planned for this project. It will also likely include the use of LIHTC funding if approved.

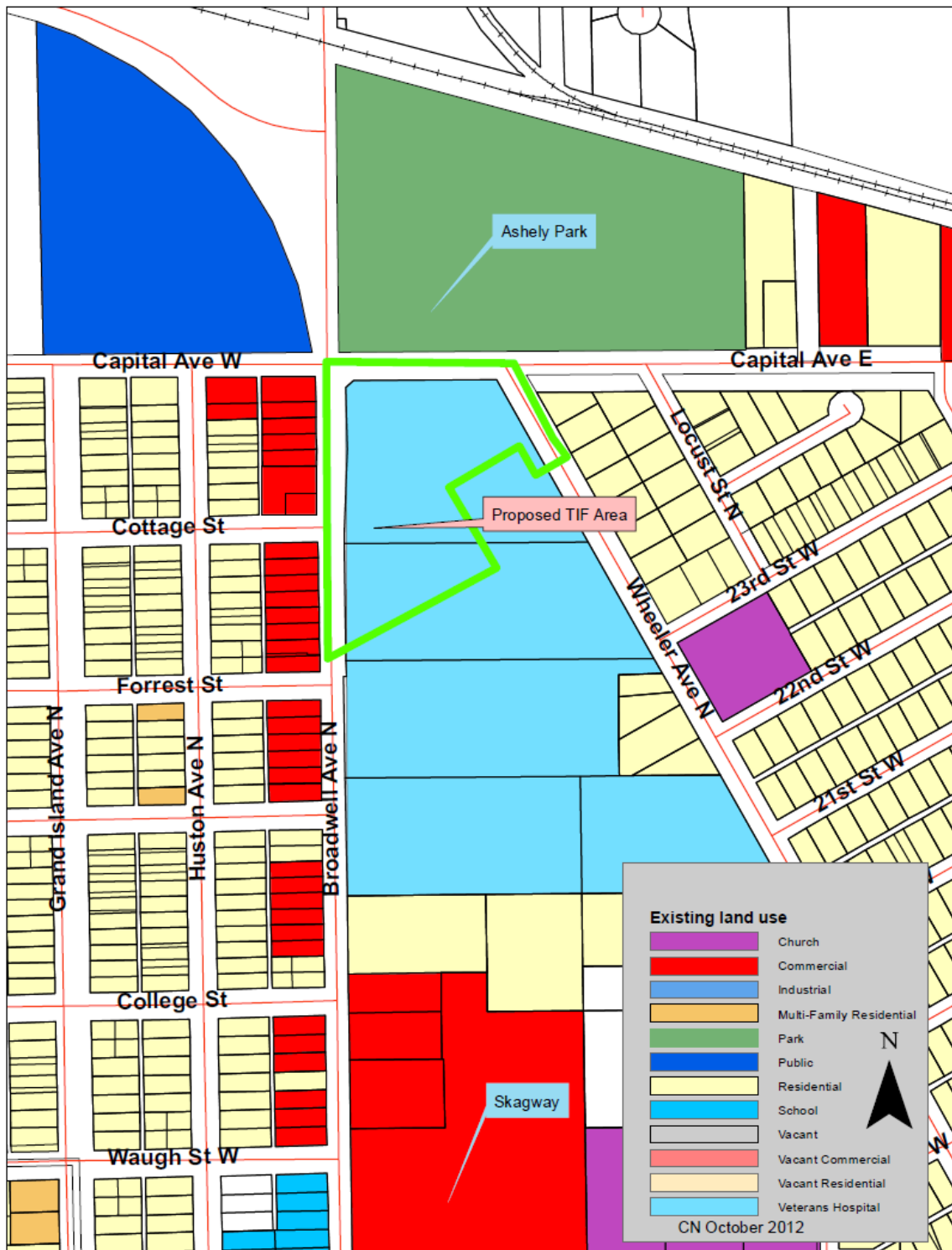
The site is owned by the U.S. Department of Veterans Affairs. All site work, demolition and utilities will be paid for by the developer. The developer is responsible for and will provide evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work 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, 2015 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 just north of the Veteran’s Medical Center between Broadwell Avenue and Wheeler Street and south of Capital Avenue in northern Grand Island. The attached map identifies the subject property and the surrounding land uses:

Legal Descriptions Lot 1 and Lot 2 of Home Subdivision, in the City of Grand Island, Hall County Nebraska.



The tax increment will be captured for the tax years the payments for which become delinquent in years 2015 through 2029 inclusive.

The increase will come from the development apartments on this property. Increases are anticipated from at least 3 phases of this development. The anticipated taxable valuation of this project at completion of the first phase is \$1,597,086. At final completion of this project, with 78 units of apartments the valuation should be at least \$4,500,000

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, 2015.

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 August 14, 2012. [§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

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

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate an existing conforming use on this property.

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

a. Land Acquisition:

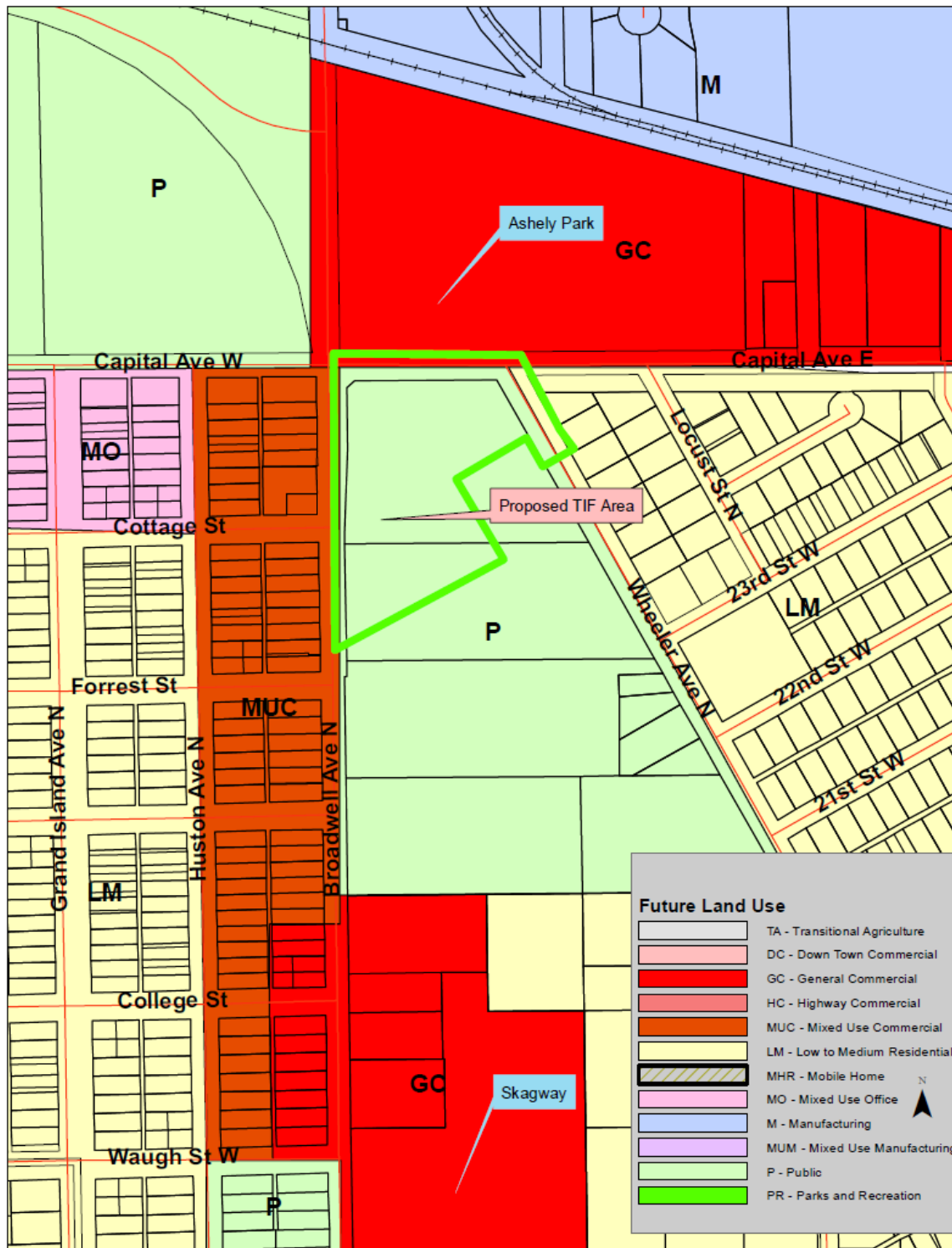
This Redevelopment Plan Area #11 provides for real property acquisition. There is no proposed acquisition by the authority. The developer is proposing to lease property for improvements.

b. Demolition and Removal of Structures:

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

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for public use consistent with veteran's services and the surrounding property with Broadwell Avenue frontage is planned for mixed use commercial and general commercial which would include multifamily residential uses. [§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 RO Residential Office. 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. The proposed uses for residential apartment units are consistent with the Veterans Medical Center Campus and the development along Broadwell Avenue. The multi-family residential is permitted in the current zoning district. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The RO zoning district allows for the development of as many dwelling units as will fit on the property with a minimum of 2 parking spaces per dwelling unit. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. No utilities would be impacted by the development. Water and sewer will need to be extended throughout the site to serve the new buildings.

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 is owned by the U.S. Department of Veterans Affairs. It is used as open space on the hospital campus. No individuals or families will be relocated as a result of this project. Additional housing will be created by the project. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

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 secured a lease from the U.S. Department of Veterans Affairs and won the contract to build veteran's housing at this site. The developer is estimating the costs TIF eligible activities as shown below:

Cost for Tax Increment Financing Eligible Activities: Victory Apartments	
Site Preparation	\$46,546
Utility Extensions	\$79,254
Streets, Sidewalks, Parking and Landscaping	\$62,360
Engineering	\$39,000
Architecture	\$115,000
Environment Review	\$24,000
Legal	\$6,000
City Notice Fees (Blight Study and TIF)	\$1000
Blight Study	\$2500
Interest on Associated Eligible Activities	\$283,206
Total Eligible Expenses	\$658,866

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 \$658,866 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, 2015 through December 31, 2029.

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 in fill development consistent with the existing and historic use of this and surrounding properties. This will not significantly impact traffic near the site. The development of multi-family residential on this property is consistent with the property development along Broadwell Avenue and will provide a buffer between the commercial space and the single family residential east to the east. 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 site preparation and new construction) is anticipated to be completed between September 2013 and November of 2014. Excess valuation should be available for this project for 15 years beginning with the 2015 tax year.

9. Justification of Project

The Broadwell Corridor is a major entrance for the City of Grand Island from northern Nebraska. Significant development has occurred along this corridor at the 5-Points area. The State of Nebraska is currently considering redevelopment of the Nebraska Veteran's Home (Soldiers and Sailors Home) west of this site on the north side of Capital Avenue. The development of additional Veteran's services at this location may encourage the redevelopment of that site as well. This is a gateway to the community and for many people from outside the area is what they will use to judge our City.

Grand Island is always in need of additional quality housing units. The development of 26 rental units, and possibly more in the future, will provide a buffer between the commercial space and the existing single family residential. This is infill development with all necessary utilities and public improvements needed to support the development.

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 is not currently valued for property tax assessment as it is owned by the U.S. Government and not subject to property taxes. The

proposed development of these apartments will result in an estimated additional \$1,597,086 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 for up to 60 years after the end of the TIF contract. After 75 years the project may be owned by the U.S. Department of Veterans Affairs and no longer be subject to property taxes.

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

No additional public service needs have been identified. Existing water and waste water facilities will need to be extended through the site but have sufficient capacity to support the development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development. The Veterans Medical Center/US Department of Veteran's Affairs maintains their own federal police force and they will continue to be primary responders at these apartments. City police will provide support and back up as necessary.

(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 by the contractors that will be involved with the project along with long term support services jobs to benefit the residents of the apartments. The project will also provide housing for homeless or near homeless veterans that will be able to and expected to enter the employment market.

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

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

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

This will provide housing for Veterans of the U.S. armed services and their families as they transition from active duty to civilian life. Services will be provided at this location to make that transition as smooth as possible.

Time Frame for Development

Development of this project is anticipated to be completed between September of 2013 and November of 2014. The base tax year should be calculated on the value of the property as of January 1, 2014. Excess valuation should be available for this project for

15 years beginning in 2015. 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 \$658,866 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 renovation, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend at least \$658,866 on TIF eligible activities.

See Attached Building Plans (with TIF application)

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

RESOLUTION NO. 160

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

WHEREAS, the 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 # 11, from Pridon, 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, the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area # 11;

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 _____, 2013.

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

By _____
Chairperson

ATTEST:

Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item H2

Guarantee Group LLC

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

Guarantee Group, L.L.C.

Address:

1912 W Anna St. Grand Island, NE 68803

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

Contact:

Sean O'Connor or Raymond O'Connor

Brief Description of Application's Business:

Real Estate Development and Management Company

Present Ownership Proposed Project Site:

Copper Creek Estates Subdivision. (Full legal included.)

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

Approximately 620 1100 – 1350 Sq. Ft. ranch homes with basements and attached two car garages.

If Property is to be Subdivided, Show Division Planned:

VI.	Estimated Project Costs: (as per listed breakdown cost)	\$9,495,868.00
	<u>Acquisition Costs:</u>	
	A. Land	\$2,650,000.00
	<u>\$2,650,000.00</u>	
	B. Building	\$ -
	<u>N/A</u>	
	<u>Construction Costs:</u>	
	A. Renovation or Building Costs:	\$ -
	<u>N/A</u>	
	B. On-Site Improvements:	\$3,294,827.40
	<hr/> 1) Diamond Engineering bid to complete water main, sanitary sewer, storm sewer, pavement and storm sewer extension to North Road.	
	<u>Soft Costs:</u>	
	A. Architectural & Engineering Fees:	\$ 225,000.00
	<u>\$225,000.00</u>	
	B. Financing Fees:	\$2,645,377.00
	<u>\$2,645,377.00</u>	
	C. Legal/Developer/Audit Fees:	\$ 125,000.00
	<u>Contract Fees for TIF</u>	
	D. Contingency Reserves:	\$ 185,176.00
	<u>\$2,645,377 x 7%</u>	
	E. Other (Please Specify)	
	<u>1) Acceptance of storm sewer and paving to include necessary repairs.</u>	\$ 46,487.10
	<u>2) Construction of 87,500 Sq. Ft. retention lot to include concrete paving, chain fencing and controlled gate access.</u>	\$ 324,000.00

Total Estimated Market Value at Completion:

Source of Financing:

A. Developer Equity:	\$2,000,000.00
B. Commercial Bank Loan:	\$7,500,000.00
Tax Credits:	
1. N.I.F.A.	\$ -
<u>N/A</u>	
2. Historic Tax Credits	\$ -
<u>N/A</u>	
D. Industrial Revenue Bonds:	\$ -
<u>N/A</u>	
E. Tax Increment Assistance:	\$9,495,000.00
F. Other	\$ -
<u>N/A</u>	

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

The Guarantee Group
Grand Island, NE 68803
(308) 381-2497 Fax: (308) 381-1285

Rockwell & Associates
Grand Island, NE 68803
(308) 382-1472 Fax: (308) 382-1423

Diamond Engineering
Grand Island, NE 68803
(308) 382-8362 Fax: (308) 382-8389

Estimated Real Estate Taxes on Project Site Upon Completion of Project:

(Please Show Calculations)

To be determined as this project requires multiple contracts over multiple years.

Project Construction Schedule:

Construction State Date:

9/1/2013

Construction Completion Date:

12/31/2040

If Phased Project:

Maximum houses build per year – 15 to 25.

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:

1) Land Acquisition

2) Sanitary sewer – water main – storm sewer and pavement for 239 proposed homes.

3) Storm/Sewer extension from project site to North Road.

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

\$39,700.00 gap per 239 residences. This assistance lowers the price of development so that an affordable house can be purchased at \$139,950 - \$144,950.00 by a family earning approximately \$18.00 per hour as a family unit.

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:

Letter of Commitment for bank financing attached as credit reference.

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

New Nebraska L.L.C. created.

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

THE DIAMOND ENGINEERING CO.
ENGINEERS AND CONTRACTORS

FAX (308) 382-8389

FAX (316) 943-7295

PHASE 1

Item	Description	Qty	Unit	Unit Bid	Extension
Sanitary Sewer					
1	Construct 10" SDR 35 Sanitary Sewer	720	LF	\$ 26.05	\$ 18,756.00
2	Construct 8" SDR 35 Sanitary Sewer	3330	LF	\$ 23.40	\$ 77,922.00
3	10" x 4" Tee w/ 4" Service	16	EA	\$ 1,391.15	\$ 22,258.40
4	8" x 4" Tee w/ 4" Riser Pipe & Service	82	EA	\$ 1,359.40	\$ 111,470.80
5	Construct 4' Dia. Manhole	16	EA	\$ 3,389.95	\$ 54,239.20
6	Construct Extra Depth Manhole	104	VF	\$ 255.15	\$ 26,535.60
7	Remodel Manhole Entrance	1	EA	\$ 1,475.00	\$ 1,475.00
8	TV Inspection	4050	LF	\$ 1.55	\$ 6,277.50
9	Construction Dewatering	1	LS	\$ 196,765.00	\$ 196,765.00
					\$ 515,699.50
Watermain					
10	Construct 6" DIP Watermain	5255	LF	\$ 33.90	\$ 178,144.50
11	Install 6" Cross, MJ	1	EA	\$ 397.45	\$ 397.45
12	Install 6" Tee, MJ	12	EA	\$ 311.55	\$ 3,738.60
13	Install 6" - 90 Deg. Bend, MJ	5	EA	\$ 253.90	\$ 1,269.50
14	Install 6" - 22.5 Deg. Bend, MJ	2	EA	\$ 236.90	\$ 473.80
15	Install 20" x 6" Tapping Sleeve	1	EA	\$ 4,125.00	\$ 4,125.00
16	Install 6" Tapping Valve w/ Box	1	EA	\$ 1,400.00	\$ 1,400.00
17	Install 6" RS Gate Valve w/ Box	13	EA	\$ 1,093.85	\$ 14,220.05
18	Install 6" Cap w/ 2" Thread Tap	2	EA	\$ 200.00	\$ 400.00
19	Install Fire Hydrant Assembly, Complete	11	EA	\$ 4,697.15	\$ 51,668.65
20	Install 1" Water Service, Complete	110	EA	\$ 1,416.15	\$ 155,776.50
21	Remove & Replace 9" Pavement	80	SY	\$ 49.30	\$ 3,944.00
					\$ 415,558.05
Pavement & Storm Sewer					
22	Construct 6" PC Concrete Pavement	30899	SY	\$ 28.50	\$ 880,621.50
23	Construct Integral Curb	13946	LF	\$ 1.70	\$ 23,708.20
24	Embankment	67500	CY	\$ 13.60	\$ 918,000.00
25	Construct 24" RCP Storm Sewer	952	LF	\$ 52.00	\$ 49,504.00
26	Construct 15" RCP Storm Sewer	1102	LF	\$ 33.90	\$ 37,357.80
27	Construct 12" RCP Storm Sewer	1038	LF	\$ 28.35	\$ 29,427.30
28	Install 15" Flared-End Section	4	EA	\$ 727.75	\$ 2,911.00
29	Construct Type 'D' Modified Inlet	24	EA	\$ 2,031.50	\$ 48,756.00
30	Construct Junction Manhole	2	EA	\$ 2,387.00	\$ 4,774.00
31	TV Inspection	3108	LF	\$ 1.55	\$ 4,817.40
					\$ 1,999,877.20
Storm Sewer to North Road					
32	Construct 36" RCP Storm Sewer	1350	LF	\$ 92.65	\$ 125,077.50
33	Construct 48" RCP Storm Sewer	1350	LF	\$ 158.85	\$ 214,447.50
34	Install 48" RCP Flared-End Section	1	EA	\$ 2,675.00	\$ 2,675.00
35	Construct Junction Manhole	5	EA	\$ 2,615.00	\$ 13,075.00
36	TV Inspection	2708	LF	\$ 1.55	\$ 4,197.40
37	Remove & Replace 9" Pavement	85	SY	\$ 49.65	\$ 4,220.25
					\$ 363,692.65
					\$ 3,294,827.40

An Equal Opportunity Employer

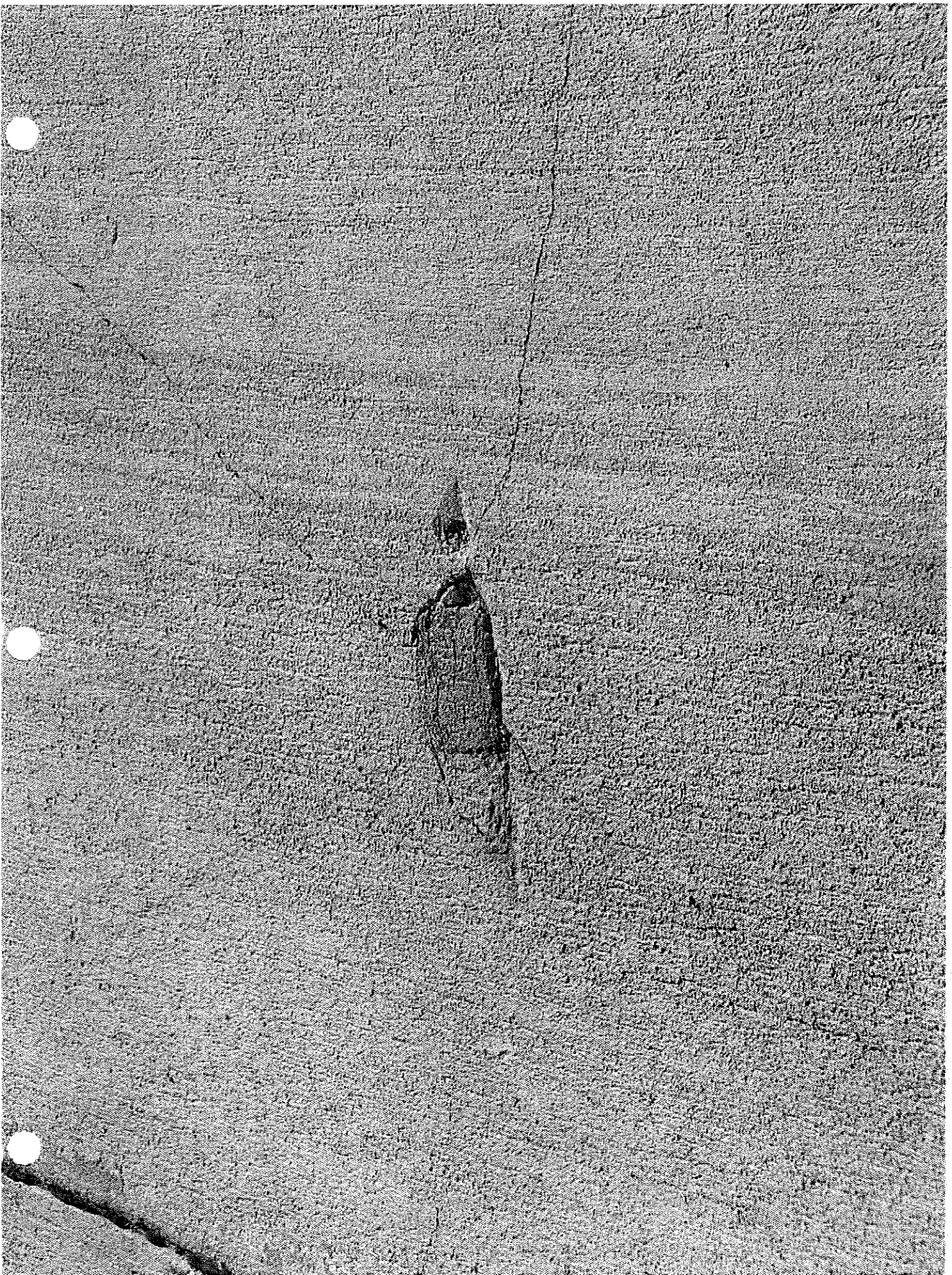
Copper Creek Estates

Estimated costs for Acceptance of Storm Sewer & Paving

- Clean Existing Storm Sewer System 5174 LF Estimate =\$26,450.00
- Televis Existing Storm Sewer System 5174 LF @ \$1.65 = \$8,537.10
- Remove & Replace Concrete Panels 180 SY Estimate = \$9,000.00
- Rout & Seal Cracks Estimate = \$2,500.00

Total Estimated Cost \$46,487.10

An Equal Opportunity Employer











Sanitary sewer manhole.



Sanitary sewer manhole.



Storm sewer outlet. Hole dug out around pipe. About 100' west of Cherokee Ave.



Storm sewer outlet.

Pictures of Copper Creek Subdivision Infrastructure



No catch basin

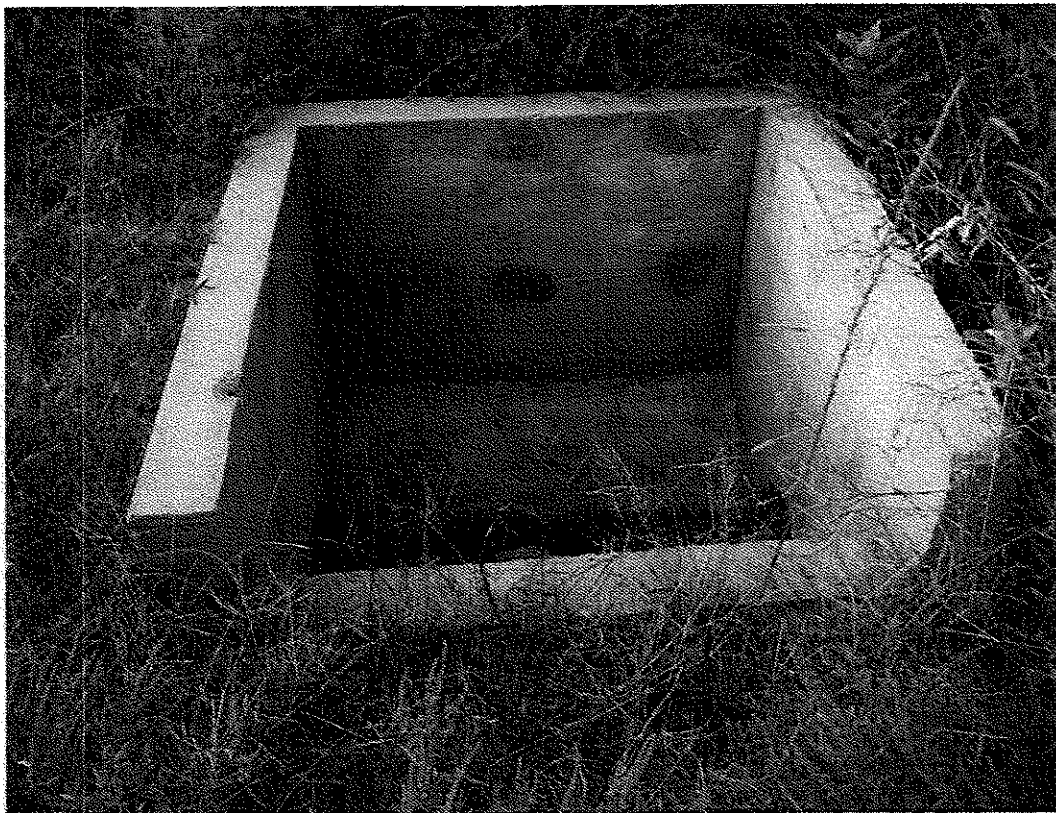




Storm sewer exposed and also gas line exposed.



No catch basin, only ends of pipe.



Top nowhere to be found.



Sanitary sewer manhole.



EXCHANGE BANK
Member FDIC

To: Community Redevelopment Authority

May 16, 2013

Re: TIF financing for The Guarantee Group

To Whom It May Concern;

Upon approval of the TIF financing for the development of the "Residences at Copper Creek" by the Guarantee Group, the Exchange Bank has approved funding of up to \$7,500,000. This commitment, contingent on the approval of "tax increment financing" shall be terminated after 120 days if such approval is not received.

If more information is needed, please contact our office.

Sincerely,

Brian Schardt, President

GRAND ISLAND

1204 Allen Drive, Grand Island, NE 68803
(308) 382-2900 Fax (308) 382-2901

939 S Locust Street, Grand Island, NE 68801
(308) 384-8000 Fax (308) 384-8001

GIBBON

PO Box 760, Gibbon, NE 68840
(308) 468-5741 Fax (308) 468-5743

ONLINE

www.eb-ne.com

KEARNEY

PO Box 397, Kearney, NE 68848
3110 2nd Avenue
&

1502 S 2nd Avenue
(308) 237-7711 Fax (308) 237-0178

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

RESOLUTION NO. 161

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, the 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 _____, 2013.

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

By _____
Chairperson

ATTEST:

Secretary

EXHIBIT 1

REDEVELOPMENT PLAN AMENDMENT

**Redevelopment Plan Amendment
Grand Island CRA Area #12
May 2013**

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

**Executive Summary:
Project Description**

THE INITIAL CONSTRUCTION OF 25 UNITS OF SINGLE FAMILY HOMES (ALONG WITH THE SUBSEQUENT CONSTRUCTION OF A TOTAL OF APPROXIMATELY 620 UNITS AT A RATE OF BETWEEN 15 AND 30 UNITS PER YEAR UNTIL THE PROJECT IS COMPLETE). THE HOMES TO BE CONSTRUCTED WILL HAVE AN INTIAL SALE PRICE FROM \$140,000 - \$145,000, IN 2013 AND 2014 AND MEET THESE MINIMUM SPECIFICATIONS:

1150 SQUARE FEET FINISHED FIRST FLOOR, FULL UNFINISHED BASEMENT, 2 CAR ATTACHED GARAGE, KITCHEN APPLIANCES, CENTRAL HEATING AND AIR CONDITIONING, LANDSCAPING AND SPRINKLED LAWN.

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

The developer intends to use Tax Increment Financing to aid in site development including the purchase of the property, necessary site work, installation of streets, storm sewer, sanitary sewer, water, other utilities and engineering, surveying and other consultant costs associated with and necessary for the redevelopment of this property. The developer intends to build single family homes ranging from 1150 to 1350 square feet with an attached garage on each lot. The 2013 sale price of these homes will be limited to between \$140,000 and \$145,000. The developer has presented 20 floor plans each with 3 alternate exterior elevations. The developer will be building 25 units with initial phase of the project and completing the infrastructure for the Copper Creek First and Second Subdivisions. The property has been approved with a preliminary plat for

620 units. The developer intends to install the infrastructure for this subdivision in at least 2 phases with the first phase completing the infrastructure for the northern section of the development, serving approximately 250 lots. The tax increment from the new home construction will be used to purchase the property and make necessary site improvements and utility extensions to support this development. This project would not be possible in an affordable manner without the use of TIF.

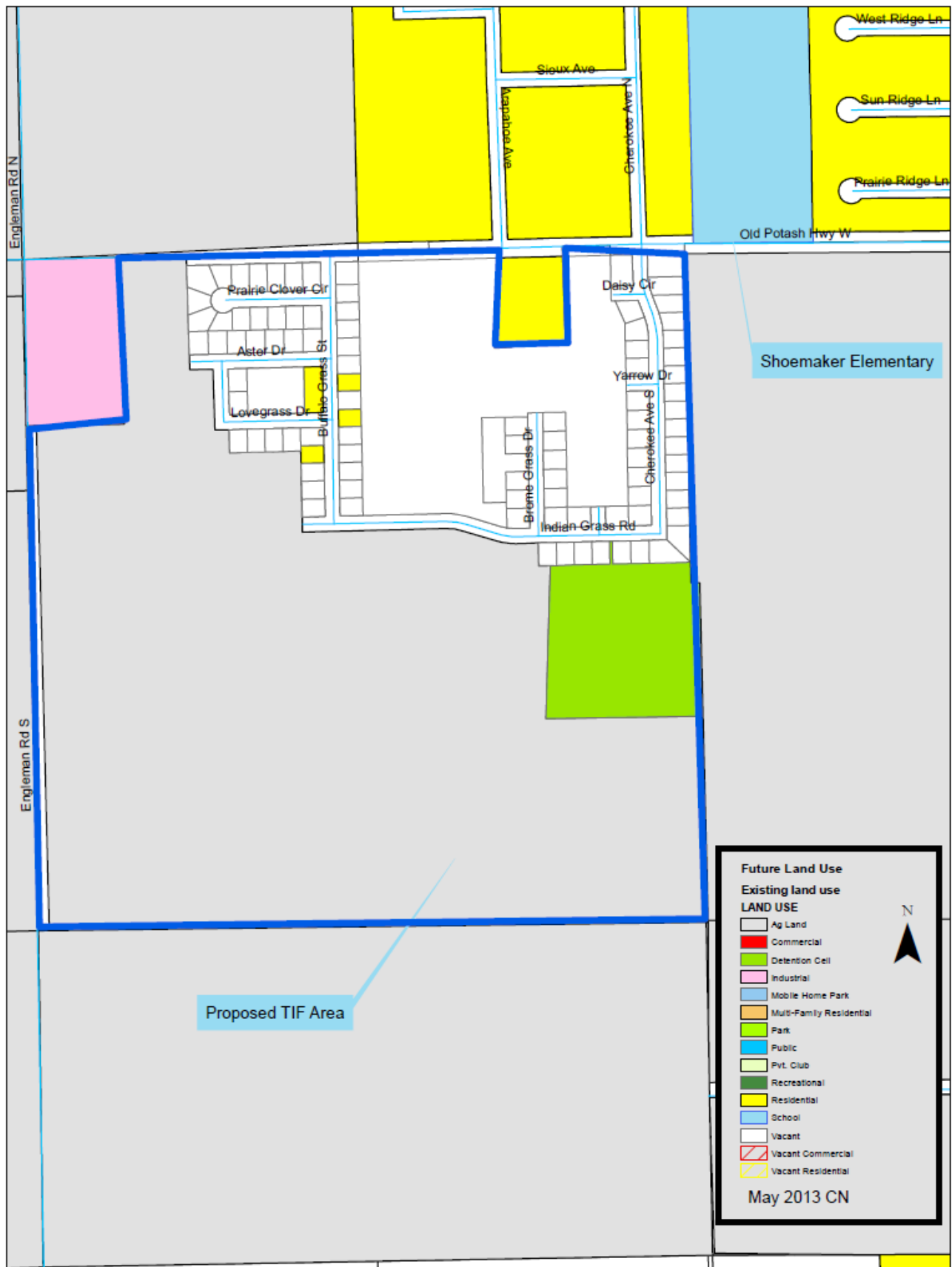
The site has been optioned by Guarantee Group, LLC, subject to the approval of the use of TIF for this development. All site work, demolition, streets and utilities will be paid for by the developer. The developer is responsible for and will provide evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work, engineering, surveying and utility and street infrastructure. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated beginning January 1, 2015 towards the allowable costs and associated financing for the acquisition, site work, streets and utility infrastructure. The CRA also intends to continue pledging ad valorem taxes generated by future phases of this development in future contracts for Tax Increment Financing during the life of this project.

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

Property Description (the "Redevelopment Project Area")

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

Legal Descriptions *ALL OF THE NW1/4, SECTION 23, TOWNSHIP 11, NORTH, RANGE 10 WEST OF THE 6TH P.M., HALL COUNTY, NEBRASKA, LESS AND EXCEPT MEYER'S SUBDIVISION, M AND M SUBDIVISION AND THE EAST 35 FEET OF THE NW 1/4.*



The tax increment will be captured for the tax years the payments for which become delinquent beginning in years 2015 and ending upon expiration of the final contract for construction of affordable housing.

The increase will come from the development single family homes on this property. Increases are anticipated from at least 10 phases of this development and potentially from as many as 40 phases depending on the number of housing units included in each contract. The anticipated taxable valuation of this project at completion of the first phase of 25 units is \$3,500,000. The final valuation of this project with 620 housing units at \$140,000 per unit would be \$86,800,000. The actual final valuation will be subject to appreciation and inflationary forces over the course of the development timeframe.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2015 and the effective date of each subsequent contract associated with this redevelopment plan.

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

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

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

Redevelopment Plan Amendment Complies with the Act:

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

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on May 14, 2013. [§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

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

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to purchase the property and install the required public infrastructure needed to develop the property in a manner consistent with the comprehensive plan and previously approved development plans.

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

a. Land Acquisition:

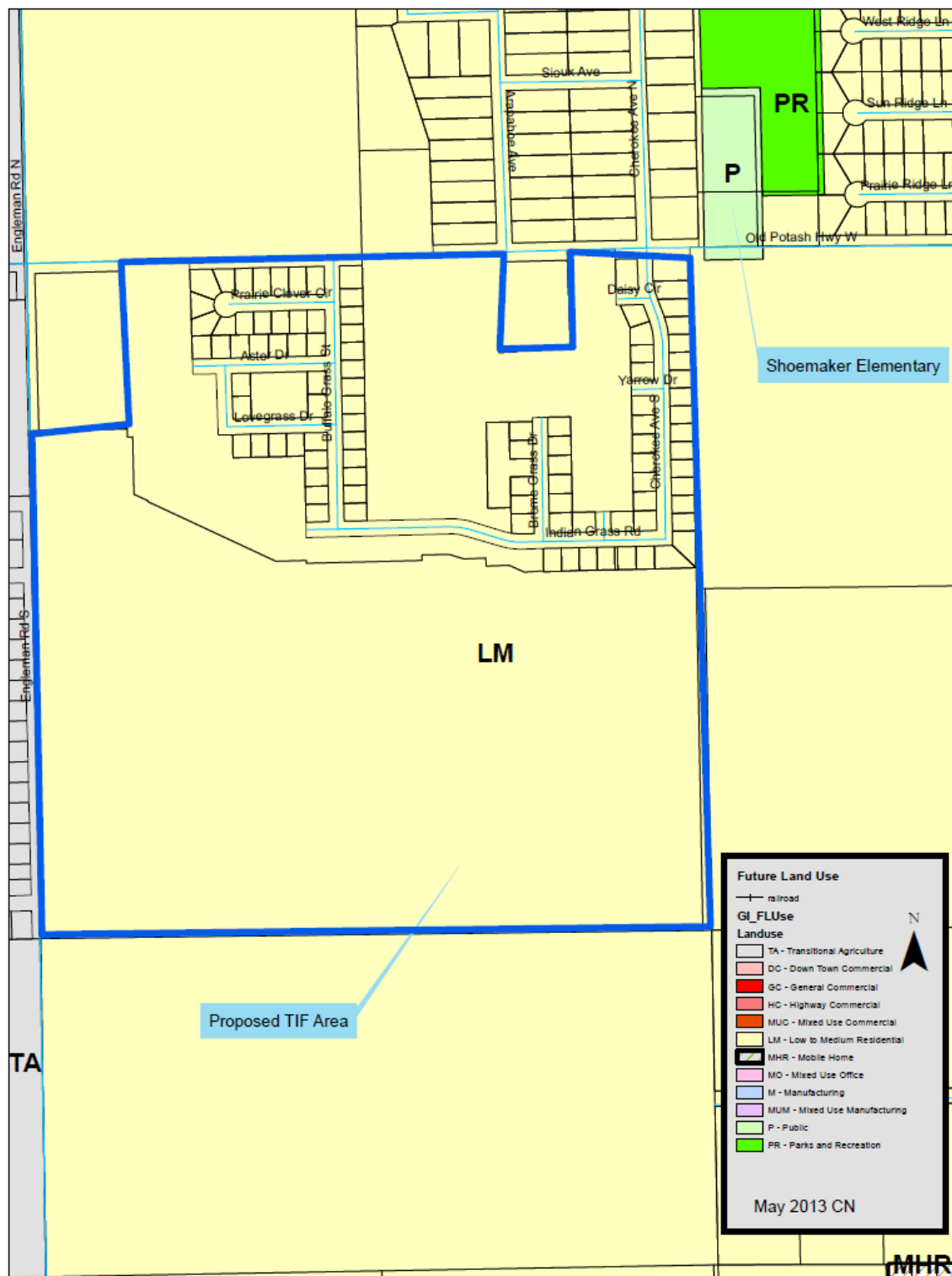
This Redevelopment Plan Area #12 provides for real property acquisition. There is no proposed acquisition by the authority. The developer is proposing acquire the property subject to the approval of this redevelopment plan and the approval of the first TIF contract.

b. Demolition and Removal of Structures:

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

c. Future Land Use Plan

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



City of Grand Island Future Land Use Map

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

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

e. Site Coverage and Intensity of Use

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

f. Additional Public Facilities or Utilities

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

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

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

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

This property is in private ownership. Most of it is vacant property used for farming or with vacant residential lots in place. No individuals or families will be relocated as a result of this project. Additional housing will be created by the project. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

Barry Sandstrom and Tom Gdowski, members of the CRA Board do not hold any interest in this property but work for Home Federal Bank and Equitable Bank in Grand Island and may be involved in the financing of this project or houses sold within the project.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer has secured options on the entire site with the exception of the 5 lots that are currently occupied with houses from the first developer. The developer is estimating the costs TIF eligible activities as shown below:

Cost for Tax Increment Financing Eligible Activities		
Architecture and Engineering		225,000
Financing		2,645,377
land		2,650,000
Legal		125,000
Contingency		185,176
Finish Existing Paving & Storm		46,487
Move Electric Service Line		10,000
Private Park		
Paved and Fenced Parking/Storage		325,000
Infrastructure Phase 1		
Sanitary Sewer	515,700	
Watermain	415,558	
Paving and Storm	1,999,877	
Storm Sewer to North Road	363,693	
Subtotal		3,294,827
Total Eligible Expenses		9,506,867

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

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting an estimated sum of \$9,495,000 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2015 for a period that may extend through 15 years from the date of the final contract for this project. This project will be phased with multiple contracts. It is anticipated that 1 or 2 contracts for continued work will be approve annually by the CRA.

c. Statement of feasible method of relocating displaced families.

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

7. Section 18-2113 of the Act requires:

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

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

8. Time Frame for Development

Development of this project is anticipated to begin in September 2013. Infrastructure for phase 1 of the development, including finishing the original platted subdivision and completing streets and utilities for the first 239 lots is expected to be complete by January 1, 2015. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of this project will occur sometime between 2034 and 2054. Excess valuation should be available for this project beginning with the 2015 tax year.

9. Justification of Project

The housing vacancy rate in Grand Island has been hovering between 2% and 3% since at least 2000. Since the late 1980's, every housing study done in Grand Island has indicated a lack of housing and housing options in Grand Island. The market is providing for houses in the \$200,000 plus price range and 210 market rate apartments are currently

under construction with plans for upwards of 450 new market rate apartments. Providers of elderly housing supported by Low Income Housing Tax Credits all have waiting lists and applications for new projects are submitted to NIFA every year.

As of today (May 20, 2013), there are less than 135 housing units (single family and condominium) on the market based on the Multiple Listing Service, at all price ranges. Grand Island has almost 13,000 single family housing units, so approximately 1% of the total units are currently available.

The projected price range of the houses to be built with this project puts them within the reach of people earning a family income of \$16 an hour and above. This price puts these houses within reach of people working at JBS Swift, many of the retail stores in the community, incoming teacher and many others that have trouble finding housing in Grand Island. A family at or even below the 2011 household income in Grand Island could afford to buy one of these houses while they could not afford the new construction that is happening at market rate. The cost to develop lots in Grand Island, even the smaller lots that are proposed in this subdivision makes the development and sale of houses in this price range prohibitive without some kind of public private partnership.

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

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

The redevelopment project area currently is not currently valued for property tax assessment as it is owned by the U.S. Government and not subject to property taxes. The proposed development of these houses will result in an estimated additional \$86,800,000 of taxable valuation based on an initial 2013 sale price of homes at \$140,000. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities for life of those homes after the completion of the TIF contract.

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

No additional public service needs have been identified. Existing water and waste water facilities will need to be extended through the site but have sufficient capacity to support the development. The electric utility has sufficient capacity to support the development. This development will have an impact on the Grand Island School system as it will likely result in increased attendance at all grade levels. The Grand Island Public School system has indicated that they can absorb the anticipated increase in student population if the development occurs at a rate that does not exceed 25 to 30 dwelling units per year. 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 by the contractors that will be involved with the project. In 2008 the National Association of Home Builders estimated the impacts of each single family home built in a community at 3.05 FTE's. (Emrath, 2008). Using that number and an estimated construction schedule of between 15 and 30 units per year, this project is the equivalent of a manufacturing facility planned to be in operation for between 20 and 40 years with an employee base of between 45.75 FTE's to 96.5 FTE's. This project will also supply housing at a price point that is affordable to those at or below the median income in Grand Island. The median income in Grand Island for 2011 according to the U.S. Census is \$50,695.

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

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

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

This will provide housing for residents of Grand Island in a much needed price range that is not being provided by the housing market. The average price of new homes constructed in Grand Island in 2011 was \$209,970, in 2012 it was \$222,593 and so far in 2013 the average selling price of a new home is \$232,900. In order to purchase a home for \$232,900 a household income of \$63,502 is required based on a 4% loan with a 5% down payment and 30% housing to income ratio. The proposed project will positively impact persons at or below the median income level within the City of Grand Island.

Time Frame for Development

Development of this project is anticipated to begin in September 2013. Infrastructure for phase 1 of the development, including finishing the original platted subdivision and completing streets and utilities for the first 239 lots is expected to be complete by January 1, 2015. The base tax year should be calculated beginning in 2014 and each subsequent contract should be set in the year during which it is anticipated construction on the houses will begin. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of this project will occur sometime between 2034 and 2054. Excess valuation should be available for this project beginning with the 2015 tax year. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per each contract between the CRA. Contract periods shall not exceed 15 years. The amount of TIF excess distributed shall not exceed the actual cost of the TIF eligible expenses incurred for this project including acquisition, streets, storm sewer, sanitary sewer, water, other necessary

utilities, engineering, architecture and surveying, legal fees and interest on money borrowed for those expenses.

See Attached Building Plans (with TIF application)

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

RESOLUTION NO. 162

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

WHEREAS, the 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 # 12, from Guarantee Group, 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, the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area # 12;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

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

Passed and approved this ____ day of _____, 2013.

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

By _____
Chairperson

ATTEST:

Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract



Community Redevelopment Authority (CRA)

**Wednesday, May 29, 2013
Regular Meeting**

Item J1

Chief TIF Resolution & Contract

Staff Contact: Chad Nabity

**CITY OF GRAND ISLAND
COMMUNITY REDEVELOPMENT AUTHORITY**

RESOLUTION NO. 158

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA, APPROVING THE
REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN AND
AUTHORIZING THE ISSUANCE OF TAX INCREMENT REVENUE NOTES
(CHIEF INDUSTRIES PROJECT) SERIES 2013 A AND SERIES 2013 B.

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority") is a duly organized and existing Community Redevelopment Authority, a body politic and corporate under the laws of the State of Nebraska; and

WHEREAS, the Authority is authorized by the Act (hereinafter defined) to issue and sell its revenue Note, notes or other obligations for the purpose of providing money to pay or otherwise provide funds to pay costs of redevelopment projects and is further authorized to pledge the revenues as herein provided to secure the payment of principal, premium, if any, and interest on its obligations; and

WHEREAS, the Authority has determined it to be in the best interests of the Authority to issue its Note, notes or other obligations for the purpose of making funds available for the acquisition, construction and improvement of a Redevelopment Project of Chief Industries, Inc. ("Chief") and related infrastructure pursuant to a Redevelopment Contract ("Redevelopment Contract"); and

WHEREAS, the Redevelopment Authority has made the necessary arrangements for financing a portion of the costs of the development project in part by issuing Community Development Revenue Notes (Chief Project), in the form of fully registered Notes without coupons (the "Notes" or "Series 2013 Notes") of the Redevelopment Authority and for use of the proceeds of the Notes in connection with the project, in amounts determined pursuant to Sections 2.01, 2.04A and 2.04B; and

WHEREAS, the issuance of the Notes has been in all respects duly and validly authorized by the Authority pursuant to this Resolution (the Resolution"); and

WHEREAS, the Notes are in substantially the form attached hereto as Exhibits A and B which are incorporated herein by this reference, with the necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution.

NOW, THEREFORE, BE IT RESOLVED and expressly declared, that the Notes shall be issued and delivered upon and subject to the terms, conditions, stipulations, uses and purposes as hereinafter expressed, which are:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Defined Terms.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Note Resolution, 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, and Sections 18-2101 through 18-2154 of the Nebraska Revised Statutes, as amended, known as the Nebraska Community Development Law and acts amendatory thereof and supplemental thereto.

“Authorized Representative” means the person at the time designated to act on behalf of Chief by written certificate furnished to the Noteholders and the Authority, containing the specimen signature of such person. Such certificate may designate an alternate or alternates.

“Authorized Issuer Representative” means the person at the time designated to act on behalf of the Authority by written certificate furnished to Chief and the Noteholders containing the specimen signature of such person and signed on behalf of the Authority by its Chair or Vice Chair. Such certificate may designate an alternate or alternates.

"Note" means the Redevelopment Authority 's Community Development Revenue Notes (Chief Industries, Project) Series A and B.

“Noteholder” means the holders of the Note from time to time outstanding.

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

“Closing” means the date of issuance of any Note.

“Collateral” means all property pledged as security for the Noteholders pursuant to Section 5.01 of this Note Resolution.

“Chief” means Chief Industries, Inc., its successors and assigns, and any resulting or transferee corporation or entity.

“Debt Service Fund” means the fund created with the Paying Agent pursuant to Section 4.01 of this Note Resolution.

“Governing Body” means the members of the Authority.

“Paying Agent” means the paying agent with respect to the Note appointed pursuant to Section 11.01 of this Note Resolution.

“Project” means the real property and improvements to be constructed thereon, as further described in Exhibit B attached hereto and incorporated herein by reference.

“Project Costs” means only costs or expenses incurred by Chief and Authority to acquire the Project and to acquire, improve and prepare for development and redevelopment an industrial area and related infrastructure costs, including but not limited to costs of engineering, streets, curbs, gutters, water mains, sanitary sewer lines and lift stations, storm sewer lines, retention ponds and related facilities, including reimbursement for any such costs, in the City of Grand Island, Hall County, Nebraska, pursuant to the Act and shall include costs of issuing the Note.

“Redevelopment Contract” means the redevelopment contract between the Authority and Chief dated _____, 2013, with respect to the Project.

“Redevelopment Plan” means the Redevelopment Plan submitted by Chief with respect to the Project, as set forth in the Redevelopment Contract and adopted in accordance with the Act, as amended from time to time.

“Registrar” means the registrar responsible for maintaining records of holders of the Note appointed pursuant to Section 11.01 of this Note Resolution.

“Resolution” means this Note Resolution of the Authority adopted on _____, 2013, authorizing the issuance and sale of the Note, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

“Tax Increment Revenues” means ad valorem property taxes pledged to payment of the Note in accordance with Sections 18-2147 and 18-2150 of the Act, including those pledged pursuant to this Note Resolution and those pledged hereafter by action of the Authority pursuant to redevelopment plan amendments, as described in the Redevelopment Contract.

Section 1.02 Provisions as to Interpretation.

The provisions of this Note Resolution shall be construed and interpreted in accordance with the following provisions:

- (a) This Note Resolution shall be interpreted in accordance with and governed by the laws of the State of Nebraska.
- (b) Wherever in this Note Resolution 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.
- (c) The phrase “At any time” shall be construed as meaning “At any time or from time to time.”

- (d) The word “including” shall be construed as meaning including, but not limited to.”
- (e) The words “will” and “shall” shall each be construed as mandatory.
- (f) The words “herein,” “hereof,” “hereunder,” “hereinafter” and words of similar import shall refer to this Note Resolution as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.
- (g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.
- (h) The captions to the sections of this Note Resolution 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.

Section 1.03 Exhibits.

The following Exhibits are attached to and by reference made a part of this Note Resolution:

- (a) Exhibit A: Form of Series 2013 A Note.
- (b) Exhibit B: Form of Series 2013 B Note.
- (c) Exhibit C: Description of Premises and Project.
- (c) Exhibit D: Real Estate Pledged for January 1, 2014.

ARTICLE II

THE NOTES

Section 2.01. Form and Maturity of Notes.

The Notes to be issued pursuant to this Resolution shall be issued pursuant to the Act, including specifically but without limitation Sections 18-2124 et seq., shall be dated as of the date of their issuance, and shall be issued in two or more series designated "Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Notes (Chief Project), Series ____". The Redevelopment Authority shall issue one Series A Note, designated "Series 2013 A Notes", and one or more series of "B" Notes, "Series 2013 B Notes". The Notes shall be substantially in the form and of the tenor as set forth in the form of the Notes attached hereto as Exhibit A (Series A Notes) and Exhibit B (Series B Notes) with such appropriate variations, omissions and insertions as are permitted or required by this

Resolution.

The Series A Note shall be issued in one series in the amount of \$579,870.00, and shall be dated as of the date its issuance. No other Series "A" Notes shall be issued. The Series A Notes shall finally mature on December 31, 2028. The Series A Note shall bear interest at the rate of zero percent (0.00%) per annum from and after the date of issuance of such Note.

The Series B Note shall be issued in one series in the amount of \$100,000.00, and shall be dated as of the date its issuance. No other Series "B" Notes shall be issued. The Series "B" Notes shall finally mature on December 31, 2028. The Series "B" Note shall bear interest at the rate of zero percent (0.00%) per annum from and after the date of issuance of such Note.

Principal and interest on the Notes shall be payable in such coin and currency of the United States of America as may be, on the respective dates of the payment thereof, legal tender for the payment of public and private debts at the principal office of the Paying Agent. Principal and interest will be paid by check or draft mailed to the Noteholders in whose name a Note is registered as of the 15th calendar day (whether or not a business day) next preceding the interest payment date at his address as it appears on the registration books of the Registrar.

The Notes shall originally be issued as fully registered Notes without coupon. Upon the written request of a Noteholder, and at its expense, Notes may be surrendered to the Redevelopment Authority and the Redevelopment Authority shall deliver in exchange and substitution therefore new Notes of like tenor, aggregating the then outstanding principal amount of the Notes.

Section 2.02 Execution. Limited Obligation.

The Notes shall be signed in the name and on behalf of the Redevelopment Authority by the manual or facsimile signature of the Chair or Vice Chair of the Redevelopment Authority and attested with the manual or facsimile signature of its Secretary. In the event that any of the officers who shall have signed and sealed the Notes shall cease to be officers of the Redevelopment Authority before the Notes shall have been issued and delivered, the Notes may, nevertheless, be issued and delivered, and upon such issue and delivery shall be binding upon the Redevelopment Authority as though those officers who signed and sealed the same had continued to be such officers of the Redevelopment Authority. The Notes may be signed and sealed on behalf of the Redevelopment Authority by such person who, at the actual date of execution of the Notes, shall be the proper officer of the Redevelopment Authority, although at the date of the Notes such person shall not have been such an officer of the Redevelopment Authority.

The Notes shall not be a general obligation of the Redevelopment Authority, but only a limited obligation payable solely from the tax increment revenues

pledged as security for the Notes, and from any other security pledged by Chief pursuant to the Redevelopment Contract or other financing documents (except to the extent paid out of monies attributable to income from the temporary investment of the proceeds of the Notes) and shall be a valid claim of the registered owner thereof and otherwise secured for the payment of the Notes and shall be used for no other purpose than to pay the principal and interest on the Notes, except as may be otherwise expressly authorized by this Note Resolution.

Neither the Redevelopment Authority, the State of Nebraska, the City nor any other political subdivision of the State of Nebraska shall be obligated to pay the principal of the Notes or the interest thereon or other costs incident thereto except from the money pledged therefore. Neither the faith and credit nor the taxing power (except to the extent of ad valorem taxes pledged hereunder) of the Redevelopment Authority, the City, the State of Nebraska or any political subdivision of the State of Nebraska shall be pledged to the payment of the principal of the Notes or the interest thereon or other costs incident thereto. The Notes shall never constitute an indebtedness of the Redevelopment Authority or the City within the meaning of any state constitutional provision or statutory limitation, nor shall the Notes or the interest thereon ever give rise to any pecuniary liability of the Redevelopment Authority or the City or a charge against its general credit or taxing powers.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Note are insufficient to pay in full all amounts due and owing on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Grand Island, Nebraska, and have been paid, as required by the Redevelopment Agreement and this Note Resolution, towards the retirement of the amounts due hereunder, then, on December 31, 2028, neither the Redevelopment Authority or the City of Grand Island, Nebraska, shall have any further payment or other obligations under this Note and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Redevelopment Authority or the City.

Section 2.03 Registration and Authentication of Notes.

The Notes shall not be valid or obligatory for any purpose unless the Notes shall have been authenticated by the manual signature of the Registrar.

Section 2.04A Conditions for Delivery of Series A Notes.

The Redevelopment Authority shall execute and deliver the Series A Notes to the Noteholders or to their assigns, on such date selected by the Authority, provided that Chief is not then in default under the Redevelopment Contract, and upon the filing with the Secretary of the Redevelopment Authority the following:

- (a) A certified copy of this Note Resolution;

Section 2.04B Conditions for Delivery of Series B Notes.

The Redevelopment Authority shall execute and deliver the Series "B" Notes, to the Authority for purposes of reimbursing the Authority for a grant made to Chief as part of the Redevelopment Plan related to the Redevelopment Project, upon issuance thereof.

Section 2.05 Registration of Notes.

Ownership of the Notes shall at all times be registered as to principal and interest with the Registrar. Transfer of the Note may be made only by an assignment duly executed by the registered owner or by his registered assigns, or his legal representative or attorney, in such form as shall be reasonably satisfactory to the Registrar, who shall endorse such registration or transfer on the Note. No transfer of the Note shall be effective unless and until notice of such transfer shall be delivered in writing to the Registrar. The Registrar shall retain records showing all registrations, transfers and assignments of the Note. In the event of any such transfer, the Registrar shall require the payment by the person requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06 Ownership of Note.

As to the Notes and any interest thereon, the Authority and the Registrar, and their respective successors, each in its discretion, may deem and treat the person in whose name the Note for the time being shall be registered as the absolute owner thereof for all purposes, and neither the Authority nor the Registrar, nor their respective successors, shall be affected by any notice to the contrary. Payment of or on account of the principal and interest on the Note shall be made only to or upon the order of such registered owner, but such registration may be changed as provided herein. All such payments shall be valid and effective to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 2.07 Valid Obligation.

The Note executed, issued and delivered as in this Note Resolution provided shall be a valid special obligation of the Authority.

Section 2.08 Loss or Destruction of Note.

In case any Note shall become mutilated or be destroyed or lost, the Authority shall, if not then prohibited by law, cause to be executed and delivered a new Note of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and substitution for such lost Note, upon the Noteholder paying the reasonable expenses and charges of the Authority in connection therewith and, in the event the Note is destroyed or lost, the filing with the Issuer of evidence satisfactory to it that the Note was destroyed or lost, and furnishing the Authority with indemnifications satisfactory to the Authority.

Section 2.09 Transfer of the Note.

All transfers of the Note shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Registrar with assurances in form satisfactory to the Registrar that the Note is being purchased for investment purposes only, without a view to redistribution and upon the independent credit judgment and investigation of the proposed transferee.

ARTICLE III

APPLICATION OF NOTE PROCEEDS

One hundred percent of the proceeds of the Series 2013 A Note shall be granted to Chief upon receipt of such proceeds and used by Chief to pay Project Costs pursuant to the Redevelopment Contract.

One hundred percent of the proceeds of the Series 2013 B Note shall be granted to the Authority upon receipt of such proceeds to reimburse the Authority for a grant made to Chief to pay Project Costs pursuant to the Redevelopment Contract.

ARTICLE IV

PAYMENT OF NOTE

Section 4.01 Debt Service Fund.

There is hereby created and established a separate fund for the Series 2013 A Note and a separate fund for the Series 2013 B Note with the Paying Agent in the name of the Authority to be designated "Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), Debt Service Fund Series 2013 A" and a Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), Debt Service Fund Series 2013 B" into which the Authority shall make the following deposits as to each fund:

- (a) Accrued interest, if any, received upon sale of the Note;
- (b) All Tax Increment Revenues received by the Authority with respect to the Project from the respective incremental ad valorem TIF Revenues pledged for payment of respective such Note;
- (c) All other monies required to be deposited in the Debt Service Fund pursuant to any provision of the Redevelopment Contract or this Note Resolution; and
- (d) All Tax Increment Revenues received by the Authority with respect to Redevelopment Plan Amendments with respect to the Project.

Section 4.02 Pledge of Debt Service Funds.

The monies and investments in the respective Debt Service Funds are hereby irrevocably pledged to and shall be used by the Authority from time to time, to the extent required, solely for the payment of the principal of, premium, if any, and interest on the Note. That is to say, the funds deposited to and held in the ACommunity Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), Debt Service Fund Series 2013 A” are pledged to the payment of the Series 2013 A Note; and the funds deposited to and held in the Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), Debt Service Fund Series 2013 B” are pledged to the payment of the Series 2013 B Note.

Section 4.03 Funds Held in Trust or Secured.

All monies deposited in the Debt Service Funds under the provisions of this Note Resolution or the Redevelopment Contract shall be held in trust or fully secured by pledged assets and applied only in accordance with the provisions of this Note Resolution and the Redevelopment Contract and shall not be subject to a lien or attachment by any creditor of the City, the Authority or Chief.

Section 4.04 Application of Funds.

If at any time the monies and investments in the Debt Service Funds shall not be sufficient to pay in full the principal, premium, if any, and interest on the Note as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of this Note Resolution), such funds, together with any monies then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied as follows:

- (a) Unless the principal of all of the Note shall have become or shall have been declared due and payable, all such monies shall be applied in the following order:

FIRST:

To the payment of all installments of interest then due and payable on the Note in the order in which such installments of interest became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective interests specified in the Note;

SECOND:

To the payment of all principal then due and payable on the Note which shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of the Note due and payable, then ratably to the payment of such principal due on such date, to the persons entitled thereto, without discrimination.

Section 4.05 Redemption of Note Before Maturity.

- (a) The Series 2013 A Note is callable for redemption at any time in whole or in part, without premium, in the event Chief directs the Authority that it wishes to prepay the Note.
- (b) Both the Series 2013 A and Series 2013 B Notes are also callable for redemption in the event the registered owner thereof has declared the entire unpaid principal amount at the time outstanding to be payable due to an Event of Default as that term is defined in this Note Resolution, which shall have occurred and be continuing upon the conditions, in the manner and with the effect provided in this Note Resolution.
- (c) Both the Series 2013 A and Series 2013 B Notes shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the respective Debt Service Funds, excluding amounts, if any, from investment earnings for such fund which the Authority shall be entitled to apply to administrative costs related to the Note, rounded down to the nearest one hundred dollars, after payment of all accrued but unpaid interest on each interest payment date (which funds are referred to in this Note Resolution as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each interest payment date and shall be remitted to the registered owner of the Note with interest payments. The Agent shall mark the Agent's records with respect to each mandatory partial principal prepayment made from Available Funds and it shall not be necessary for the registered owner to present the Note for notation of such prepayment. The records of the Agent shall govern as to any determination of the principal amount of the Note outstanding at anytime and the registered owner shall have the right to request information in writing from the Agent at any time as to the principal amount outstanding upon the Note.

Section 4.06 Redemption Date.

In the event the Note or any portion thereof are called for redemption or prepayment as provided in Section 4.05 of this Note Resolution, except for partial mandatory redemption, notice thereof will be given by registered or certified mail to the Noteholders not less than thirty days prior to the date fixed for prepayment or redemption, specifying such date, the aggregate principal amount of the Note to be prepaid on such date and the amount of interest on such principal amount accrued to such date. The principal amount of the Note so called for

prepayment or redemption will cease to bear interest after the specified prepayment or redemption date provided funds for such prepayment or redemption are paid to the Noteholders at that time in cash or certified funds; but, if the Series 2013 A Note has been called for payment at the option of Chief and is not prepaid or redeemed as required, the unpaid principal balance shall thereafter bear interest until paid.

Section 4.07 Investment of Funds.

Monies on deposit to the credit of the respective Debt Service Funds shall be invested in (i) direct obligations of or obligations fully guaranteed by the United States of America or an Authority or instrumentality of the United States of America, (ii) fully insured certificates of deposit or time deposits of banks or trust companies. Obligations so purchased shall be deemed at all times a part of the Debt Service Fund, respectively.

Section 4.08 Disposition of Excess Funds.

Monies on deposit in the respective Debt Service Funds remaining after payment of principal and interest on the Note in full shall, if neither Chief nor the Authority are then in default under the Redevelopment Contract or this Note Resolution, immediately be paid to Authority and shall no longer be subject to this Note Resolution.

ARTICLE V

SECURITY FOR THE SERIES 2013 A NOTE

Section 5.01 Pledge of Tax Increment Revenues as Security.

- (a) In accordance with Section 18-2147 of the Act, the Authority hereby adopts the Redevelopment Plan of the Authority by approving the Project and by providing that any ad valorem tax on real property in the Redevelopment Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act. The effective date of this provision shall be January 1, 2014, as to the real estate described on Exhibit D.
- (b) In accordance with Section 18-2150 of the Act, the Tax Increment Revenues divided pursuant to subsection (a) hereof are hereby pledged for payment of principal, premium, if any, and interest on the Series 2013 A Note. The Authority shall execute a notice with the City providing for such pledge of taxes and shall file a copy of such notice with the Hall County Clerk, Hall County Treasurer and Hall County Assessor.

ARTICLE VI

SECURITY FOR THE SERIES 2013 B NOTE

Section 6.01 Pledge of Tax Increment Revenues as Security.

- (a) In accordance with Section 18-2147 of the Act, the Authority hereby adopts the Redevelopment Plan of the Authority by approving the Project and by providing that any ad valorem tax on real property in the Redevelopment Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act. The effective date of this provision shall be January 1, 2014, as to the real estate described on Exhibit D.
- (b) In accordance with Section 18-2150 of the Act, the Tax Increment Revenues divided pursuant to subsection (a) hereof are hereby pledged for payment of principal, premium, if any, and interest on the Series 2013 B Note, PROVIDED, HOWEVER, IN ALL EVENTS, THE PLEDGE OF SECURITY FOR THE 2013 B NOTES SHALL BE JUNIOR AND INFERIOR TO THE PLEDGE OF SECURITY FOR THE 2013 A NOTES, AND NO PAYMENTS SHALL BE MADE ON THE 2013 B NOTES UNTIL THE 2013 A NOTES SHALL HAVE BEEN PAID AND REDEEMED.

ARTICLE VII

LEGAL AUTHORIZATION; FINDINGS

Section 7.01 Legal Authorization.

The Authority is a body politic and corporate under the laws of the State of Nebraska and is authorized under the Act to provide funds for the Project and construct public improvements thereon, and to issue and sell its development revenue notes such as the Note for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Note Resolution.

Section 7.02 Findings.

The Authority has heretofore determined, and does hereby determine, as follows:

- (a) The Project financed by the Note is a qualified Redevelopment project” as defined by the Act and has been approved as part of the Redevelopment Plan;
- (b) The issuance of the Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act, by, among other things, decreasing blighted and substandard conditions in the Redevelopment Area;

- (c) The amounts necessary to acquire and construct the Project will be equal to or exceed the amount of the Note;
- (d) The Redevelopment Contract is in full and complete compliance and conformity with all of the provisions of the Act;
- (e) The Redevelopment Project in the Plan would not be economically feasible without the use of tax-increment financing;
- (f) The Redevelopment Project would not occur in the Community Redevelopment Area without the use of tax-increment financing;
- (g) The costs and benefits of the Redevelopment Project, including the costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and have been found to be in the long-term best interest of the community impacted by the Redevelopment Project;
- (h) The Note will not constitute a debt of the Authority within the meaning of any constitutional or statutory limitation; and

ARTICLE VIII

AUTHORIZATION TO EXECUTE DOCUMENTS AND ISSUE NOTE

Section 8.01 Approval and Authorization of Documents.

The Redevelopment Contract in the form and content presented to the Authority on this date, is in all respects hereby approved, authorized and confirmed, and the Chair or Vice Chair of the Authority and the Secretary be and they are hereby authorized and directed to execute and deliver the Redevelopment Contract in substantially the form and content as presented to the Authority on this date, but with such changes, modifications, additions and deletions therein as shall to them seem necessary, desirable or appropriate, for and on behalf of the Authority.

Section 8.02 Authorization to Issue Notes.

The issuance and delivery of the Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), in the form and content set forth in Exhibits A and B attached hereto, be and the same are in all respects hereby approved, authorized and confirmed, and the Chair of the Authority and the Secretary be and they are hereby authorized and directed to execute and deliver the same for and on behalf of the Authority to the Noteholder's order, upon satisfaction of conditions for delivery pursuant to this resolution, and to deposit the proceeds thereon to be applied in the manner set forth in

Articles III and IV hereof. The proceeds of the Series 2013 A Note may be offset against the grant to Chief.

Section 8.03 Ratification of Actions Taken By the Authority.

The Authority hereby ratifies and approves all action taken and expenditures made by the Authority, if any, in connection with the Project based upon prior resolutions of the Authority.

Section 8.04 Authority to Execute and Deliver Additional Documents.

The Chair and Secretary of the Authority and other appropriate Authority officials are hereby authorized to execute and deliver for and on behalf of Issuer any and all additional certificates, documents or other papers and to perform all other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized and the acquisition of the Project.

Section 8.05 Copies of Documents Presented to Authority Available for Inspection.

True and correct copies of all documents presented to the Authority and identified and referred to in this Note Resolution are on file in the main office of the Authority and are available for inspection by the general public during regular business hours.

ARTICLE IX

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees, so long as the Note shall be outstanding and subject to the limitations on its obligations herein set forth, that:

Section 9.01 First Lien.

The lien on Tax Increment Revenues created by this Note Resolution is a first and prior lien and the Authority will take no actions which would subject the Tax Increment Revenues pledged hereunder or the rights, privileges and appurtenances thereto to any lien claim of any kind whether superior, equal or inferior to such lien of this Note Resolution.

Section 9.02 Payment of Note.

It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Note Resolution and in the Notes executed and delivered here under; will pay the principal, premium, if any, and interest on the Note on the dates, at the places and in the manner prescribed in the Note in any coin or currency of the United States of America which on the respective dates of payment thereof, is legal tender for the payment of public and private debts; provided, however, that the principal, premium, if any, and interest on the Note and all other covenants, undertakings, stipulations, provisions and agreements contained in this Note Resolution, the Note and any other documents delivered in connection with any of the foregoing

are not and shall not be deemed to (i) represent a debt or pledge of the faith or credit of the Authority or the City or (ii) grant to the Noteholders directly, indirectly or contingently, any right to have the Authority or the City levy any taxes or appropriate any funds to the payment of principal or interest on the Note, such payment or other obligation to be made or satisfied solely and only out of the Tax Increment Revenues and from any other security pledged pursuant to this Note Resolution.

Section 9.03 Extensions of Payment of Note and Interest.

It will not directly or indirectly extend or assent to the extension of the due date of any installment of principal, premium, if any, or interest on the Note, or of the maturity of the Note or any principal installment thereof, or the time of payment of any claims for interest thereon.

Section 9.04 Authority of the Issuer.

It is duly authorized under the Constitution and laws of the State of Nebraska to provide funds to acquire, construct and install the Project, to create and issue the Note and to make the covenants as herein provided. All necessary action and proceedings on its part to be taken for the creation and issuance of the Note and the execution and delivery of this Note Resolution have been duly and effectively taken and the Note in the hands of the Noteholder is and will be a valid and enforceable special obligation of the Authority in accordance with its terms.

Section 9.05 Further Assurances.

The Authority will execute or cause to be executed any and all further instruments that may reasonably be requested by the Noteholders and be authorized by law to perfect the pledge of a lien on the revenues and income of the Project granted in this Note Resolution, or intended so to be, or to vest in the Noteholders the right to receive and apply the same to the payment or protection and security of the Note.

Section 9.06 Proper Books and Records.

So long as the Note shall remain outstanding and unpaid, the Authority shall keep proper books and records in which full, true and correct entries will be made of all dealings and transactions relating to the ownership of the Project and the Note. Such books and records shall be open to inspection by the Noteholders.

Section 9.07 To Observe all Covenants and Terms - Limitations on Authority's Obligations.

It will not issue or permit to be issued the Note in any manner other than in accordance with the provisions of this Note Resolution, and will not suffer or permit any default to occur under this Note Resolution, but will faithfully observe and perform all the conditions, covenants and requirements hereof. Under the Act, the Authority has no obligation to levy taxes for or to make any advance or payment or to incur any expense or liability from its general funds in performing any of the conditions, covenants or requirements of the Note or this Note Resolution

or to make any payments from any funds other than revenues and income of the Project or monies in the funds and accounts provided for in this Note Resolution.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default.

The following shall be "Events of Default" under this Note Resolution and the term "Event of Default" shall mean, whenever used in this Note Resolution, any one or more of the following events:

- (a) If the Authority fails to pay any installment of principal and interest, if any, on any Note when the same shall become due and payable (whether at maturity, on acceleration or otherwise) and such failure shall continue for a period of seven business days after written notice thereof shall have been given to the Authority by the holder of the Note; or
- (b) Upon Event of Default by Chief occurs under the Redevelopment Contract; or
- (c) If any representation or warranty made by the Authority in this Note Resolution is or was, at the time it is made, false or misleading in any material respect.

Section 10.02 Remedies.

- (a) Upon the occurrence of an Event of Default, the holders of a majority of outstanding principal amount of any series of the Note may declare the entire unpaid principal of and accrued interest on such series of Note, and including all sums advanced hereunder to be forthwith due and payable. Upon such declaration, all outstanding Notes of all series, including principal and all interest thereof, shall be and become immediately due and payable without presentment, demand or further notice of any kind;
- (b) Upon the occurrence and continuation of an Event of Default, or in case the principal of the Note shall have become due and payable, whether by lapse of time or by acceleration, then and in every such case the Noteholders may proceed to protect and enforce their rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein, or in the Note, or in aid of the execution of any power herein or therein granted, or for the enforcement of any other appropriate legal or equitable remedy;
- (c) Notwithstanding any provision herein or under the Redevelopment Contract or this Note Resolution to the contrary, all monies paid or collected with respect to the Authority's, City's or Chief's obligations under this Note Resolution or the Redevelopment Contract shall, after payment of expenses as provided in Section

9.04(a) of this Note Resolution, be deposited in the Debt Service Fund and shall be paid and applied as provided in Section 4.04 of this Note Resolution.

Section 10.03 Proceeds of Sale.

Upon any receipt of funds pursuant to enforcement of remedies hereunder, such proceeds shall be paid in the following order:

- (a) All court costs, attorneys' fees, receivers' fees and receivership expenses, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, all of which fees and expenses shall be reasonable.
- (b) As provided in Section 4.04 of this Note Resolution.

The proceeds of any sale shall be distributed and applied to the items described in (a) and (b), in the order of their listing, and any surplus of the proceeds of such sale shall be paid to City.

Section 10.04 Waiver of Event of Default; Forbearance.

The Noteholders may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal. No forbearance by the Noteholders in the exercise of any right or remedy hereunder shall affect the ability of the Noteholders to thereafter exercise any such right or remedy.

ARTICLE XI

PAYING AGENT AND REGISTRAR

Section 11.01 Appointment of Paying Agent and Registrar.

The Authority hereby appoints the City Treasurer of the City of Grand Island, Nebraska, as Paying Agent and Registrar. The Paying Agent shall make all payments to Noteholders out of the Debt Service Fund as provided in Section 4.04 hereof. The Registrar shall maintain registration books of the holders of the Note.

Section 11.02 Reliance on Documents.

The Paying Agent and Registrar may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Section 11.03 Liability.

The Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by the Paying Agent and Registrar unless it shall be proved that the Paying Agent and Registrar was negligent in ascertaining the pertinent facts.

Section 11.04 Holding Note.

The Paying Agent and Registrar may acquire and hold, or become the pledgee of, any of the Note, and otherwise deal with the Authority, City or Chief in the same manner and to the same extent and with like effect as though it were not Paying Agent and Registrar hereunder.

Section 11.05 Resignation.

The Paying Agent and Registrar may resign and be discharged by giving to the Authority, Chief and the Noteholders thirty days' notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, unless previously a successor paying agent and note registrar shall have been appointed by the Noteholders as hereinafter provided, in which event such resignation shall take effect immediately on the appointment at any time for failure to perform its obligations set forth in this Note Resolution by an instrument or instruments in writing, appointing a successor to the Paying Agent and Registrar so removed, filed with the Paying Agent and Registrar and executed by the Noteholders.

Section 11.06 Appointment of Successor.

In case at any time the Paying Agent and Registrar shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver of the Paying Agent and Registrar or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Paying Agent and Registrar or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Paying Agent and Registrar hereunder, and a successor shall be appointed by the holders of the Series 2013 A Note hereby secured and then outstanding by an instrument or instruments in writing filed with the Paying Agent and Registrar and executed by such Noteholders, notification thereof being given to the Authority and Chief. If no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this paragraph within thirty days after vacancy shall have occurred in the office of Paying Agent and Registrar, the Authority shall serve as Paying Agent and Registrar until appointment of a successor.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Note Resolution or in the Note is intended or shall be construed to give to any person other than the Authority, Chief and the Noteholders any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Authority, Chief and the Noteholders as herein provided.

Section 12.02 Supplemental Resolutions.

The Authority may, upon the request of and with the written consent of Chief and the Noteholders, pass and execute resolutions supplemental to this Note Resolution which shall not be inconsistent with the terms and provisions hereof.

Section 12.03 Severability.

If any provision of this Note Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 12.04 Immunity of Officers.

No recourse for the payment of any part of the principal of or interest on the Note or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Note shall be had against any officer, member, employee or agent of the Authority or the City or the State of Nebraska, as such, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale and purchase of the Note.

Section 12.05 Incorporation of Act.

This Note Resolution does hereby incorporate by reference, the same as though fully set out herein, the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Nebraska Revised Statutes, as amended.

Section 12.06 Prior Resolutions.

All resolutions or parts thereof, in conflict with the provisions of this Note Resolution are to the extent of such conflicts hereby repealed.

Section 12.07 Effective Date.

This Note Resolution shall be in full force and effect from and after its adoption as provided by law.

Section 12.08 Notices to Parties.

Any notice, demand, certificate, request, instrument or other communication authorized or required by this Note Resolution shall be in writing and shall be deemed to have been sufficiently given or filed for all purposes of this Note Resolution if and when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE AUTHORITY:

Grand Island Community Redevelopment Authority
Attention

IF TO Chief:

IF TO THE PAYING AGENT AND REGISTRAR:

Grand Island City Treasurer
City Hall
Grand Island,

Section 12.09 Captions.

The captions or headings in this Note Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Note Resolution.

IN WITNESS WHEREOF, the undersigned hereby certify that the members of the Community Redevelopment Authority of the City of Grand Island, Nebraska passed and adopted this Note Resolution, and caused these presents to be signed in its name and behalf by a majority of its members and its official seal to be hereunto affixed, and to be attested by its Secretary, on the date first above written.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

Chairman

ATTEST:

Secretary

Exhibit A

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY
REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(Chief PROJECT)
SERIES 2013 A

Principal Amount
\$579,870.00

Interest Rate Per Annum
0.0%

Final Maturity Date
December 31, 2028

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 the registered owner designated on the reverse hereof, or registered assigns, 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 on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of zero percent (0.0%) per annum, subject to limitation as set forth in the authorizing Resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2015, until December 31, 2028, at which time said Note is due and payable in full. This Note is subject to mandatory partial prepayment as provided in the Resolution of the Authority authorizing the issuance of this Note. The payment of principal and interest 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 interest and of mandatory partial redemption of principal on each interest 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 records 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 interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this Note on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

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 plus accrued interest to the date fixed for redemption. 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 in

the manner provided in the Resolution authorizing this Note. The principal of this Note shall be subject to mandatory redemptions made in part on any interest payment date from available funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the Resolution authorizing this Note.

This Note is the single Note of its series of the total principal amount of Five Hundred Seventy Nine Thousand Eight Hundred Seventy and no one hundredths Dollars (\$579,870.00) 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 the Redevelopment Plan 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, Nebraska Revised Statutes, as amended, and has been duly authorized by resolution passed and approved by the Mayor and City Council of the City of Grand Island, acting as 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)(b) of Section 18-2147, Nebraska Revised Statutes, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" as defined in the Resolution. Pursuant to the Resolution and Section 18-2150, Nebraska Revised Statutes, said portion of taxes has been pledged for the payment of this Note, both principal and interest as the same fall due or 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, Nebraska Revised Statutes) and neither the State of 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, Nebraska Revised Statutes). 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. The Resolution authorizing said issue designates the terms upon which additional Notes payable from said taxes may be issued in the future.

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 in the Resolution authorizing the issuance of this Note. The Authority, the Paying Agent and Registrar and any other person may treat the person in 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.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Note are insufficient to pay in full all amounts due and owing on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Grand Island, Nebraska,

and have been paid, as required by the Redevelopment Agreement and this Note, towards the retirement of the amounts due hereunder, then, on December 31, 2028, neither the Redevelopment Authority or the City of Grand Island, Nebraska, shall have any further payment or other obligations under this Note and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Redevelopment Authority or the City

THIS NOTE, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of or interest on 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.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Authority, including this Note, does not exceed any limitation imposed by law.

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 signing and by causing the official seal of said Authority to be affixed hereto, all as of the date of issue shown above.

Delivered this _____ day of May, 2013.

(SEAL)

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

By: _____
Chairman

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
Registrar

Signature of Paying

May _____, 2013

Chief Industries, Inc.

Exhibit B

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY
REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(Chief PROJECT)
SERIES 2013 A

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$100,000.00	0.0%	December 31, 2028

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 the registered owner designated on the reverse hereof, or registered assigns, 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 on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of zero percent (0.0%) per annum, subject to limitation as set forth in the authorizing Resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2015, until December 31, 2028, at which time said Note is due and payable in full. This Note is subject to mandatory partial prepayment as provided in the Resolution of the Authority authorizing the issuance of this Note. The payment of principal and interest 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 interest and of mandatory partial redemption of principal on each interest 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 records 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 interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this Note on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

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 plus accrued interest to the date fixed for redemption. 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 in

the manner provided in the Resolution authorizing this Note. The principal of this Note shall be subject to mandatory redemptions made in part on any interest payment date from available funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the Resolution authorizing this Note.

This Note is the single Note of its series of the total principal amount of One Hundred Thousand and no one hundredths Dollars (\$100,000.00) 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 the Redevelopment Plan 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, Nebraska Revised Statutes, as amended, and has been duly authorized by resolution passed and approved by the Mayor and City Council of the City of Grand Island, acting as 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)(b) of Section 18-2147, Nebraska Revised Statutes, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" as defined in the Resolution. Pursuant to the Resolution and Section 18-2150, Nebraska Revised Statutes, said portion of taxes has been pledged for the payment of this Note, both principal and interest as the same fall due or 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, Nebraska Revised Statutes) and neither the State of 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, Nebraska Revised Statutes). 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. The Resolution authorizing said issue designates the terms upon which additional Notes payable from said taxes may be issued in the future.

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 in the Resolution authorizing the issuance of this Note. The Authority, the Paying Agent and Registrar and any other person may treat the person in 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.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Note are insufficient to pay in full all amounts due and owing on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Grand Island, Nebraska, and have been paid, as required by the Redevelopment Agreement and this Note, towards the

retirement of the amounts due hereunder, then, on December 31, 2028, neither the Redevelopment Authority or the City of Grand Island, Nebraska, shall have any further payment or other obligations under this Note and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Redevelopment Authority or the City

THIS NOTE, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of or interest on 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.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Authority, including this Note, does not exceed any limitation imposed by law.

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 signing and by causing the official seal of said Authority to be affixed hereto, all as of the date of issue shown above.

Delivered this ____ day of May, 2013.

(SEAL)

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

By: _____
Chairman

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
Registrar

May _____, 2013

Grand Island Community
Redevelopment Authority

EXHIBIT C
DESCRIPTION OF PROJECT

Acquisition of the real property comprising a part of the property described on **Exhibit D**, demolition of structures and site preparation pursuant to the MOU; prepare the same for development, install drives, streets, curb and gutter, foundations, pipe and underground electrical infrastructure, and related appurtenances to serve the property constituting the Project, including reimbursement of such expenses, related to the construction and installation of a 33,456 square foot manufacturing plant.

EXHIBIT D

DESCRIPTION OF PREMISES
Pledged with an effective date of January 1, 2014

Lot 1 of Chief Fab Second Subdivision, Grand Island, Hall County Nebraska.

REDEVELOPMENT CONTRACT

By and Between

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

and

CHIEF INDUSTRIES, INC.

Dated May ____, 2013

REDEVELOPMENT CONTRACT

This **REDEVELOPMENT CONTRACT** (the “**Contract**”), dated May ___, 2013, is made and entered into by and between the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) and **CHIEF INDUSTRIES, INC., a Delaware corporation** (the “**Developer**”).

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the “**City**”), in furtherance of the purposes and pursuant to the provisions of Article VIII, Section 12 of the Nebraska Constitution and Sections 18-2101 to 18-2154, inclusive, *Neb. Rev. Stat.*, (2012), as amended (collectively the “**Act**”), and further pursuant to a Resolution duly passed and approved by the Mayor and Council of the City, has designated an area of the City as blighted and substandard and in need of redevelopment (the “**Blighted Area**”); and

WHEREAS, the parties have entered into a Memorandum of Understanding dated July 25th, 2012, (the “**MOU**”) related to the redevelopment of a portion of the Blighted Area; and

WHEREAS, the Developer desires to redevelop a portion of the Blighted Area by acquiring a site and preparing the same for redevelopment by the construction of an industrial building intended to house the Chief Industries, Inc. production facility (the “**Project**, as more fully described herein); and

WHEREAS, the construction of the Project will further the purposes of the Act by remediating certain blighted and substandard conditions existing in the Redevelopment Area; and

WHEREAS, the Authority and the Developer desire to enter into this Contract for the purpose of setting forth the general terms and conditions under which the Developer will construct the Project and receive tax increment financing assistance from the Authority in respect thereof.

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Contract, the following words and terms used herein have the following meanings:

“**Act**” means, collectively, Article VIII, Section 12 of the Nebraska Constitution and Sections 18-2101 to 18-2154, inclusive, *Neb. Rev. Stat.*, (2012), as amended, and acts amendatory thereof and supplemental thereto.

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

“**TIF Resolution**” means any resolution passed and approved by the Authority authorizing the issuance of any series of TIF Indebtedness.

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

“Completion Certificate” means a certificate in substantially the form attached hereto as **Exhibit E**, executed by the Officer, representing and warranting that the Project is substantially complete.

“Contract” means this Redevelopment Contract between the Authority and the Developer, as supplemented or amended from time to time in accordance with its terms.

“Construction Plans” means the plans and specifications for the construction of the Project approved by the City and all other requisite governmental authorities.

“County Assessor” means the Assessor of the County of Hall, Nebraska, or such other official acting in such capacity.

“County Treasurer” means the Treasurer of the County of Hall, Nebraska, or such other official acting in such capacity.

“Developer” means Chief Industries, Inc., a Delaware corporation.

“Lender” means the original purchaser or purchasers of any series of TIF Indebtedness, including, if and when applicable, the Developer.

“Officer” means the Officer of the Developer, or such other person as is duly authorized to act on behalf of and legally bind the Developer.

“Permitted Subsequent Approvals” means the building permits and other governmental approvals customarily obtained prior to construction which have not been obtained on the date that this Contract is executed, which the City or other governmental entity has not yet determined to grant.

“Project” means the construction of the improvements described in **Exhibit B** attached hereto.

“Project Costs” means those costs or expenses identified on **Exhibit D** attached hereto incurred by the Developer in accordance with the Act to acquire, construct, equip, and furnish the Project.

“Redevelopment Area” means that certain real property legally described on **Exhibit A**, all of which has been declared blighted and substandard by the City pursuant to the Act.

“Redevelopment Plan” means the redevelopment plan amendment for Grand Island CRA Area #8 related to the Project and approved by the Grand Island City Council.

“TIF Indebtedness” means any bonds, notes, loans, advances of money or other indebtedness, including interest and premiums, if any, thereon, incurred by the Authority pursuant to the Act and **Article III** and secured in whole or in part by the TIF Revenues.

“TIF Revenues” means the incremental ad valorem taxes on real property in the Redevelopment Area described in Section 18-2147(1) (b) of the Act, which will be allocated and paid to the Authority pursuant to the Act.

Section 1.02. Rules of Interpretation.

- (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.
- (b) Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.
- (c) All references in this Contract to designated "Articles," "Sections," and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions hereof as originally executed.
- (d) The words "herein," "hereof," "hereunder," and other words of similar import refer to this Contract as a whole and not to any particular Article, Section or subdivision.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations by the Authority. The Authority makes the following representations as the basis for the undertakings on its part herein contained:

- (a) The Authority has been duly organized and validly exists as a community Redevelopment Authority under and pursuant to the Act.
- (b) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City and the legislative declarations and determinations set forth in the Act.
- (c) The Project will achieve the public purposes of the Act by, among other things, improving public infrastructure, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Area.
- (d) Based on the representations of the Developer the Project would not be economically feasible without the use of tax-increment financing; the Project would not occur in the Redevelopment Area without the use of tax-increment financing; and the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the City, 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 interests of the City.
- (e) The Authority has determined that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of accomplishing 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.

- (f) To the best of the Authority's knowledge, there is no litigation, proceeding, or investigation pending or, to the knowledge of the Authority, threatened against the Authority or the City with respect to the Project or this Contract. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the Authority, threatened against the Authority or the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Contract or which would in any manner challenge or adversely affect the existence or powers of the Authority to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Authority of the terms and provisions of this Contract.
- (g) No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the Authority of this Contract.
- (h) No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Authority under this Contract.
- (i) The Authority has no reason to believe that all permits, licenses, and approvals necessary to construct the Project, including the approval of the Construction Plans, cannot be obtained by the Developer.

Section 2.02. Representations by the Developer. The Developer makes the following representations as the basis for the undertakings on its part herein contained:

- (a) The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Contract and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Contract constitutes the legal, valid, and binding obligation of the Developer, enforceable in accordance with its terms.
- (b) The execution and delivery of this Contract, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.
- (c) No litigation, proceeding, or investigation is pending or, to the knowledge of the Developer, threatened against the Developer or any member of the Developer or the Project. In addition, no litigation, proceeding, or investigation is pending or, to the knowledge of the Developer, threatened against the Developer seeking to restrain, enjoin or in any way limit

the approval or issuance and delivery of this Contract or which would in any manner challenge or adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity, or performance by the Developer of the terms and provisions of this Contract.

- (d) The Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business except for the transactions contemplated by this Contract (including the transactions between the Developer and its Senior Credit Facility), and there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which could affect the Developer's ability to perform its obligations pursuant to this Contract from that shown in the financial information provided by the Developer to the City prior to the execution of this Contract.
- (e) No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this Contract, or any other material agreement or material instrument to which the Developer is a party or by which the Developer is or may be bound.
- (f) Except for Permitted Subsequent Approvals, the Developer has received and is in good standing with respect to all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business as heretofore conducted by it and to own or lease and operate its properties as now owned or leased by it. Except for Permitted Subsequent Approvals, the Developer has obtained all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to acquire, construct, equip, operate and maintain the Project. The Developer has no reason to believe that all such certificates, licenses, consents, permits, authorizations or approvals which have not yet been obtained will not be obtained in due course.
- (g) Except for Permitted Subsequent Approvals, all governmental permits and licenses required by applicable law to construct, occupy and operate the Project have been issued and are in full force and effect or, if the present stage of development does not allow such issuance, the Developer has no reason to believe, after due inquiry of the appropriate governmental officials, that such permits and licenses will not be issued in a timely manner in order to permit the Project to be constructed.
- (h) The Developer is in compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations as contemplated by this Contract.
- (i) The information furnished to the City by the Developer in connection with the matters covered in this Contract is true and correct and does not contain any untrue statement of any material fact and does not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

- (j) The Project would not be economically feasible without the use of tax-increment financing; and the Project would not occur in the Redevelopment Area without the use of tax-increment financing.

Section 2.03. Conditions to Effective Date of this Contract. This Contract shall not become effective until each of the following has been completed: the Developer has furnished the Authority with (a) a copy of the Developer's Certificate of Authority certified by the Secretary of State of the State of Nebraska, and (b) a legal opinion from counsel to the Developer in form and substance acceptable to the Authority covering: (1) the due organization of the Developer and the power and authority of the Developer to execute this Contract; and (2) the enforceability of this Contract against the Developer.

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 real property in the Redevelopment Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision, which shall be January 1, 2014, as follows:

- (a) That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation (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 portion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount, 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, advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Authority for financing or refinancing, in whole or in part, the Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due have been paid, the Authority shall so notify the County Assessor and the County Treasurer and all ad valorem taxes upon real property in the Redevelopment Area shall thereafter be paid into the funds of the respective public bodies.

Section 3.02. Issuance of TIF Indebtedness. The Authority hereby agrees to incur TIF Indebtedness, including refunding TIF Indebtedness, in one or more series in accordance with the general terms and conditions specified on **Exhibit C**, so long as the conditions precedent described in **Section 3.03** have been satisfied for such series of TIF Indebtedness. The final terms and conditions of each series of TIF Indebtedness, including, without limitation, any applicable coverage ratio, debt service reserve, or other credit enhancement for such series of TIF Indebtedness, shall be stated in the TIF Resolution authorizing such series of TIF Indebtedness, subject to the mutual acceptance of such terms by the Authority and the Developer, which acceptance shall not be unreasonably withheld. Notwithstanding the foregoing, it shall be the sole and exclusive responsibility of the Developer to find an acceptable purchaser for each series of TIF Indebtedness issued by the Authority pursuant to this Contract.

Section 3.03. Conditions Precedent to TIF Indebtedness. Notwithstanding anything in this Contract to the contrary, prior to the issuance of any series of TIF Indebtedness the Developer shall

submit satisfactory evidence to the Authority (unless waived by the Authority in its sole discretion) indicating that:

- (a) private funds have been committed by the Developer in amounts sufficient to complete the construction of the proposed Project;
- (c) Project Costs have been incurred by the Developer, or the Developer has become obligated to incur such Project Costs, in an amount at least equal to the project portion of such series of TIF Indebtedness.
- (d) Developer shall pay to the Grand Island Community Redevelopment Authority the sum of \$5,000 representing reimbursement of funds expended by the city in the preparation of the redevelopment plan and issuance of the TIF indebtedness and \$1000 to be paid either by the Developer to the City of Grand Island for administrative costs associated with this contract .

Section 3.04. Pledge of TIF Revenues. The Authority hereby irrevocably pledges the TIF Revenues as security for the TIF Indebtedness in accordance with the terms set forth on **Exhibit C** and the TIF Resolution.

Section 3.05. Grant of Proceeds of TIF Indebtedness. Subject to the further terms of this Contract, the Authority shall grant to the Developer the proceeds of the Series A TIF Indebtedness as described on **Exhibit C** and shall grant to the Authority the proceeds of the Series B TIF Indebtedness as described on **Exhibit C** in one or more advances. The Developer shall use the proceeds of the Series A TIF Indebtedness solely for reimbursement or payment of Project Costs incurred by the Developer, including those described in the MOU. The Authority shall use the proceeds of the Series B TIF Indebtedness to reimburse the grant made to the Developer as set forth in the MOU. Notwithstanding the foregoing, the amount of all grants made hereunder shall not exceed the amount of Project Costs certified pursuant to **Section 402**. Developer shall, on request of the Authority, provide all supporting documentation showing payment of such Project Costs.

Section 3.06. Creation of Fund. The Authority shall create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay the principal or redemption price of and interest on any TIF Indebtedness issued pursuant to **Section 3.02** and to establish such additional reserves and pay such administrative costs as determined necessary by the Authority and/or the Lender for any TIF Indebtedness.

ARTICLE IV

OBLIGATIONS OF DEVELOPER

Section 4.01. Construction of Project. The Developer shall construct the Project in accordance with the Construction Plans. The Developer shall be solely responsible for obtaining all permits, licenses, and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, the Developer shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of the Developer with respect to the construction of the Project. Promptly after the Developer has completed the Project, the Developer shall furnish the Completion Certificate to the Authority, which, upon its acceptance by the Authority, shall constitute conclusive evidence of the satisfaction of the agreements and covenants in this Contract

with respect to the obligations of the Developer and its successors and assigns to construct the Project. As used in this Contract, the terms “completed” and “completion” shall mean substantial completion of the Project. The Parties agree that substantial completion may be less than complete installation of concrete flooring, as the building is intended to be finished in phases.

Section 4.02. Authority Costs. The Developer shall reimburse the Authority, on the date of the execution of this Contract, for legal fees other expenses incurred by the City and Authority to assist the Developer.

Section 4.03. No Discrimination. The Developer agrees and covenants for itself and its successors and assigns that so 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. The Developer, for itself and its successors and assigns, agrees that during the construction of the Project, the Developer 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. The Developer will comply with all applicable federal, state and local laws related to the Project.

Section 4.04. Inspections and Audits. The Developer shall upon reasonable advance notice, allow the Authority and the Authority’s agents (including the City’s Engineer) access to the Project from time to time for reasonable inspection of the Project. The Authority shall have the right at its own cost and expense to audit (either through employees of the Authority or a firm engaged by the Authority) the books and records of the Developer relating to the payment of Project Costs.

Section 4.05. Required Disclosures. The Developer shall immediately notify the Authority of the occurrence of any material event which would cause any of the information furnished to the Authority by the Developer in connection with the matters covered in this Contract to contain any untrue statement of any material fact or to omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

Section 4.06. Immigration Status. Developer agrees that any contractor providing services on the Project site will utilize the federal immigration verification system, as defined in Section 4-114, *Neb. Rev. Stat.* (2012), to determine the work eligibility status of new employees physically performing services on the Project.

Section 4.07 Purchase of Indebtedness. The Developer agrees to purchase or cause to be purchased the Series A TIF Indebtedness described on **Exhibit C**, upon issuance, at a price equal to the principal amount thereof in a private placement satisfactory to the Authority as to its terms and participants. Neither the Authority nor the City shall have any obligation to provide for the sale of the Indebtedness. It is the sole responsibility of the Developer to effect the sale of the Indebtedness in accordance with the terms of this Redevelopment Contract and the Resolution and if the Indebtedness cannot be sold in a private placement under terms acceptable to the Authority, this Redevelopment Contract shall cease to be in force and effect and the Authority and the City shall have no further obligations hereunder. Developer acknowledges that it is its understanding and the Authority's understanding that interest on the Indebtedness will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

Section 4.08 Penal Bond. Pursuant to Section 18-2151, *Neb. Rev. Stat.*, (2012), Developer shall furnish or cause to be furnished to the City, prior to commencement of construction of the Redevelopment Project Improvements, a penal bond in an amount of Five Thousand and No/100 Dollars

(\$5,000) conditioned upon the Developer at all times making payment of all amounts lawfully due to all persons supplying or furnishing the Developer, the Developer's contractor, or his or her subcontractors who performed labor or applied materials performed or used in the Project. Proof of such penal bond shall be supplied to the City prior to the start of construction of the Redevelopment Project Improvements.

ARTICLE V

FINANCING OF PROJECT

Section 5.01. Financing. The Developer shall pay all Project Costs and any and all other costs related to the Project that are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to the Developer. The Developer 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 the Authority and the Developer. Subject to the further provisions of this **Article VI**, in the event of any failure to perform or breach of this 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 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 Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations or exercise any other remedies that may be provided in this Contract or by applicable law; provided, however, that the default shall not give rise to a right of rescission or termination of this Contract.

Section 6.02. Forced Delay Beyond Party's Control. For the purposes of any of the provisions of this Contract, neither the Authority nor the Developer, 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 Developer 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 30 days after the beginning of any such forced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.03. Limitation of Liability; Indemnification. Notwithstanding anything in this **Article VI** or this Contract to the contrary, neither the City nor the Authority, nor their officers, directors,

employees, agents, nor governing bodies shall have any pecuniary obligation or monetary liability under this Contract. The sole obligation of the Authority under this Contract shall be the issuance of the TIF Indebtedness and the granting of a portion of the proceeds thereof to the Developer, as specifically set forth in **Sections 3.02** and **3.05**. The obligation of the Authority on any TIF Indebtedness shall be limited solely to the TIF Revenues pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither the City nor the Authority shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. The Developer will indemnify and hold each of the City and the Authority and their directors, officers, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, including litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about the Project during the term of this Contract or arising out of any action or inaction of the Developer in connection with its activities conducted pursuant to this Contract (whether or not in any way related to the enforcement of this Contract) and/or in connection with the ownership, use or occupancy and development or redevelopment of the Redevelopment Area (whether or not in any way related to the Project).

ARTICLE VII

GENERAL COVENANTS

Section 7.01. Obligation to Restore. So long as the TIF Indebtedness remains outstanding, the Developer hereby agrees that if any portion of the Project owned by it shall be damaged or destroyed, in whole or in part, by fire or other casualty, or by any taking in condemnation proceedings or the exercise of any right of eminent domain, the Developer, to the extent of the net proceeds of insurance (including any deductible) or condemnation award received by or made available to the Developer but subject to the rights of any Lender, shall promptly restore, replace or rebuild the same (or shall promptly cause the same to be restored, replaced or rebuilt) to as nearly as possible the value, quality and condition it was in immediately prior to such fire or other casualty or taking, with such alterations or changes as may be approved in writing by the Authority, which approval shall not be unreasonably withheld. The Developer shall give prompt written notice to the Authority of any damage or destruction to the Project by fire or other casualty, irrespective of the amount of such damage or destruction, but in such circumstances the Developer shall make the property safe and in compliance with all applicable laws as provided herein. If lender consent is required for the application of the insurance proceeds or condemnation award to the restoration, replacement or rebuilding of the Project under any loan documents to which the Developer or the Project is subject, the Developer shall request such lender consent in accordance with the terms of such loan documents. To the extent the net proceeds of insurance are deposited into any project fund established under the terms of any TIF Resolution relating to any series of TIF Indebtedness, the Developer may use such moneys in the restoration, replacement and rebuilding of the Project.

Section 7.02. Assignment of Developer's Obligations. The Developer shall not assign any of its rights hereunder nor shall it permit any of its members to assign or to dispose of any interest in the Developer prior to the completion of the Project without the prior written consent of the Authority. Following completion of the Project, this Contract and the rights, duties and obligations hereunder as they relate to the Project may be fully and freely assigned by the Developer provided, however, every assignee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the Authority, assume all of the obligations of the Developer under this Contract and agree to be subject to all of the conditions and restrictions to which the Developer is subject (or, in the event the transfer is of

or relates to a portion of the Redevelopment Area, such obligations, conditions and restrictions to the extent that they relate to such portion). In the event this Contract is assigned in whole or part the Developer shall be released from any further obligations set forth herein accruing after the date of such assignment. The Developer shall notify the Authority of any such Assignment including presentation of the assumption of obligation instrument within 10 days of closing on such assignment.

Section 7.03. Sale of Project.

- (a) No sale, transfer, or other conveyance of the Project may be made without the prior written approval of the Authority, which approval shall not be unreasonably withheld. The Authority's right of prior approval of any transferee shall be in force as long as there is outstanding TIF Indebtedness associated with the Project. The Authority shall require that any transferee demonstrate to the Authority's reasonable satisfaction that the transferee has sufficient financial, management, property ownership and operation capabilities and that it is committed to the long-term viability of the Project and the land uses on the property to be sold or transferred (the "**Transferee Qualifications**").
- (b) The Authority shall be notified by the Developer in writing of the proposed sale of the Project prior to the proposed effective date of the sale, which notification shall include a copy of the instrument affecting such sale along with a statement and sufficient documentation to demonstrate that the Transferee Qualifications have been satisfied with respect to the proposed transferee. The Authority shall exercise its right to approve or deny any proposed sale or transfer within 20 days (the "**Response Period**") from the date of receipt of notice from the Developer, or within two business days after the next regularly scheduled Council meeting if a regularly scheduled Council meeting will not occur within the Response Period or is scheduled to occur on day 19 or 20 of the Response Period, which notice shall specify the land proposed to be sold or transferred, the identity of the proposed transferee and the Transferee Qualifications. Written approval may be provided by the Authority after approval of the sale or transfer by the City Council.
- (c) The Developer shall require each transferee to enter into a transferee agreement with the Authority in a form prepared by Authority counsel and reviewed and approved by Developer counsel, certifying, without limitation, that the transferee has been fully advised of and is obligated to fully comply with the Redevelopment Plan and this Contract. Upon execution of a transferee agreement between the Authority and a transferee, the Developer shall be released from its obligations in this Contract relating to the transferred property.

Section 7.04. Mutual Assistance. The Authority and the Developer agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate to carry out the terms, provisions and intent of this Contract and to aid and assist each other in carrying out said terms, provisions and intent.

Section 7.05. Time of the Essence. Time is of the essence. The Authority and the Developer will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Contract requires their continued cooperation.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Conflict of Interest. No member of the Authority's governing body or of any branch of the City's government that has any power of review or approval of any of the Developer's undertakings shall participate in any decisions relating thereto which affect such person's personal interests or the interests of any corporation, partnership, or company in which such person is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Authority the nature of such interest and seek a determination with respect to such interest by the Authority and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

Section 8.02. Authorized Parties. Whenever under the provisions of this Contract and other related documents, instruments or any supplemental agreement, a request, demand, approval, notice or consent of the Authority or the Developer is required, or the Authority or the Developer is required to agree or to take some action at the request of the other party, such approval or such consent or such request shall be given for the Authority, unless otherwise provided herein, by the Mayor of the City or his or her designee and for the Developer by its Officer; and any person shall be authorized to act on any such agreement, request, demand, approval, notice or consent or other action and neither party shall have any complaint against the other as a result of any such action taken. The Mayor of the City may seek the advice, consent or approval of the City Council before providing any supplemental agreement, a request, demand, approval, notice or consent for the Authority pursuant to this Section.

Section 8.03. No Other Agreement. Except as otherwise expressly provided herein, this Contract supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties hereto. In the event of a conflict between this Contract and any prior agreement or understanding of the parties, this Contract shall control.

Section 8.04. Severability. If any provision, covenant, agreement or portion of this Contract, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Contract and, to that end, any provisions, covenants, agreements or portions of this Contract are declared to be severable.

Section 8.05. Nebraska Law. This Contract shall be construed in accordance with the laws of the State of Nebraska.

Section 8.06. Counterparts. This Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 8.07. Recordation of Agreement. The Authority and the Developer agree to execute and deliver the original of this Contract, or a notice recording thereof, in proper form for recording and/or indexing in the appropriate land or governmental records. This Contract shall be recorded by the Developer, and proof of recording shall be provided to the Authority.

Section 8.08. Binding Effect; Amendment. This Contract shall be binding on the parties hereto and their respective successors and assigns. This Contract shall run with the Redevelopment Area. This Contract shall not be amended except by a writing signed by the parties bound hereto.

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

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

[S E A L]

By: _____
Chair

ATTEST:

By: _____
Secretary

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of May, 2013, by _____ and _____, the Chair and Secretary, respectively, of the Community Redevelopment Authority of the City of Grand Island, Nebraska.

[S E A L]

Notary Public

CHIEF INDUSTRIES, INC.

By: _____
Its _____

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ____ day of May, 2013, by _____, the _____ of Chief Industries, Inc.

[S E A L]

Notary Public

EXHIBIT A

**LEGAL DESCRIPTION
OF BLIGHTED AREA/REDEVELOPMENT AREA**

- Lot 1 of Chief Fab Second Subdivision in the City of Grand Island, Hall County, Nebraska.

EXHIBIT B

DESCRIPTION OF PROJECT

Acquisition of the real property on **Exhibit A**, demolition of structures and site preparation pursuant to the MOU; prepare the same for development, install drives, streets, curb and gutter, foundations, pipe and underground electrical infrastructure, and related appurtenances to serve the property constituting the Project, including reimbursement of such expenses, related to the construction and installation of a 33,456 square foot manufacturing plant.

Exhibit C

TIF Indebtedness

Aggregate Principal and Interest Amount payable from TIF Revenues:

Not to exceed \$679,870.00 to be issued in two series as follows: Series A, \$579,870.00
Series B, \$100,000.00

Interest Rate:

Not to exceed 0% per annum, as determined by the TIF Resolution authorizing each series of TIF Indebtedness.

Maturity Date:

Not later than December 31, 2028.

Security:

The first pledge of TIF Revenues in the aggregate amount of Five Hundred Seventy-Nine Thousand Eight Hundred Seventy and 00/100 dollars (\$579,870.00), shall be allocated to the Series A TIF Indebtedness until paid in full, or until maturity, whichever is the earlier.

The second pledge of TIF Revenues in the aggregate amount of One Hundred Thousand and 00/100 dollars (\$100,000.00), shall be allocated to the Series B TIF Indebtedness until paid in full, or until maturity, whichever is the earlier. Payment on the Series B TIF Indebtedness shall not commence until payment in full of the Series A TIF Indebtedness.

Payment Schedule:

As determined by the TIF Resolution authorizing such TIF Indebtedness.

EXHIBIT D
PROJECT COSTS

For purposes of this Redevelopment Contract, the term “Project Costs” is limited solely to the those costs necessary to acquire the real property, prepare the same for development, install drives, foundations, pipe and underground electrical infrastructure, and related appurtenances to serve the property constituting the Project, including reimbursement of such expenses.

EXHIBIT E

**FORM OF COMPLETION CERTIFICATE
OF
CHIEF INDUSTRIES, INC.**

The undersigned, **Chief Industries, Inc.** (the “**Developer**”), pursuant to that certain Redevelopment Contract dated May __, 2013, between the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) and the Developer (the “**Contract**”), hereby certifies to the Authority as follows:

1. As of _____, 20__, the construction, renovation, repairing, equipping and constructing of the Project (as such term is defined in the Contract) has been substantially completed in accordance with the Contract.
2. The Project has been completed in a workmanlike manner and in accordance with the plans and specifications for the Project submitted to the City of Grand Island, Nebraska to obtain all building permits related to the Project.
3. Lien waivers for applicable portions of the Project have been obtained.
4. This Completion Certificate is being issued by the Developer to the Authority in accordance with the Contract to evidence the Developer’s satisfaction of all obligations and covenants with respect to the Project.
5. The Authority’s acceptance (below) or the Authority’s failure to object in writing to this Certificate within 30 days of the date of delivery of this Certificate to the Authority (which written objection, if any, must be delivered to the Developer prior to the end of such 30-day period), and the recordation of this Certificate with the Hall County Register of Deeds, shall evidence the satisfaction of the Developer’s agreements and covenants to construct the Project. The Authority’s acceptance of the Completion Certificate shall release the Developer from any further obligation or liability for construction of the Project under the terms of the Contract in regard to the portion of the Redevelopment Area for which the Completion Certificate is furnished.

This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Contract.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this ____ day of _____, 20__.

CHIEF INDUSTRIES, INC.

By: _____
Printed Name: _____
Title: _____

ACCEPTED:

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

By: _____
Printed Name: _____
Title: _____



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item J2

Amendment to TIF Contract

Staff Contact: Chad

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

RESOLUTION NO. 163

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

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), approved a redevelopment contract with Todd Enck dated December 30, 2008 for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within redevelopment area # 6, from Todd Enck (The "Developer") and

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to extend term of the contract from December 31, 2019 to December 31, 2023 on this project, and

WHEREAS, this extension will not result in an increase in the amount of Tax Increment Financing Provided to the Developer and without the extension the full amount of TIF required to meet the financing gap will not be collected and made available to the developer, and

WHEREAS, the Developer has complied with the terms of the Redevelopment Contract and constructed the planned improvements creating a stabilizing influence in the neighborhood;

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 an Amended Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, consistent with the previously approved redevelopment plan amendment, 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 _____, 2013.

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 _____, 2013, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (“**Authority**”), and Todd Enck, an individual (“**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, 2012, as amended (collectively the “**Act**”), has designated an area in the City as blighted and substandard; and

WHEREAS, Authority and Redeveloper have previously executed a Redevelopment Contract dated December 30, 2008, (the “**Original Contract**”) a copy of which is attached hereto as Exhibit A, for acquisition and redevelopment of a parcel in the blighted and substandard area;

WHEREAS, the parties wish to amend the Original Contract as set forth herein;

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:

1. Pursuant to the Original Contract the Redeveloper was to receive a sum not to exceed \$54,650 through the payment of annual tax increment generated by the project described in the Original Contract for a period of 10 years from January 1, 2009.
2. To the date of this Amended Redevelopment Contract the Redeveloper has received the sum of \$7,780.03.
3. The obligations of the Authority under the Original Contract are hereby terminated and the Authority shall undertake the actions set forth herein, in complete substitution therefore.
4. Authority shall Issue and deliver to Redeveloper its Tax Increment Revenue Note (the “**Note**”) in the amount of \$46,869.97, bearing interest at the rate of zero percent per annum. The Note shall mature on December 31, 2023 if not sooner paid in full. If not fully paid by the maturity date, the Authority shall have no further obligation on the Note and the Redeveloper shall surrender the Note and mark the same as “Full Paid”.
5. In accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on the following real property described in the Original Contract, 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, 2009. Said taxes shall be divided as follows:
 - (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.

PROVIDED, HOWEVER, IN ALL EVENTS Redeveloper shall not be entitled to payment of any sums from such division of taxes, which have been paid under the Original Contract.

6. The Note 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. 2012, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Redevelopment Project" as defined in the Original Contract. The 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. The Note shall not constitute an obligation of the State of Nebraska or of the City or the Authority 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. Neither the members of the Authority's governing body nor any person executing the Note shall be liable personally on the Note by reason of the issuance thereof. The Authority's obligation to the holder of the Note shall terminate, in all events no later than 15 years from the effective date set forth herein hereof.
7. The Authority hereby pledges 100% of the annual TIF Revenues as security for the Note.
8. Redeveloper shall be bound by all of the terms and conditions of the Original Contract, notwithstanding the amendment provided by this contract.
9. This Redevelopment Contract shall be governed by the laws of the State of Nebraska, including but not limited to the Act.
10. 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.
11. The provisions of this Redevelopment Contract which obligate the Redeveloper shall inure to the benefit of the holder of the Note, 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.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

Chairman

ATTEST:

Secretary

Todd Enck

STATE OF NEBRASKA)
COUNTY OF HALL) ss.

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 _____, Todd Enck.