



City of Grand Island

Tuesday, September 8, 2015

Council Session

Item E-1

**Public Hearing on Amendment to the Redevelopment Plan for
CRA Area 2 located at 1607 South Locust Street (Bosselman Real
Estate, LLC)**

Council action will take place under Resolutions item I-1.

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: September 8, 2015

Subject: Amendment to Redevelopment Plan for CRA Area 2

Presenter(s): Chad Nabity, AICP
CRA Director

Background

In 1999, the Grand Island City Council declared property referred to as CRA Area 2 as blighted and substandard and approved a generalized redevelopment plan for the property. The generalized redevelopment plan authorized the use of Tax Increment Financing (TIF) for the acquisition of property, redevelopment of property, site preparation including demolition, landscaping and parking. TIF can also be used for improvements to and expansion of existing infrastructure including but not limited to: streets, water, sewer, drainage.

Bosselman Real Estate LLC as the developer has submitted a proposed amendment to the redevelopment plan that would provide for site acquisition, necessary clearance, utility extensions, renovation of the existing building and planning activities and the subsequent construction of a 100 room hotel and small office center at 1607 S. Locust Street in Grand Island, Nebraska, Lot 1 of Fonner Fourth Subdivision in the City of Grand Island.

The CRA reviewed the proposed development plan on August 19, 2015 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on September 2, 2015. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on September 2, 2015. The Planning Commission approved Resolution 2015-06 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island.

Discussion

Tonight, Council will hold a public hearing to take testimony on the proposed plan amendment (including the cost benefit analysis that was performed regarding this proposed project) and to enter into the record a copy of the plan amendment, the draft TIF contract under consideration by the CRA.

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area 2 and authorizes the CRA to execute a contract for TIF based on the plan amendment. The redevelopment plan amendment permits for site acquisition, necessary clearance, utility extensions, renovation of the existing building and planning activities and the subsequent construction of a 100 room hotel and small office center at 1607 S. Locust Street in Grand Island, Nebraska. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for as eligible TIF project and that it will not negatively impact existing services within the community or shift additional costs onto the current residents of Grand Island and the impacted school districts. There are more than \$8.200,000 of identified expenses eligible for Tax increment financing with the proposed redevelopment plan amendment it is anticipated that this project will generate \$6,552,000 worth of increment over 15 years. The bond for this project will be issued for a period of 15 years and will end upon final payment of the bond principal and any associated interest.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

Sample Motion

Move to approve the resolution as submitted.

Redevelopment Plan Amendment Grand Island CRA Area 2 July 2015

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 2 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a commercial project in Area 2.

Executive Summary: Project Description

THE ACQUISITION OF PROPERTY AT 1607 SOUTH LOCUST STREET AND THE SUBSEQUENT SITE WORK, RENOVATIONS, UTILITY IMPROVEMENTS, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR REBUILDING CORPORATE OFFICE FOR BOSSELMAN COMPANIES ALONG WITH A MOTEL AND SEPARATE PROFESSIONAL OFFICE SPACE AT THIS LOCATION.

The use of Tax Increment Financing (TIF) to aid in the acquisition of property, rehabilitation of the existing building, necessary site work and installation of public utilities and utility connections necessary to develop this site. The use of TIF makes it feasible to complete the proposed project within the timeline presented. This project developer has stated that the project will not be completed at this location without the use of TIF.

The acquisition, rehabilitation, site work and construction of all improvements will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2017 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 east of Locust Street south of State Fair Boulevard and west of Fonner Park in south central Grand Island, the attached map identifies the subject property and the surrounding land uses:

- **Legal Description** Lot 1 of Fonner Fourth Subdivision (It is anticipated this property will be re-subdivided to accommodate phases 2 and 3 of this proposal.



The tax increment will be captured for the tax years the payments for which become delinquent in years 2018 through 2031 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from the construction of new commercial space on this property.

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, 2017. Said taxes shall be divided as follows:

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

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

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

Redevelopment Plan Amendment Complies with the Act:

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

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on September 13, 1999.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

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

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

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

a. Land Acquisition:

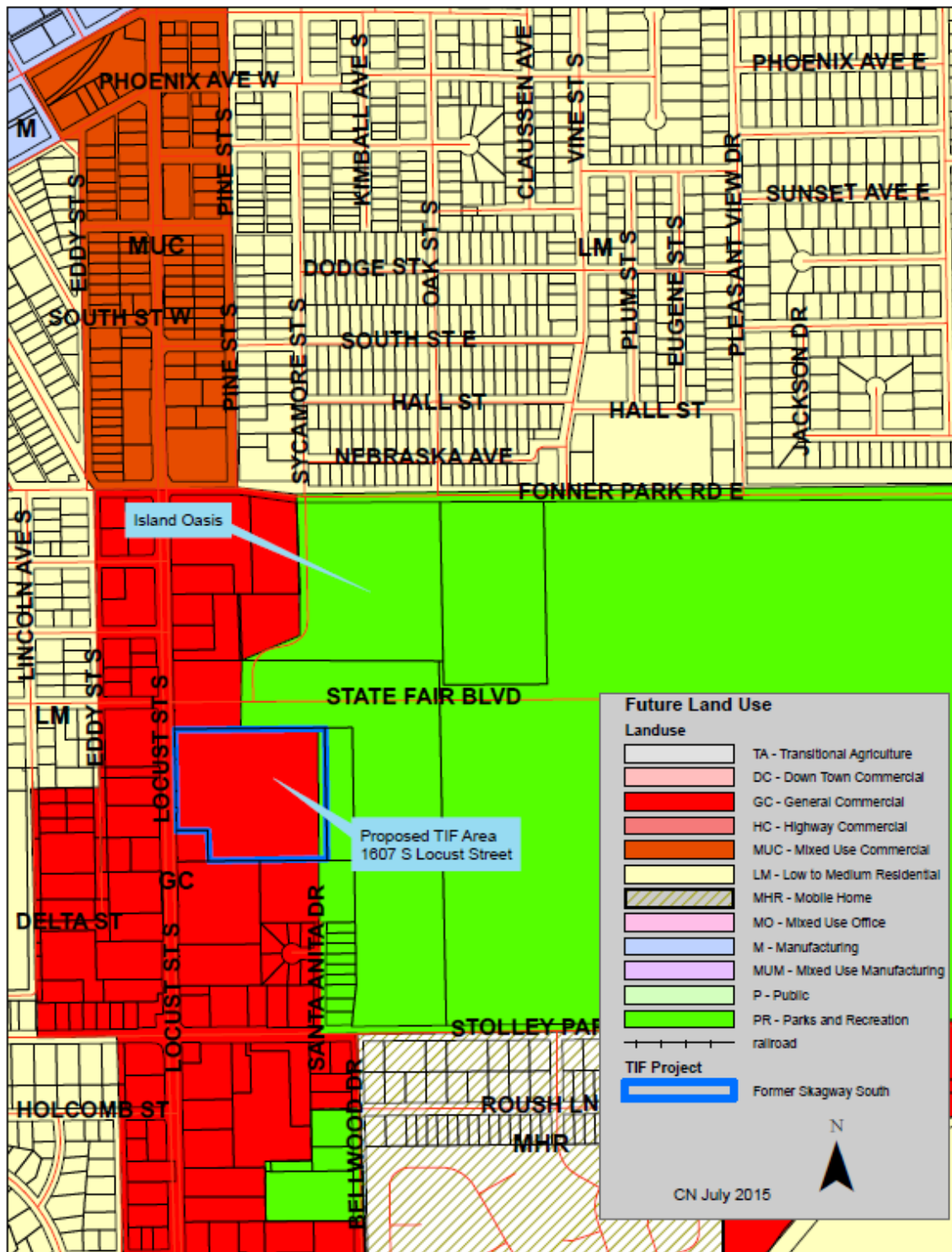
The Redevelopment Plan for Area 2 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. The applicant will be acquiring the property from the current owner.

b. Demolition and Removal of Structures:

The project to be implemented with this plan will not require demolition 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 commercial development within this arterial corridor allowing for maximum exposure. Residential and hotel uses are also permitted in this area [§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 B2-AC General Business zone with an Arterial Commercial Overlay District. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to remodel the existing retail building for a combination of retail uses, office uses and residential dormitories. In addition there are future phases that anticipate the development of a 100 room motel at the northwest corner of the site and additional in-line professional office space along the southern property line. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. Connections for water and sewer will have to be extended to serve the proposed future development.

No other utilities would be impacted by the development.

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

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This amendment does not provide for acquisition of any residences and therefore, no relocation is contemplated. [§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 is proposing to purchase this property for redevelopment for \$1,700,000 provided that TIF is available for the project as defined. The cost of property acquisition is being included as a TIF eligible expense. Costs for site preparation, utility extensions, building plans, and renovation of the existing building \$6,591,600 and are included as TIF eligible expenses for phase 1. Phase 2 eligible expenses include sitework/utility extensions, architecture and legal fees of \$315,000. Phase 3 eligible expenses include architecture and legal fees of \$120,000. The total amount of the TIF eligible expenses in this request is over \$8,700,000. It is estimated based on the proposed increased valuation for Phase 1 of the project of \$11,617,706 will result in \$3,836,200 of increment generated over a 15 year period. Phase 2 would generate an increase in value of \$8,083,00 with \$2,491,229 generated over a 14 year period. Phase 3 would generate an increase of \$787,000 with \$225,230 generated over a 13 year period. A total of \$6,552,000 of TIF would be available to cover \$8,726,600 worth of TIF eligible expenses. It is anticipated that the developer will spend almost \$2,175,000 more on eligible expenses than will be generated by the tax increment.

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 \$6,552,000 for the project 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 after January 1, 2018 through December 2032.

c. Statement of feasible method of relocating displaced families.

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

7. Section 18-2113 of the Act requires:

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

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of the existing building and development of additional commercial facilities at this location. This lot is surrounded by similar commercial uses. This will not increase traffic in the area. New commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

Development of Phase 1 of this project is anticipated to be completed between January of 2016 and December of 2016. Excess valuation should be available for this project for 15 years beginning with the 2017 tax year. It is anticipated that Phases 2 and 3 will be completed within 5 years of the beginning of the project depending on market conditions.

9. Justification of Project

The property is located at the entrance to the Fonner Park and the Nebraska State Fair Grounds. These facilities are enjoyed and visited by hundreds of thousands of people each year. This commercial property was vacated in May of 2015 and this is an excellent chance to redevelop the property as the corporate headquarters for a Grand Island based company that does business all over the United States. The proposed project will be highly visible and complement the image of both the Community and the Bosselman Companies. The potential addition of a hotel at this location increases the synergy between Fonner Park and the Bosselman Conference center and South Locust. This will provide hotel rooms within close walking distance to these facilities. This project does not propose to tear down or substantially alter any buildings with historic value.

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

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

Project Sources and Uses. Approximately \$6,552,000 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This project has \$8,726,600 worth of TIF eligible expenses. The developer will be responsible for funding the additional \$2,174,600 as private investment. The total private investment on this project is the total of the costs not eligible for TIF \$11,215,000 plus the \$2,174,600 of TIF eligible costs that will not be covered by the Tax Increment for a total private investment of \$13,389,600. This \$6,552,000 investment by the Authority and the people of Grand Island will leverage \$13,389,600 in private sector financing; a private investment of \$2.04 for every TIF dollar investment.

Use of Funds. Phase 1			
Description	Eligible for TIF Funds	Private Funds	Total
Site Acquisition	\$1,700,000		\$1,700,000
Utilities/On Site Improvements	\$500,000		\$500,000
Legal Private	\$5,000		\$5,000
Legal CRA Cost ¹	\$35,000		\$35,000
Fees ¹	\$1,600		\$1,600
Architecture	\$60,000		\$60,000
Building Rehabilitation Costs	\$6,000,000		\$6,000,000
Soft Costs		\$215,000	\$215,000
Personal Property		\$750,000	\$750,000
TOTALS	\$8,301,600	\$965,000	\$9,266,600

¹ Not included on application but shown as an eligible expense to be paid by the developer.

Use of Funds. Phase 2			
Description	Eligible for TIF Funds	Private Funds	Total
Site Acquisition	\$0		\$0
Utilities/On Site Improvements	\$0		\$0
Legal Private	\$5,000	\$	\$5,000
Fees	\$		\$
Architecture	\$60,000	\$	\$60,000
Building Costs		\$9,000,000	\$9,000,000
Soft Costs		\$205,000	\$205,000
Personal Property		\$	\$
TOTALS	\$315,000	\$9,215,000	\$9,530,000

Use of Funds. Phase 3			
Description	Eligible for TIF Funds	Private Funds	Total
Site Acquisition	0		0
Utilities/On Site Improvements	\$100,000		\$100,000
Legal Private	\$5,000		\$5,000
Fees	\$0		\$0
Architecture	\$15,000		\$15,000
Building Costs	\$	1,000,000	\$1,000,000
Soft Costs		\$30,000	\$30,000
Personal Property		\$	\$
TOTALS	\$120,000	\$1,030,000	\$1,150,000

Tax Revenue. The property to be redeveloped has a January 1, 2015, valuation of approximately \$2,290,814. Based on the 2014 levy this would result in a real property tax of approximately \$50,292. It is anticipated that the assessed value will increase by almost \$20,500,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$451,000 annually resulting in \$6,552,000 of increment over the 15 year period. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2014 assessed value:	\$ 2,290,814
Estimated value after completion	\$ 22,778,988
Increment value	\$ 20,488,175
Annual TIF generated (estimated)	\$ 451,017
TIF bond issue	\$ 6,552,000

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

The redevelopment project area currently has an estimated valuation of \$2,290,814. The proposed redevelopment and commercial construction at this location will result in an additional \$20,488,175 of taxable valuation based on valuations of similar properties. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off. The project will not add any tax burdens to taxing entities. Therefore no tax shifts will occur.

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

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

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

This project will not negatively impact employers or employees in the area directly. Bosselman Companies will be able to continue employing people within the City of Grand Island.

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

No impacts are anticipated outside of the city or immediate area to total employment from this project other than the incremental increase due to the construction.

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

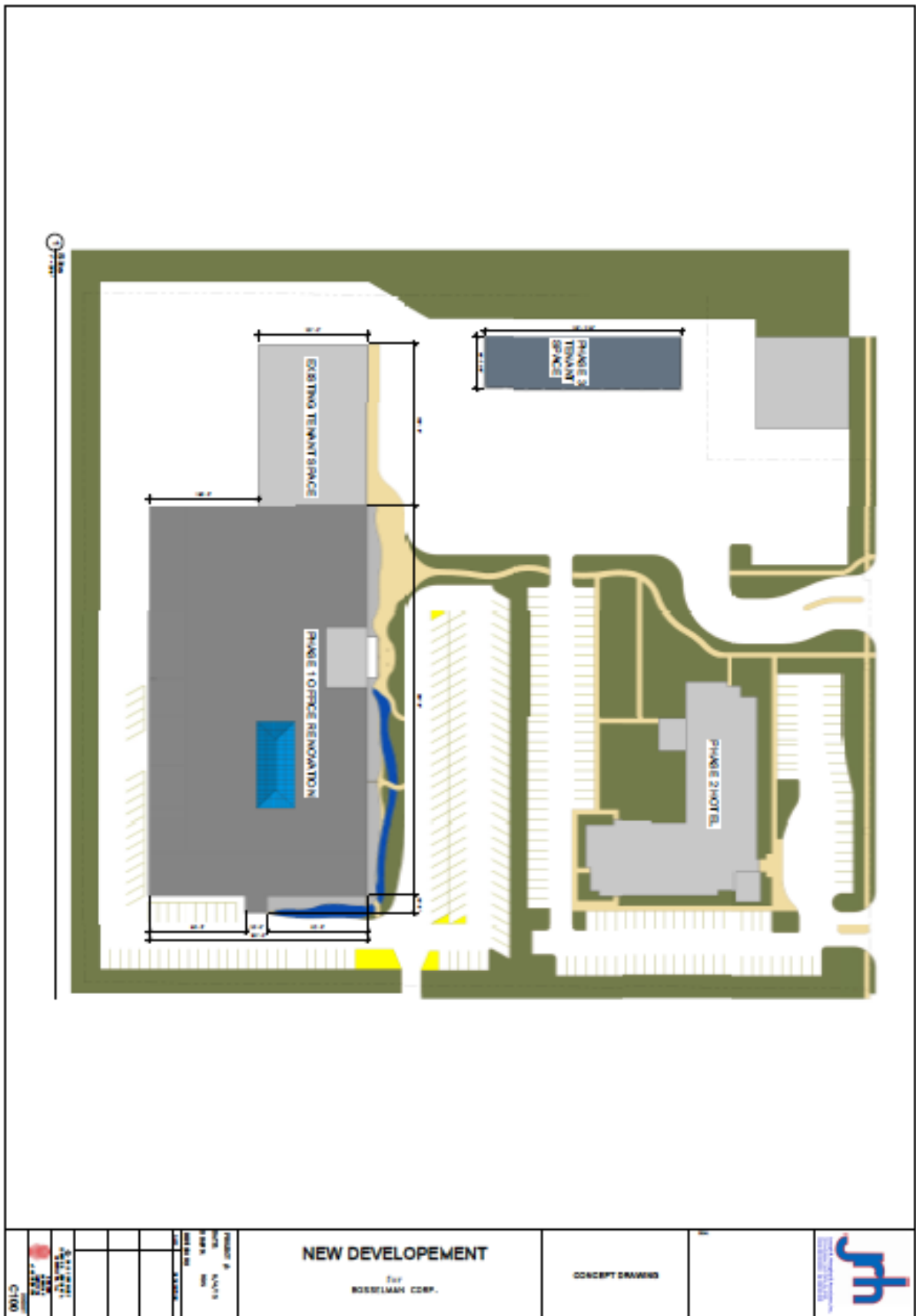
This project will utilize a piece of property in the Grand Island City Limits that is at the entrance to the Fonner Park and the Nebraska State Fair grounds. This property has been the home of Skagway South for more than 20 years. Skagway closed this past May leaving the building mostly vacant. This project will change this entrance in to the fairgrounds in a positive way, rehabilitate and reutilize the existing building and provide hotel rooms within walking distance of the fairgrounds.

Time Frame for Development

Development of this project is anticipated to be completed during between October 2015 and December of 2018, depending on the market demand for the buildings in phases 2

and 3. The date of TIF will be established with the approved contract but it is anticipated that the base tax year should be calculated on the value of the property as of January 1, 2016. Excess valuation should be available for this project for 15 years beginning with the 2017 tax year. 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 \$6,552,000 the projected amount of the eligible expenses for this project. Based on the purchase price of the property and estimates of the expenses of renovation activities and associated engineering fees, the developer will spend more than \$8,700,000 on TIF eligible activities.

See Attached Site Plan





BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Bosselman Real Estate, LLC
3123 W. Stolley Park Road, PO Box 4905
Grand Island, NE 68802-4905

Telephone: 308-381-5501 ext. 147
Contact: Gus Patsios

Brief Description of Applicant's Business:

Bosselman Real Estate, LLC is a Nebraska limited liability company affiliated with the Bosselman Retail Companies. Founded in 1948, the Bosselman Companies has expanded throughout 24 states with over 1,400 employees. A family company in its third generation, Bosselman is comprised of 49 convenience stores, 44 truck repair shops, 12 hotels, 5 restaurants, 5 quick serve food locations, an indoor professional football team, storage, vending, and truck rental services, and Nebraska's premier travel center. Bosselman corporate headquarters are located in Grand Island, Nebraska.

Present Ownership Proposed Project Site:

Parcel #400130572
Grand Island Associates LLC
An Illinois LTD Liability Company
16619 S. Manchester Rd.
Tinley IL. 60477

Proposed Project:

The redevelopment of the former Skagway building located at 1607 South Locust Street into to a vibrant corporate office setting with bistro, retail liquor store, hotel and convention center, and commercial professional office plaza. The property is comprised of 10.10 acres with 73,313 square feet under roof. The existing building is brick exterior

with steel internal structure. Bosselman Real Estate, LLC will execute a three phase plan for the renovation of the existing building and development of a new hotel and professional commercial office building.

PHASE ONE: Bosselman Real Estate, LLC proposes a complete renovation of the existing Skagway building including exterior windows, new façade, paint, roof, HVAC, interior demolition, parking lot repair, site beautification construction to convert the structure to a class A, state-of-the-art corporate office facility totaling 42,000 square feet, plus warehouse space. Phase One also includes a 4,000 square foot bistro/catering venture and a 2,500 square foot retail liquor store. The current façade will be completely removed and replaced with new branding to include Bosselman signage, awnings, paint, lighting, windows, and water feature. Exterior amenities will include secure parking with site lighting, new asphalt overlay, and landscaping.

PHASE TWO: Bosselman Real Estate, LLC proposes a ground up build of a branded hotel/convention center with an estimated 100 rooms.

PHASE THREE: Bosselman Real Estate, LLC proposes a professional commercial office building, with (6) 1,500 square foot suites for lease. (See Exhibit A)

Estimated Project Costs: **Phase I** Skagway Building

Acquisition Costs:

A. Land	\$ 578,000
B. Building	\$ 1,122,000

Construction Costs:

A. Renovation or Building Costs:	\$ 6,000,000
B. On-Site Improvements:	\$ 500,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 60,000
B. Financing Fees:	\$ 15,000
C. Legal/Developer/Audit Fees:	\$ 5,000
D. Contingency Reserves:	\$ 200,000
E. Personal Property:	<u>\$ 750,000</u>
TOTAL	\$ 9,230,000

Total Estimated Market Value at Completion: Phase I \$13,908,520

Estimated Project Costs: Phase II Hotel/Convention Center

Acquisition Costs:

A. Land	\$ 0
B. Building	\$ 0

Construction Costs:

A. Renovation or Building Costs:	\$ 9,000,000
B. On-site improvements:	\$ 250,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 60,000
B. Financing Fees:	\$ 15,000
C. Legal/Developer/Audit Fees:	\$ 5,000
D. Contingency Reserves:	\$ 200,000
E. Other (Please Specify)	\$ 0
TOTAL	\$ 9,530,000

Total Estimated Market Value at Completion: Phase II \$ 8,083,434

Estimated Project Costs: Phase III Office Center

Acquisition Costs:

A. Land	\$ 0
B. Building	\$ 0

Construction Costs:

A. Renovation or Building Costs:	\$ 1,000,000
B. On-Site Improvements:	\$ 100,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 15,000
B. Financing Fees:	\$ 5,000
C. Legal/Developer/Audit Fees:	\$ 5,000
D. Contingency Reserves:	\$ 25,000
E. Other (Please Specify)	\$ 0
TOTAL	\$1,150,000

Total Estimated Market Value at Completion: Phase III \$ 787,035

Estimated Project Costs: \$19,925,000

Total Estimated Market Value at Completion: \$22,778,989

Source of Financing:

A. Developer Equity:	\$ 2,000,000
B. Commercial Bank Loan:	\$ 17,925,000
Tax Credits:	
1. N.I.F.A.	\$ 0
2. Historic Tax Credits	\$ 0
D. Industrial Revenue Bonds:	\$ 0
E. Tax Increment Assistance:	\$6,552,000
F. Other (Façade Improvement)	\$ 300,000

Architect: Ryan Sterns
Hewgley and Associates
702 S. Bailey
North Platte, NE 69101
308-534-4983

General Contractor: Matt Krieser
Bosselman Administrative Services, Inc.
3123 W. Stolley Park Road, PO Box 4905
Grand Island Ne. 68802-4905
308-382-5501 ext. 170

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

Phase I
Base \$2,290,814
Expected value \$13,908,520
Annual Tax Increment \$255,747
15 year \$3,836,200

Phase II
Base \$0
Expected Value \$8,083,434
Annual Tax Increment \$177,945
14 year \$2,491,229

Phase III
Base \$0
Expected Value \$787,035
Annual tax Increment \$17,325
13 year \$225,230

Project Construction Schedule:
Construction Start Date: 10/15/2015
Construction Completion Date: See phased timeline

Phased Project Timeline:

2015 10% Complete
2016 100% Phase I Complete
2017 25% Phase II Complete
2018 100% Phase II Complete
2019 100% All Phases Complete

TAX INCREMENT FINANCING REQUEST INFORMATION

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

Bosselman Real Estate, LLC is requesting tax increment financing in the amount of \$6,552,000 over 15 years. The purpose is to purchase, renovate and develop the former Skagway south facility located at 1607 South Locust Street, Grand Island, Nebraska. The location would be converted from a grocery store to corporate office building. Exterior renovations include new façade, paint, windows, signage, roof, HVAC roof units, parking lot improvement. Interior will include demolition of old interior walls, new flooring, office spaces, conference rooms, electrical, IT, lighting, HVAC, plumbing, duct work, and paint. Project also includes a new hotel/convention center and commercial professional office center.

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed Project: Due to the poor condition of the building and parking lot, financial analysis has determined without TIF, the building acquisition costs, demolition, renovation, and new construction costs are too high to support a reasonable ROI on the project.

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:

2012 Sayre, OK. Boss Truck Shop
2013 Sullivan, MO. Boss Truck Shop
2013 Tucumcari, NM. Boss Truck Shop
2013 LaVista, NE. Pump & Pantry
2013 Fremont, NE. Pump & Pantry
2013 370 Omaha, NE. Pump & Pantry
2013 York, NE. Pump & Pantry
2013 Gretna, NE. Boss Truck Shop
2013 Rawlins, NE. Boss Truck Shop
2014 Bellevue, NE. Pump & Pantry
2014 Lincoln, NE. Quality Inn
2014 Bellevue, NE. Comfort Inn
2014 Grand Island, NE. Quaker Steak & Lube
2015 Cairo, NE. Pump & Pantry

IV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years. Since this is a new LLC set up on June 26, 2015 for the purposes of buying and developing this property there are no financial statements available for the last 3 years.

Skagway South



Skagway Front



Northwest Front



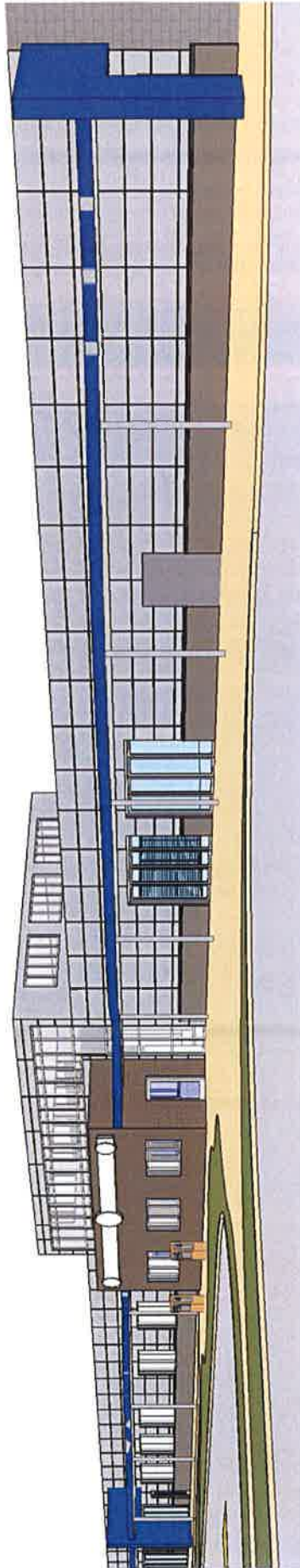
Northwest Corner



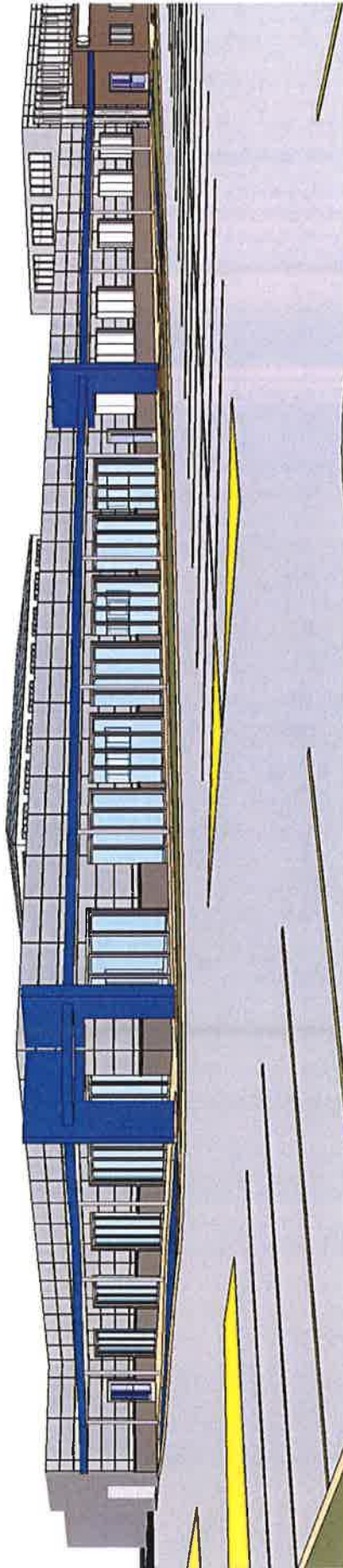
Northeast Corner

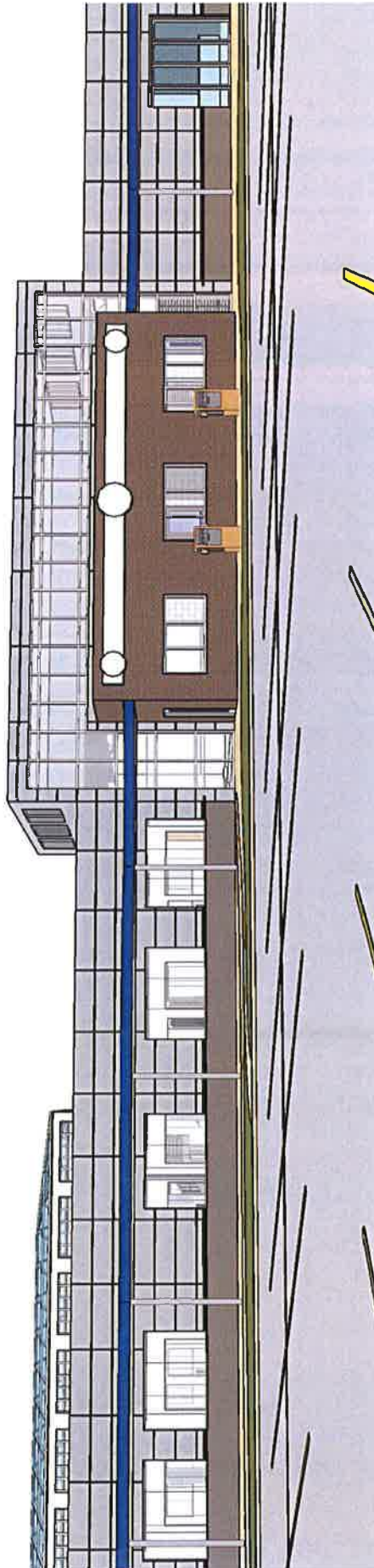


Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com









HALL COUNTY ASSESSOR'S OFFICE



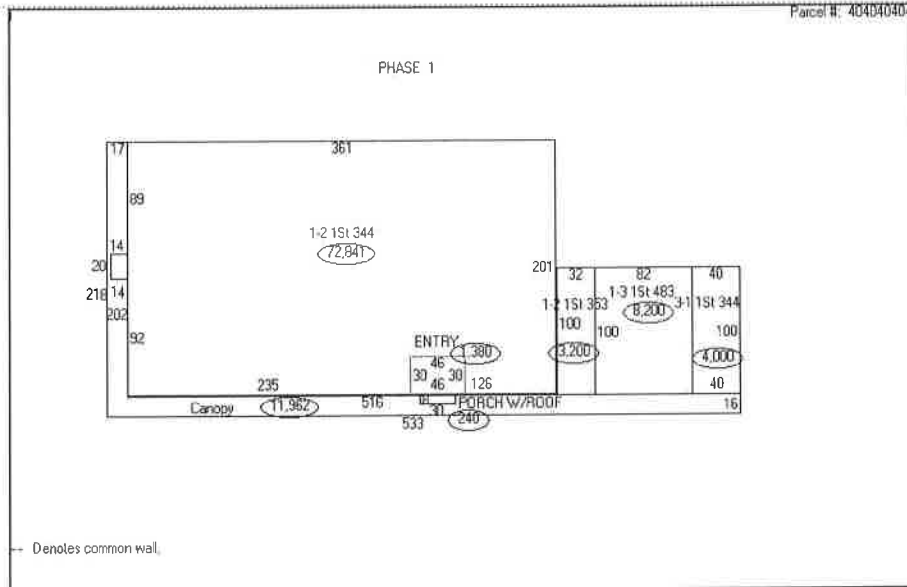
Commercial Property Record Card -Inactive Record



Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/07/2015 at 08:55:04A

Parcel Information		Ownership Information	
Parcel Number	404040404	Current Owner	BOSELMAN REAL ESTATE DEVELOPMENT
Map Number		Address	3123 W STOLLEY PARK RD, STE A
Situs	1607 SOUTH LOCUST	City St. Zip	GRAND ISLAND NE 68802-
Legal	WHAT IF FOR BOSELMAN (OLD SKAGWAY SOUTH LOCATION)	Cadastral #	

Property Data			
Neighborhood	275	Topography	
Lot Width		Street	
Lot Depth		Utilities	
Units Buildable	440178	Amenities 1	
Value Method	SF	Amenities 2	
Number of Units	440178	Unit Value	2.33
		Adjustment	0.75
		Lot Value	769,211



Building Data													
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func. RCNLD
1	2	344	OFFICE BUILDING	1993	C	400	40	72,841	1,152	1	15	10,253,828	10,253,828
1	3	353	RETAIL STORE	1970	C	300	40	3,200	264	1	16	336,928	286,389
1	4	483	FITNESS CENTER	1970	C	300	40	8,200	364	1	16	768,258	653,019
1			PAVING, ASPHALT	2015				440,120				990,270	990,270
1			OPEN PORCH W/ROOF	2015				240				3,302	3,302
1			CANOPY, ROOF/SLAB	2015				11,962				221,297	221,297
3	1	344	OFFICE BUILDING	1970	C	300	40	4,000	280	1	16	430,120	365,602
3	1	344	OFFICE BUILDING	1970	C	300	40	4,000	280	1	16	430,120	365,602

Cost Approach From Marshall & Swift				Potential Gross Income			
Total Building Area	92,241			Contract	Market		
Total Building RCN	12,219,254	Vacancy & Collection Loss					
Total Refinements	1,214,869	Effective Income					
Total Replacement Cost New	13,434,123	Total Expenses					
Total Phys. & Func. Depreciation	(294,814)	Net Operating Income					
RCN Less Phys. & Func.	13,139,309	Capitalization Rate					
Economic Depreciation		Income Approach					
Accrued Economic depreciation		Final Value Reconciliation					13,908,520
Total RCN Less Depreciation	13,139,309						
Additional Lump Sums							
Land Value	769,211						
Total Cost Value	13,908,520						
Value Per Res Unit							
Value Per Sq. Ft.	150.78						

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

HALL COUNTY ASSESSOR'S OFFICE



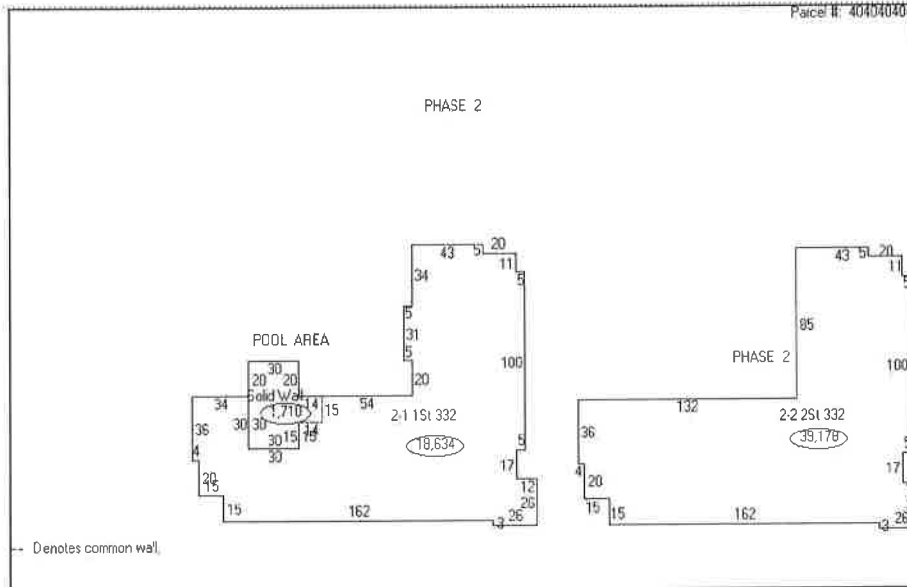
Commercial Property Record Card -Inactive Record



Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/06/2015 at 08:41:48A

Parcel Information		Ownership Information	
Parcel Number	404040404	Current Owner	BOSSELMAN REAL ESTATE DEVELOPMENT
Map Number		Address	3123 W STOLLEY PARK RD, STE A
Situs	1607 SOUTH LOCUST	City St. Zip	GRAND ISLAND NE 68802-
Legal	WHAT IF FOR BOSSELMAN (OLD SKAGWAY SOUTH LOCATION)	Cadastral #	

Property Data		
Neighborhood	275	Topography
Lot Width		Street
Lot Depth		Utilities
Units Buildable		Amenities 1
Value Method		Amenities 2



Building Data											
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.
			SWIM POOL, COM	2015				1,841			
			SPRINK SYS WET PIP	2015				59,653			
			ELEV, ELEC, PASSNG	2015				2			
			PAVING, ASPHALT	2015				440,120			
2	1	343	MOTEL	2015	C	400	40	18,634	812	1	16
2	2	343	MOTEL	2015	C	400	40	39,178	742	2	15
2			SOLID WALL PORCH					1,710			

Cost Approach From Marshall & Swift				Potential Gross Income			
Total Building Area	57,812					Contract	Market
Total Building RCN	7,592,060						
Total Refinements	1,481,644						
Total Replacement Cost New	9,073,704						
Total Phys. & Func. Depreciation	(990,270)						
RCN Less Phys. & Func.	8,083,434						
Economic Depreciation							
Accrued Economic depreciation							
Total RCN Less Depreciation	8,083,434						
Additional Lump Sums							
Land Value							
Total Cost Value	8,083,434						
Value Per Res Unit							
Value Per Sq. Ft.	139.82						

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/02/2015 at 04:38:08P

Parcel Information

Parcel Number 404040404
 Map Number
 Situs 1607 SOUTH LOCUST
 Legal WHAT IF FOR BOSSELMAN (OLD SKAGWAY
 SOUTH LOCATION)

Ownership Information

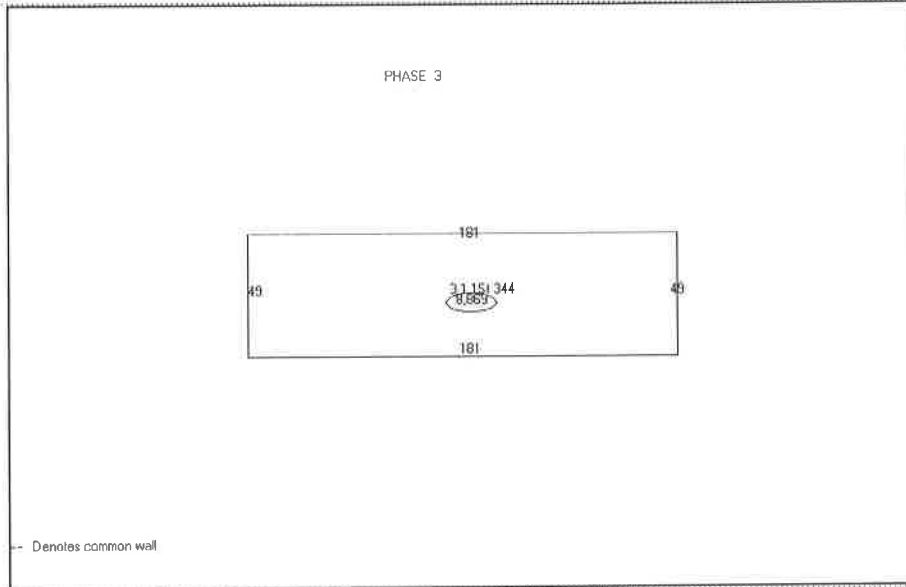
Current Owner BOSSELMAN REAL ESTATE DEVELOPMENT
 Address 3123 W STOLLEY PARK RD, STE A
 City St. Zip GRAND ISLAND NE 68802-
 Cadastral #

Property Data

Neighborhood 275
 Lot Width
 Lot Depth
 Units Buildable
 Value Method

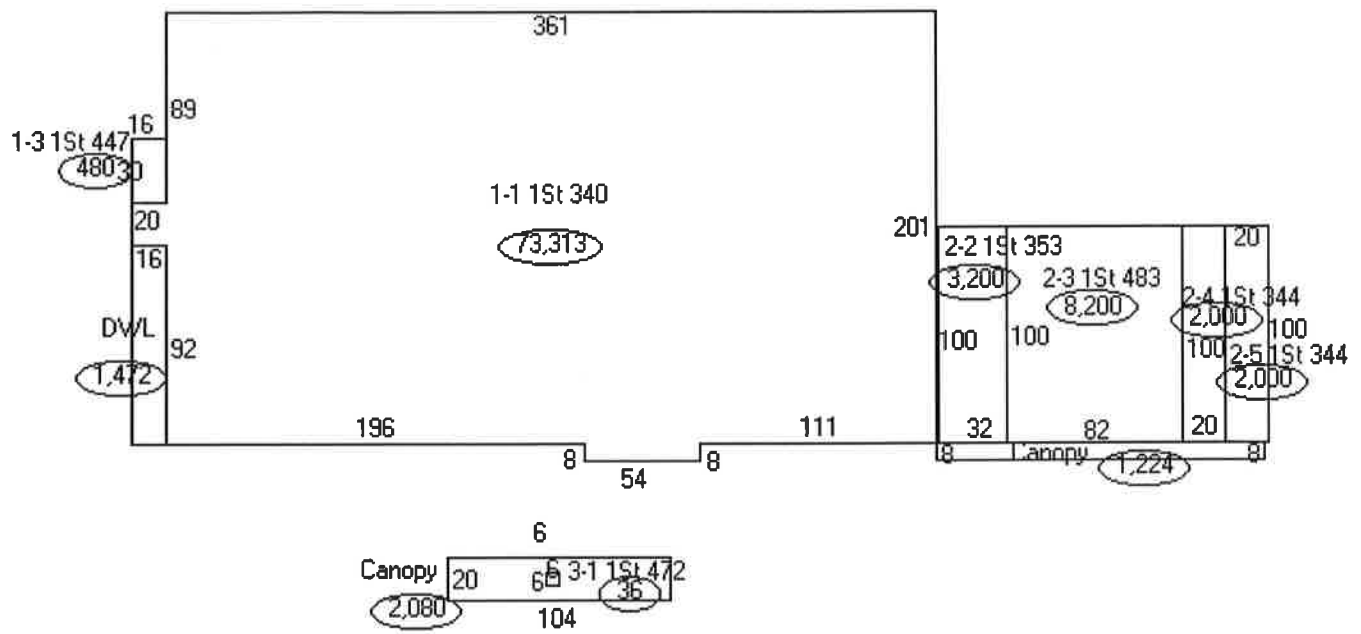
Topography
 Street
 Utilities
 Amenities 1
 Amenities 2

Number of Units
 Unit Value
 Adjustment
 Lot Value



Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
			SPRINK SYS WET PIP	2015				8,869				20,842		20,842
3	1	344	OFFICE BUILDING	2015	S	300	40	8,869	460	1	12	766,193		766,193
Cost Approach From Marshall & Swift										Potential Gross Income				
Total Building Area				8,869				Contract				Market		
Total Building RCN				766,193				Vacancy & Collection Loss						
Total Refinements				20,842				Effective Income						
Total Replacement Cost New				787,035				Total Expenses						
Total Phys. & Func. Depreciation								Net Operating Income						
RCN Less Phys. & Func.				787,035				Capitalization Rate						
Economic Depreciation								Income Approach						
Accrued Economic depreciation								Final Value Reconciliation						
Total RCN Less Depreciation				787,035										
Additional Lump Sums														
Land Value														
Total Cost Value				787,035										
Value Per Res Unit														
Value Per Sq. Ft.				88.74										

* DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.



Denotes common wall.



Janet Pelland
Assessor

Hall County Assessor

121 South Pine Street, Suite 1
Grand Island, NE 68801-6099
Phone: (308) 385-5050
Fax: (308) 385-5059
TDD: (800) 833-7352



Barb Stoddard
Deputy Assessor

Property Summary [\(Appraisal Details\)](#)

Parcel Information

Parcel Number: 400130572
Map Number: 3315-00-0-11917-000-0001
Situs: 01607 \S LOCUST
Legal: FONNER FOURTH SUB LT 1
Cadastral: 0003-0036-0034

Ownership Information

Current Owner: GRAND ISLAND ASSOCIATES LLC
AN ILLINOIS LTD LIABILITY CO
Address: 16619 S MANCHESTER RD
City, State: TINLEY PARK IL
Zipcode: 60477-0000

Current Valuation

Land Value: 769,211
Impr. Value: 0
Outbuildings: 2,063,156
Total Value: 2,832,367
Exemptions: 0
Taxable Value: 2,832,367

Assessment Data

District: 5
School Base: GRAND ISLAND 2
Affiliated Code:
Neighborhood: 275
Greenbelt Area:
Greenbelt Loss: 0

Property Classification

Status: Improved
Use: Commercial
Zoning: 03
Location: Urban
City Size: 12,001-100,000
Lot Size: 06

Sales History

NO SALES HISTORY RECORDS FOUND

Building Permits

Permit No.	Date	Description	Amount
	1/1/2016	45 DAY SIGN	
	1/1/2015	INTERIOR REMODEL/NEW TENANTS/UPDATES	
	1/1/2014	INTERIOR REMODEL/NO CHANGE IN VALUE FOR 2014	
	1/1/2008	RENOVATION OF DELI AREA COMPLETE	
	1/1/2006	REMODEL COMPLETE/COMMERCIAL UPDATE	
	1/1/2002	ADD 24 HR SELF SERVE GAS STATION/7.15% TAX EQUALIZATION AND REVIEW COMMISSION INCREASE	

Historical Valuation Information

Year	Billed Owner	Land	Impr.	Outbldg	Total	Exempt	Taxable	Taxes
2014	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,521,603	2,290,814	0	2,290,814	50,291.92
2013	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,521,603	2,290,814	0	2,290,814	48,917.66

2012	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,521,603	2,290,814	0	2,290,814	49,371.64
2011	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,521,603	2,290,814	0	2,290,814	48,497.18
2010	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,521,603	2,290,814	0	2,290,814	46,833.76
2009	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,521,603	2,290,814	0	2,290,814	46,396.00
2008	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,521,603	2,290,814	0	2,290,814	45,743.72
2007	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,436,756	2,205,967	0	2,205,967	43,927.60
2006	GRAND ISLAND ASSOCIATES LLC	769,211	0	1,436,756	2,205,967	0	2,205,967	45,194.40
2005	GRAND ISLAND ASSOCIATES LLC	771,149	0	1,438,384	2,209,533	0	2,209,533	45,120.70
2004	GRAND ISLAND ASSOCIATES LLC	771,149	0	1,438,384	2,209,533	0	2,209,533	44,591.00
2003	GRAND ISLAND ASSOCIATES LLC	771,149	0	1,438,384	2,209,533	0	2,209,533	48,494.72
2002	GRAND ISLAND ASSOCIATES LLC	771,149	0	1,438,384	2,209,533	0	2,209,533	46,958.74
2001	GRAND ISLAND ASSOCIATES LLC	719,691	0	1,295,431	2,015,122	0	2,015,122	42,040.50
2000	GRAND ISLAND ASSOCIATES LLC	719,691	0	1,295,431	2,015,122	0	2,015,122	44,324.12
1999	GRAND ISLAND ASSOCIATES LLC		2,015,122		2,015,122	0	2,015,122	43,742.86
1998	GRAND ISLAND ASSOCIATES LLC		1,886,600		1,886,600	0	1,886,600	41,735.00
1997	SPIRAL REALTY CORP. A DELAWARE CORP		1,886,600		1,886,600	0	1,886,600	44,068.34
1996	SPIRAL REALTY CORP. A DELAWARE CORP		1,886,600		1,886,600	0	1,886,600	43,159.18
1995	SPIRAL REALTY CORP. A DELAWARE CORP		1,886,600		1,886,600	0	1,886,600	41,827.82
1994	SPIRAL REALTY CORP. A DELAWARE CORP		1,414,831		1,414,831	0	1,414,831	34,162.52

Parcel Comments

Number

Comment

1/99 PLAT PT LT 1 FONNER 2ND SUB 8/98 \$1800000 COURT

Photos/Sketches

Filedate: 7/6/2015 11:00:05 PM



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Peg Pesek
Treasurer

Hall County Treasurer

121 South Pine Street, Suite 2
Grand Island, NE 68801-6099
Phone: (308) 385-5025
Fax: (308) 385-5043
TDD: (800) 833-7352



Alaina Verplank
Deputy Treasurer

Parcel Information

Parcel Number: 400130572
Map Number: 3315-00-0-11917-000-0001
Situs: 01607 IS LOCUST
Legal: FONNER FOURTH SUB LT 1
Cadastral: 0003-0036-0034

Ownership Information

Current Owner: GRAND ISLAND ASSOCIATES LLC
AN ILLINOIS LTD LIABILITY CO
Address: 16619 S MANCHESTER RD
City, State: TINLEY PARK IL
Zipcode: 60477-0000

Current Tax Year 2014

Type	Statement #	Gross Tax	Tax Amount Exempt	Net Tax	Misc Amnts	Total Tax	Balance
REAL	2014-400130572RP	50,291.92	0	50,291.92	0.00	50,291.92	25,145.96

Current Tax Year Interest as of 7/7/2015

Type	Statement #	Balance	Interest	Fees	Total
REAL	2014-400130572RP	25,145.96	0.00	0.00	25,145.96

5 Year Tax History

Type	Statement No.	Payment Date	Receipt No.	Tax Amount	Interest	Total Payment
REAL	2014-400130572RP	04-09-2015	2014-1504614	25,145.96	0.00	25,145.96
REAL	2013-400130572RP	04-02-2014	2013-1403849	24,458.83	0.00	24,458.83
REAL	2013-400130572RP	08-11-2014	2013-1425856	24,458.83	0.00	24,458.83
REAL	2012-400130572RP	08-08-2013	2012-1326369	24,685.82	0.00	24,685.82
REAL	2012-400130572RP	04-05-2013	2012-1304304	24,685.82	0.00	24,685.82
REAL	2011-0020916RP	08-10-2012	2011-1227690	24,248.59	0.00	24,248.59
REAL	2011-0020916RP	04-19-2012	2011-1207785	24,248.59	0.00	24,248.59
REAL	2010-0020974RP	04-18-2011	2010-1106513	23,416.88	0.00	23,416.88
REAL	2010-0020974RP	08-12-2011	2010-1128044	23,416.88	0.00	23,416.88

Prior Tax Years Interest as of 7/7/2015

NO INFORMATION FOUND FOR THIS PARCEL

Filedate: 7/6/2015 11:00:05 PM



THOMSON REUTERS



Janet Pelland
Assessor

Hall County Assessor

121 South Pine Street, Suite 1
Grand Island, NE 68801-6099
Phone: (308) 385-5050
Fax: (308) 385-5059
TDD: (800) 833-7352



Barb Stoddard
Deputy Assessor

Commercial Data Sheet

Parcel Information

Parcel Number: 400130572
Map Number: 3315-00-0-11917-000-0001
Situs: 01607 \S LOCUST
Legal: FONNER FOURTH SUB LT 1

Ownership Information

Business Name: SKAGWAY/JOANN FABRICS
Current Owner: GRAND ISLAND ASSOCIATES LLC
AN ILLINOIS LTD LIABILITY CO
Address: 16619 S MANCHESTER RD
City, State: TINLEY PARK IL
Zipcode: 60477-0000

Lot Information

Neighborhood: 275
Topography:
Amenities: LAND VALUE

Value Method: SF
No. Units: 440178
Unit Value:
Adjustments: 1
Lot Value:

Lot Width:
Lot Depth:
Street Access:
Utilities:

Building Cost Approach Data

Year	Class	Area	Perlm.	Story/Height
1970	C	73313	1172	1 / 20
MARKET	Quality: Average	Condition: Average	Ext. Wall: N/A	Heat/Cool: Reverse Heat Pump with own Ducts (13)
2000	S	480	92	1 / 12
COLD STORAGE~FACILITIES	Quality: Low	Condition: Average	Ext. Wall: N/A	Heat/Cool:
2001	C	36	24	1 / 8
EQUIPMENT SHED	Quality: Average	Condition: Average	Ext. Wall: N/A	Heat/Cool: Reverse Heat Pump with own Ducts (13)
1970	C	3200	264	1 / 16
RETAIL STORE	Quality: Average	Condition: Good	Ext. Wall: N/A	Heat/Cool: Reverse Heat Pump with own Ducts (13)
1970	C	8200	364	1 / 16
FITNESS CENTER	Quality: Average	Condition: Good	Ext. Wall: N/A	Heat/Cool: Reverse Heat Pump with own Ducts (13)
1970	C	2000	240	1 / 16
OFFICE BUILDING	Quality: Average	Condition: Good	Ext. Wall: N/A	Heat/Cool: Reverse Heat Pump with own Ducts (13)
1970	C	2000	240	1 / 16
OFFICE BUILDING	Quality: Average	Condition: Good	Ext. Wall: N/A	Heat/Cool: Reverse Heat Pump with own Ducts (13)

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

RESOLUTION NO. 201

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

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

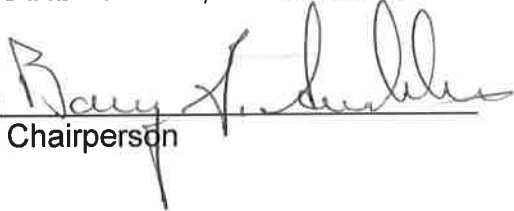
WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:


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

Passed and approved this 19 day of August, 2015.

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

By 
Chairperson

ATTEST:


Secretary

1607 S Locust St

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

RESOLUTION NO. 202

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

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area 2, from Bosselman Real Estate LLC, (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 2;

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 19 day of August, 2015.

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

By 
Chairperson

ATTEST:


Secretary

1607 S Locust St

Resolution Number 2015-06

HALL COUNTY REGIONAL PLANNING COMMISSION

**A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC
REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA;
AND APPROVAL OF RELATED ACTIONS**

WHEREAS, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "**Authority**"), referred that certain Redevelopment Plan to the Hall County Regional Planning Commission, (the "**Commission**") a copy of which is attached hereto as Exhibit "A" for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "**Act**"); and

WHEREAS, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

Section 1. The Commission hereby recommends approval of the Redevelopment Plan.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: Sept 4, 2015.

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

By: _____
Chair

ATTEST:

By: _____

Secretary

1607 S Locust St - Bosselman

REDEVELOPMENT CONTRACT

THIS REDEVELOPMENT CONTRACT (the “Contract”) is entered into between the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA**, (“Authority”), and **BOSSELMAN REAL ESTATE, LLC**, a Nebraska limited liability company and its successors and assigns (“Redeveloper”).

RECITALS

A. The City has undertaken a program for the redevelopment of blighted and substandard areas in the City of Grand Island, Nebraska. As part of that program the City has prepared and approved the City of Grand Island Redevelopment Plan Amendment for the Grand Island CRA Area 2 (“Redevelopment Plan”), a copy of which is on file in the Office of the City Clerk of the City (“City Clerk”). The Redevelopment Plan has been adopted in compliance with the Nebraska Community Development Law codified at *Neb. Rev. Stat* §§18-2101 through 18-2154 (the “Act”).

B. The Redevelopment Plan calls for the Authority to support Redeveloper’s acquisition and redevelopment efforts on real estate to be acquired by the Redeveloper which is legally described on Exhibit “A” attached hereto and incorporated herein by this reference (“Redeveloper Property”).

C. The Redevelopment Project area incorporates all of the Redeveloper Property as shown on Exhibit “A” attached hereto and incorporated herein by this reference (“Project Site”).

D. *Neb. Rev. Stat.* § 18-2103(12) (Reissue 2012) authorizes the Authority to carry out plans for a program of acquisition, and rehabilitation of buildings and other improvements in connection with redevelopment of the Project Site and to pay for the same from TIF Proceeds (as defined herein). The Redeveloper intends to utilize the TIF Proceeds from the Project Site to pay for the Project Site acquisition, planning, rehabilitation and other Redevelopment Project Costs.

E. *Neb. Rev. Stat.* § 18-2107 (Reissue 2012) authorizes the Authority to enter into contracts with redevelopers of property containing covenants and conditions regarding the use of such property as the Authority may deem necessary to prevent the recurrence of substandard and blighted areas.

F. Redeveloper is willing to enter into this Contract and implement a three phase redevelopment of the Project Site. As part of the first phase, the Redeveloper intends to invest approximately Nine Million Two Hundred Sixty Six Thousand Dollars (\$9,266,000) in the redevelopment of the Project site which includes. Phase one will result in the acquisition of the Project Site, planning for redevelopment, utility extension and revision and rehabilitation of structures in the construction of a multi-function building which will include corporate offices as generally shown on the Site Plan attached hereto as Exhibit “B” (“Phase 1”). As part of phase two of the redevelopment the Redeveloper intends to construct a hotel with convention and meeting room areas with an additional investment of approximately Nine Million Two Hundred Thirty Thousand Dollars (\$9,230,000) (“Phase 2”). As part of phase three of the redevelopment the Redeveloper intends to construct a commercial office building with an

Bosselman Real Estate, LLC

additional investment of approximately One Million One Hundred Fifty Thousand Dollars (\$1,150,000) ("Phase 3"). The acquisition and construction are sometimes referred to as the "Private Improvements".

G. In order to help remove blight and substandard conditions and improve conditions in an economically underutilized area, the Authority is willing to enter into this Contract and to utilize TIF Proceeds to fund the partial cost of Project Site acquisition in order to induce the Redeveloper to undertake the Private Improvements as set forth in Paragraph 13 below ("Private Improvements").

H. The Private Improvements on the Project Site comprise the three phase Redevelopment Project and are collectively known as the "Redevelopment Project Improvements". The costs of the Redevelopment Project Improvements are collectively known as the "Redevelopment Project Costs" and are shown on the Sources and Uses of Funds in Exhibit "C", which is attached hereto and incorporated herein by this reference. The Authority and Redeveloper agree that assistance with the cost of Project Site acquisition, planning and rehabilitation is deemed essential to the rehabilitation of the Project Site for a multi-unit retail development and related uses and the Redevelopment Project would not be economically feasible without it.

I. The Authority is willing to support the above described redevelopment of the Project Site in accordance with the Redevelopment Project; provided that, Redeveloper is willing to agree to covenants and conditions regarding compulsory maintenance and upkeep of the Private Improvements to prevent a recurrence of substandard and blighted conditions.

J. In accordance with §18-2147 of the Act and the terms of the Resolution approving this Redevelopment Contract and providing for the issuance of the TIF Note described herein, (the "Resolution"), the Authority hereby provides that any ad valorem tax on the Project Site 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, 2017. Said taxes shall be divided as follows:

- That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the Redevelopment Project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and
- 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 be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, 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, the Redevelopment 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 County

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Treasurer and all ad valorem taxes upon taxable real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.

Said provision is hereinafter referred to as the “Ad Valorem Tax Provision.”

K. *Neb. Rev. Stat.* §18-2107 and §18-2150 (Reissue 2012) authorize the Authority to contract with private parties in order to accomplish acquisition and redevelopment of the Project Site in accordance with the Redevelopment Plan. In order to fund said acquisition and redevelopment of the Project Site, the Authority intends to issue tax increment financing indebtedness instrument or instruments in taxable series (the “TIF Note/s”) to be repaid with the tax increment revenues generated under the Ad Valorem Tax Provision (“TIF Tax Revenues”).

L. The Authority and Redeveloper desire to enter into this Contract to implement the Redevelopment Project for the above purposes and in accordance with the Redevelopment Plan.

M. The Authority and Redeveloper mutually agree that the redevelopment of the Project Site is in the vital and best interest of the City and is in furtherance of the health, safety, and welfare of its residents, and is in accordance with the public purposes and provisions of applicable laws and requirements under which the Redevelopment Plan has been undertaken.

NOW, THEREFORE, in consideration of the above recitals which are hereby made part of this Contract and of the mutual covenants contained herein the parties do agree as follows:

1. Design Documents. Redeveloper will prepare a preliminary exterior Schematic Concept Design Plan (hereinafter “Design Documents”) for the Project Site and the same shall be submitted to and reviewed by the City. Redeveloper shall submit any material changes in the Design Documents as approved to the City for review and approval.

2. Construction Documents. The Redeveloper shall prepare or cause to be prepared, at Redeveloper’s expense, detailed final construction plans and specifications for the Redevelopment Project Improvements on the Project Site (hereinafter “Construction Documents”). Redeveloper shall submit such Construction Documents for the Private Improvements to the City for review and approval; provided that review and approval shall be limited to the design and type of materials to be used for the facade of the Private Improvements and to assure the Private Improvements meet the City’s design standards. The City shall approve or reject the Construction Documents for the Private Improvements within ten (10) days after receipt thereof.

3. Construction of Redevelopment Project Improvements; Construction of Private Improvements. The Redeveloper shall at its own cost and expense, construct the Private Improvements substantially in conformance with the Design Documents. Redeveloper agrees to use commercially reasonable efforts to substantially complete construction of the Private Improvements, as provided for in Paragraph 9 below and to pay in a timely manner Redeveloper’s contractor, its subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements as provided for in Paragraph 5 below. Promptly after completion of the Private Improvements for each phase and promptly after the Redeveloper provides the Authority the proper documentation that Redeveloper’s subcontractors who performed labor or applied materials performed or used in the prosecution of such Private Improvements have been properly paid in accordance with all the provisions of this Contract, the

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Authority shall, upon request by the Redeveloper, furnish a Certificate of Completion for the applicable phase, the form of which is shown on Exhibit "D", which is attached hereto and incorporated herein by this reference ("Certificate of Completion"). Such certification by the Authority shall be a conclusive determination of satisfaction of the requirements and covenants in this Contract with respect to the obligations of Redeveloper to construct its Private Improvements for the applicable phase. Each Certificate of Completion shall be recorded by the Authority in the office of the Register of Deeds for Hall County, Nebraska. If the Authority shall refuse or fail to provide the certification in accordance with the provisions of this paragraph after being requested to do so by Redeveloper, the Authority shall, within fifteen (15) days after written request by Redeveloper, provide Redeveloper with a written statement indicating in what respect Redeveloper has failed to complete its Private Improvements subject to each such certification in accordance with the provisions of this Contract and what measures or acts will be necessary, in the opinion of the Authority, for Redeveloper to take or perform in order to obtain such certification. As used herein, the term "completion" shall mean substantial completion of the Private Improvements or a phase thereof, as applicable, so that they may be reasonably used for their intended purposes.

4. Cost Certification. The Redeveloper shall submit authentic documentation to the Authority on approved forms or format for payment of any expenses related to site acquisition and other Redevelopment Project Costs. The Redeveloper shall timely submit a copy of the signed closing statement for the acquisition of the Project Site, or proof of payment for such site concurrently with the request for payment of Site Acquisition costs. The parties acknowledge that the site acquisition costs will exceed the TIF Proceeds of the TIF Note.

5. Penal Bond and Insurance. Pursuant to *Neb. Rev. Stat. §18-2151*, Redeveloper shall furnish or cause to be furnished to the Authority, prior to commencement of construction of the Redevelopment Project Improvements, a penal bond in an amount of Twenty Five Thousand and No/100 Dollars (\$25,000) with a corporate surety authorized to do business in the State of Nebraska. Such penal bond shall be conditioned upon the Redeveloper at all times making payment of all amounts lawfully due to all persons supplying or furnishing the Redeveloper, the Redeveloper's contractor, its subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements. Proof of such penal bond shall be supplied to the Authority prior to the start of construction of the Redevelopment Project Improvements.

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

6. Indemnification. Redeveloper agrees to indemnify, defend and hold the City and the Authority harmless from any and all sums, costs, expenses, damages, claims, judgments, settlements, litigation costs, attorney and professional fees contracted, incurred or paid by the

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Authority, to the extent the same results from a failure of Redeveloper, its contractor or subcontractors to make payments of all amounts lawfully due to all persons who performed labor or applied materials performed or used in construction of the Redevelopment Project Improvements.

7. Duty to Maintain Improvements. Redeveloper shall, following construction, operate the Private Improvements in a safe and sanitary manner and shall take all action necessary to maintain, in good order, condition and state of repair, all interior and exterior portions of all buildings located upon the Redeveloper Property, including the routine preventive maintenance of the building and its service facilities such as the wiring, plumbing, heating and air conditioning systems, interior insect treatment, and all glass including plate glass, exterior doors and automatic doors.

8. Construction Administration. Redeveloper shall be responsible for all components of the Redevelopment Project Improvements, including construction management, coordination of contractors and regulatory permitting and other requirements. The Redeveloper will be solely responsible for payment of all construction costs attributable to the Redevelopment Project Improvements regardless of any expectation for reimbursement hereunder.

9. Timing of Construction. Redeveloper will use commercially reasonable efforts to complete Phase 1 of the Private Improvements within eighteen (18) months following the Authority's execution of this Contract, to complete Phase 2 of the Private Improvements within twenty-four (24) months following the Authority's execution of this Redevelopment Contract and to complete Phase 3 of the Private Improvements within thirty-six (36) months following the Authority's execution of this Redevelopment Contract (each period subject to any excusable delay permitted by Paragraph 25 hereof).

10. Payment of Funds. In order to support redevelopment of the Project Site and as an inducement for the Redeveloper to construct the Redevelopment Project Improvements, the Authority agrees, to the extent allowed by law and then only to the extent funds are lawfully available from the issuance of the TIF Notes ("TIF Proceeds") as shown in Exhibit "C", to fund the costs of the Private Improvements in the total amount of the TIF Proceeds less the Authority's costs identified in Paragraph 13. Redeveloper shall submit authentic and satisfactory documentation to the Authority to verify the costs of the Project Site acquisition before any TIF Proceeds will be expended.

11. Issuance of Redeveloper Purchased TIF Note. The Authority shall issue a series of TIF Notes, from time to time, in a taxable series, the total principal amount of such taxable series of TIF Notes not to exceed Six Million Five Hundred Fifty Two Thousand and no/100 Dollars (\$6,552,000). The form of each TIF Note shall be in substantially the form shown on attached Exhibit "E", for net funds available ("TIF Note") to be purchased by Redeveloper ("TIF Note Purchaser"), in a written form acceptable to Authority's attorney, and receive Note Proceeds from the TIF Note Purchaser in said amount. The Authority and Redeveloper agree that the purchase price of the TIF Note and Grant provided in Paragraph 12 may, at the election of the Authority may be offset. The Authority shall have the complete authority to determine the timing of issuing the TIF Note and all the other necessary details of the TIF Note. Redeveloper may assign the TIF Note to a licensed banking institution, but Redeveloper may not sell, transfer, assign or otherwise hypothecate the TIF Note without express written consent of the Authority. Such consent shall not be unreasonably withheld. This restriction shall survive closing and delivery of the said notes. In any event, no assignment shall be approved without prior receipt of an investor letter from the transferee in a form acceptable to legal counsel for the Authority.

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No TIF Note shall be issued until the Redeveloper has entered into a binding contract for the acquisition of the Project Site and has entered into a construction contract for commencement of construction of the Private Improvements.

Proceeds of the Notes may be advanced and disbursed in the manner set forth below:

(a) There shall be submitted to the Authority a grant disbursement request (the “Disbursement Request”), executed by the City Planning Director and an authorized representative of the Redeveloper, (i) certifying that a portion of the Project has been substantially completed and (ii) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(b) If the costs requested for reimbursement under the Disbursement Request are currently reimbursable under Exhibit C of this Redevelopment Contract and the Act, the Authority shall evidence such allocation in writing and inform the owner of the Notes of any amounts allocated to the Notes.

(c) Upon notification from the Authority as described above, the Authority shall make a grant to Redeveloper in the amount of the approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Notes. The Registrar shall keep and maintain a record of the amounts deposited into the Project Fund from Notes proceeds pursuant to the terms of this Resolution as “Principal Amount Advanced” and shall enter the aggregate principal amount then Outstanding as the “Cumulative Outstanding Principal Amount” on its records maintained for the Notes. The aggregate amount deposited into the Project Fund from proceeds of the Notes shall not exceed \$6,552,000.00.

12. Use of TIF Proceeds. The TIF Proceeds from TIF Note shall be granted to the Redeveloper and be used to fund the costs of set forth on Exhibit “C”.

13. Valuation of Property Within the Redevelopment Project Site. The Authority intends to use the Ad Valorem Tax Provision to generate tax increment financing funds which shall be used to finance the payment of debt service on the TIF Note to fund the Private Improvements in accordance with this Redevelopment Contract. The tax increment is to be derived from the increased valuation, determined in the manner provided for in Article 8, Section 12 of the Constitution of the State of Nebraska and the Act which will be attributable to the redevelopment contemplated under this Contract and within the Project Area. The TIF Tax Revenues which are to be used to pay debt service on the TIF Note will be derived from the increased valuation from redeveloping the Redeveloper Property as provided in this Contract. Redeveloper specifically acknowledges that any protest of the valuation of all or any portion of the Project Area by any party, or a reduction in assessed valuation of all or any portion of the Project Area shall reduce the TIF Tax Revenues available for payment on TIF Note. The Redeveloper specifically acknowledges, as the TIF Note Purchaser, that it bears the entire risk of any reduction in assessed valuation.

14. Debt Service for TIF Notes. The Authority shall, to the extent allowed by law, and then only to the extent funds are lawfully available from TIF Tax Revenues generated by the Project Site pay the TIF Note Purchaser the principal and interest of the TIF Notes. Any debt

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service on the TIF Notes to be paid from TIF Tax Revenues shall not constitute a general obligation or debt of the City or Authority. Neither the City or Authority shall be liable or be required to reimburse Redeveloper for any costs incurred by Redeveloper in the event this Contract is not approved for any reason, including for reasons alleged to be the fault of the City or Authority. Any excess TIF Tax Revenues resulting from the Ad Valorem Tax Provision on the Project Site not needed or required to pay the TIF Note Purchaser shall be expended by the Authority or returned to the applicable taxing authorities as provided in the Community Development Law. Any shortfall in anticipated TIF funds from the Ad Valorem Tax Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Site, shall be borne entirely by the Redeveloper without recourse of any kind against the Authority or the City. The Authority hereby irrevocably pledges the TIF Tax Revenues generated by the Project Site to the payment of the TIF Notes. The Authority shall create a special fund to collect and hold the TIF Tax Revenues. Such special fund shall be used for no purpose other than to pay the principal and interest price of the respective TIF Notes. Real Property taxes for the year 2031 on the Project Site shall be paid by the Redeveloper on or before December 31, 2031 and such payment shall be considered TIF Tax Revenues (less any administrative cost authorized to be withheld by the Hall County Treasurer) and shall be used for payment on the TIF Note.

15. Payment of Authority Costs. The Redeveloper shall pay the sum of \$35,000 to the Authority or their Attorney for reimbursement of legal fees incurred by the Authority related to the redevelopment project and issuance of the TIF Notes. The Redeveloper acknowledges the attorney for the Authority is not providing legal representation to the Redeveloper. The Redeveloper shall also pay the sum of \$1,000 to the Authority for reimbursement of costs associated the City of Grand Island making payments and accounting for the TIF Notes issued with this contract.

16. Restriction on Transfer. Redeveloper will not, for a period of fifteen (15) years after the effective date hereof or so long as any TIF Note remains outstanding whichever period of time is shorter (the "Tax Increment Period"), convey the Redeveloper Property or any portion thereof to any entity which will result in such property being exempt from ad valorem taxes levied by the State of Nebraska or any of its subdivisions, unless required to do so by applicable law, including, without limitation, in connection with a condemnation.

17. Financing Creating Encumbrances Restricted. Prior to completion of Phase 1 or Phase 2 , as applicable, of the Private Improvements, neither Redeveloper, nor any successors in interest with respect to the applicable portion of the Redeveloper Property, shall engage in any financing or any other transaction creating any mortgage upon the uncompleted phase of the Redeveloper Property, whether by express contract or operation of law, or suffer any encumbrance or lien to be made on or attached to any of such uncompleted phase of the Redeveloper Property, except for the purposes of obtaining funds only to the extent necessary to acquire such property, or design, construct, maintain, repair, replace and insure the Private Improvements, or to refinance said amounts. Redeveloper, or any successor in interest shall notify the Authority in advance of any financing secured by mortgage that it proposes to enter into with respect to Redeveloper Property, and shall promptly notify the Authority of any mortgage that has been created on or attached to the Redeveloper Property whether by voluntary act of Redeveloper or otherwise. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any of the Redeveloper Property and which is contested by Redeveloper, then Redeveloper may defend against such encumbrance or lien, provided that a sufficient Note or security is posted with the Authority, to permit Redeveloper to avoid or prevent foreclosure of such encumbrance or lien. In addition,

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Redeveloper agrees that prior to completion of a phase of the Private Improvements; any loan proceeds secured by any interest in the applicable Redeveloper Property for such uncompleted phase shall be used solely for the payment of costs and expenses related to the development of the Private Improvements for that phase.

a. In the event that any foreclosure of any mortgage, deed of trust or other encumbrance should occur prior to the furnishing of a Certificate of Completion for a particular phase or at any time when any casualty damage to the Private Improvements has occurred and has not been fully restored, any party who obtains title to any portion of the Redeveloper Property from or through Redeveloper or the holder of any mortgage or any other purchaser at foreclosure sale shall be obligated to commence construction or reconstruction within three (3) months from the date of acquisition of title by said party and to complete construction or restoration within twenty-four (24) months from the date of such acquisition or, in lieu thereof, the holder of any mortgage or any other purchaser at foreclosure sale shall pay to the Authority the amount necessary to fully retire the TIF Note within three (3) months from the date of acquisition of title.

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

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

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

18. Damage or Destruction of Private Improvements. During the construction period and prior to issuance of the Certificate of Completion, Redeveloper agrees to keep its construction areas, including completed operations areas, insured against loss or damage by fire, and such other risks, casualties, and hazards as are customarily covered by builders' risk or extended coverage policies in an amount not less than the replacement value but allowing for reasonable coinsurance clauses and deductibles. In the event of any insured damage or destruction, Redeveloper agrees to restore the Private Improvements to their prior condition within twelve (12) months from the date of the damage or destruction, and shall diligently pursue the same to completion. In the event Redeveloper fails to restore the same for any reason, Redeveloper shall pay to the Authority the amount of TIF Tax Revenues received by the City in the preceding year times the number of years remaining in the Tax Increment Period. During the Tax Increment Period, Redeveloper shall include by restrictive covenant an enforceable obligation on the Redeveloper or other owner or tenant in possession to maintain property insurance on an extended coverage all-risk basis in an amount not less than the replacement value, allowing for reasonable coinsurance clauses and deductibles and also subject to the Redeveloper or other owner or tenant's obligation to restore their respective Private Improvements to their prior condition within twelve (12) months from the date of the damage or destruction, diligently pursuing the same to

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completion.

19. Condemnation. If during the Tax Increment Period, all or any portion of the Redeveloper Property is condemned by a condemning authority other than the City, and the condemning authority or its successor in interest would not be obligated to pay real estate taxes upon that portion condemned, the Authority shall be entitled to claim against the condemner an interest in the property equal to the present value of the pro rata share of tax increment indebtedness outstanding as of the date of taking.

20. Representations. Redeveloper represents and agrees that its undertakings, pursuant to this Contract, have been, are, and will be, for the purpose of redevelopment of Redeveloper Property and not for speculation in land holding.

21. Restrictions on Assignments of Rights or Obligations. Redeveloper represents and agrees that prior to completion of the Private Improvements for a phase there shall be no sale or transfer of the Redeveloper Property for that phase or assignment of Redeveloper's rights or obligations under this Contract with respect to such phase to any party without the prior written approval of the Authority (which shall not be unreasonably withheld, conditioned, or delayed), other than leases, mortgages and involuntary transfers by reason of death, insolvency, or incompetence. The Authority shall be entitled to require, as conditions to any required approval, that:

a. Any proposed transferee shall have the qualifications and financial responsibility, as determined by the Authority, necessary and adequate to fulfill the obligations undertaken in this Contract by Redeveloper; and

b. Any proposed transferee, by instrument satisfactory to the Authority and in form recordable in the Office of the Register of Deeds, shall for itself and its successors and assigns and for the benefit of the Authority, have expressly assumed all of the obligations of Redeveloper under this Contract; and

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

22. Representations and Warranties of Parties.

a. Redeveloper represents and warrants to Authority as follows:

i. Organization; Power; Good Standing. Redeveloper is a limited liability company duly organized and validly existing in good standing under the laws of Nebraska. Redeveloper is qualified to do business in the State of Nebraska and has all requisite power and authority to own and operate its properties and carry on its business as now being conducted and to enter into this Contract and perform the obligations hereunder.

ii. Authority Relative to Contract. This Contract has been duly executed and delivered by Redeveloper and constitutes a legal, valid and binding obligation of Redeveloper, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

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iii. Effect of Contract. The execution, delivery and performance of this Contract by Redeveloper has been duly authorized by all necessary action by Redeveloper and except as provided in this Contract will not require the consent, waiver, approval, license or authorization of any person or public authority, and will not violate any provision of law applicable to Redeveloper, and will not violate any instrument, contract, order, judgment, decree, statute, regulation, or any other restriction of any kind to which Redeveloper is a party.

b. Authority represents and warrants to Redeveloper as follows:

i. Authority Relative to Contract. This Contract has been duly executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

ii. Effect of Contract. The execution, delivery and performance of this Contract by Authority have been duly authorized by all necessary action by the Authority and except as provided in this Contract will not require the consent, waiver, approval, license or authorization of any person or public authority, and will not violate any provision of law applicable to the Authority, and will not violate any instrument, contract, order, judgment, decree, statute, regulation, or any other restriction of any kind to which the Authority is a party.

23. Remedies. Except as otherwise provided in this Contract, in the event of any default in performance of this Contract by the Authority or Redeveloper, the party in default shall, upon written notice from the other, proceed immediately to cure or remedy such default within thirty (30) days after receipt of notice. However, if the default cannot, in the exercise of reasonable diligence, be cured within thirty (30) days, then the defaulting party shall commence efforts to cure and shall diligently continue to cure the default. If the default is not cured, the non-defaulting parties may institute any proceedings which may be necessary to cure and remedy the default.

24. Waiver. The parties shall have the right to institute actions or proceedings as they may deem necessary to enforce this Contract. Any delay in instituting any action or otherwise asserting rights under this Contract shall not operate as a waiver of rights or limit rights in any way.

25. Delay in Performance For Causes Beyond Control of Party. The parties or their successors or assigns shall not be in default of their obligations for delay in performance due to causes beyond their reasonable control and without their fault, including but not limited to acts of God, acts of the public enemy, acts of the federal or state government or subdivisions thereof, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, shortages of labor or materials, or delays of contractors, or subcontractors due to such causes. As it relates to Phase 1, this paragraph shall not apply to any delay in performance due to economic downturn or any other condition or cause that is primarily of a financial nature. Provided, however, as this paragraph relates to Phase 2, the parties shall not be deemed in default due to adverse market conditions, the Redeveloper's inability to secure reasonably acceptable financing or tenants for the development of Phase 2 despite the Redeveloper's commercially reasonable efforts. The purpose and intent of this section is that in the event of the occurrence of any such delay, the

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time for performance of the obligations of either party with respect to construction of improvements shall be extended for the period of delay. However, in order to obtain the benefit of the provisions of this section, the party seeking the benefit shall within twenty (20) days after the beginning of the delay of performance notify the other party in writing of the cause and the reasonably expected length of delay.

26. Contract to Pay Taxes. Redeveloper agrees to pay all real property taxes levied upon the Redeveloper Property and Private Improvements prior to the time the taxes become delinquent. The contractual obligation by Redeveloper to pay such taxes prior to delinquency shall cease upon expiration of the Tax Increment Period, but the Authority in no way waives the statutory obligation to continue to pay real estate taxes. This provision shall not be deemed a waiver of the right to protest or contest the valuation of the lots or improvements for tax purposes, except as such right is otherwise restricted by this Contract.

27. Rights and Remedies Cumulative. The rights and remedies of the parties to this Contract shall be cumulative and the exercise by either party of anyone or more remedies shall not preclude the exercise by it of any other remedies for any other default or breach by the other party. A waiver of any right of either party conferred by this Contract shall be effective only if in writing and only to the extent specified in writing.

28. Authority Representatives Not Individually Liable. No official or employee of the Authority shall be personally liable to Redeveloper or any successors in interest due to any default or breach by the Authority under the terms of this Contract.

29. Notices and Demands. A notice under this Contract by a party to the other party shall be deemed delivered on the date it is postmarked, sent postage prepaid, certified or registered mail, or delivered personally to Bosselman Real Estate, LLC, at 3123 West Stolley Park Road, PO Box 4905, Grand Island, NE 68802-4905; and to the Authority at Community Redevelopment Authority of Grand Island P.O. Box 1968, Grand Island, NE, 68802-1968, Attention: Regional Planning Director , with a copy to Michael L. Bacon, Bacon and Vinton, LLP, Post Office Box 208, Gothenburg, NE 69138, or at such other address with respect to either party as that party may from time to time designate in writing and notify the other as provided in this section.

30. Access to Project Site. During construction of the Private Improvements, Redeveloper shall permit the representatives of the Authority to enter all areas of the Redeveloper Property and at any and all reasonable times, as the Authority may deem necessary for the purposes of inspection of work being performed in connection with the construction of the facility.

31. Provisions Run With the Land. This Contract shall run with the Redeveloper Property and shall inure to and bind the parties and their successors in interest. This Redevelopment Contract or a Memorandum hereof shall be recorded, by the Authority, with the Register of Deeds of Hall County, Nebraska, against the Redeveloper Property at the Redeveloper's expense.

32. Headings. Headings of the sections of this Contract are inserted for convenience only and shall be disregarded in interpreting any of its provisions.

33. Severance and Governing Law. Invalidation of any provision of this Contract by judgment or court order shall not affect any other provisions which shall remain in full force and effect. This Contract shall be construed and governed by the laws of Nebraska.

34. Expiration of Contract. Unless otherwise stated herein, this Contract shall expire upon expiration of the Tax Increment Period, or retirement in full of the TIF Notes, whichever first occurs; provided the Authority and Redeveloper agree to execute any release necessary to be filed

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of record to evidence such expiration or termination, unless otherwise stated herein.

35. Interpretations. Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Contract, but shall be interpreted according to the application of rules of interpretation of contracts generally.

36. Counterparts. This Contract may be executed in one or more counterparts which, when assembled, shall constitute an executed original hereof.

37. Nondiscrimination. Redeveloper, its successors and transferees agree that, as long as the TIF Note is outstanding, it will not discriminate against any person or group of persons on account of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Redevelopment Project. Redeveloper, its successors and transferees, agrees that during the construction of the Redevelopment Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance, and further agrees to require that its contractor and subcontractors shall agree to conform to said requirements. Redeveloper will comply with all applicable federal, state and local laws related to the Redevelopment Project. For purposes of this paragraph, discrimination shall mean discrimination as defined by the laws of the United States and the State of Nebraska.

38. Audit and Review. Redeveloper shall be subject to audit by the Authority and shall make available to the Authority or its designee copies of all financial and performance related records and materials germane to this Contract. The Authority shall cooperate and make available to the Redeveloper or its agent copies of all financial and performance related records and materials germane to the Project Account and the TIF Proceeds.

39. Evidence of Financial Ability of Redeveloper. The Authority acknowledges that the Redeveloper has previously provided to the Authority, on a confidential and privileged basis, evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of the Redeveloper in connection with the Project Site.

40. Effective Date. For purposes of determining the effective date as stated in *Neb. Rev. Stat.* §18-2147, the effective date of this Contract shall be January 1, 2017. The parties acknowledge that the rehabilitation contemplated hereby will extend substantially into the 2017 calendar year. For all other purposes, this Contract shall be effective on the date the last party hereto executes this Contract.

41. Immigration Requirement. The Redeveloper agrees that any contractor for the Project shall be required to agree to use a federal immigration verification system (as defined in Nebraska Revised Statute §4-114) to determine the work eligibility status of new employees physically performing services on the Project and to comply with all applicable requirements of Nebraska Revised Statute §4-114.

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

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Bosselman Real Estate, LLC

Executed by **Authority** this ____ day of September, 2015.

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

Chair or Vice Chair

ATTEST:

Secretary

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by _____ Chair (or Vice Chair) of the Community Redevelopment Authority of the City of Grand Island, Nebraska.

Notary Public

Bosselman Real Estate, LLC

Executed by **Redeveloper** this _____ day of _____, 2015

BOSSELMAN REAL ESTATE, LLC, a
Nebraska limited liability company

By: _____
Manager

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by _____, the Manager of **Bosselman Real Estate, LLC**, a Nebraska limited liability company, on behalf of the limited liability company.

Notary Public

Bosselman Real Estate, LLC

Exhibit "A"

REDEVELOPER PROPERTY

Lot One of Fonner Fourth Subdivision to the City of Grand Island, Hall County, Nebraska.

Bosselman Real Estate, LLC

Exhibit "B"
PROJECT SITE PLAN

Bosselman Real Estate, LLC

Exhibit “C”

USES AND SOURCES OF FUNDS

PUBLIC IMPROVEMENTS AND ELIGIBLE PRIVATE IMPROVEMENTS
- USES OF FUNDS-

Project Sources and Uses.
Use of Funds.

[Insert from Redevelopment Plan]

Bosselman Real Estate, LLC

Exhibit "D"

**CERTIFICATE OF COMPLETION OF
PRIVATE IMPROVEMENTS**

KNOW ALL PEOPLE BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereinafter called "Authority", hereby makes the conclusive determination and certification that, with regard to the following real property situated in the City of Grand Island, Hall County, Nebraska, to wit ("Redeveloper Property"):

Lot One of Fonner Fourth Subdivision to the City of Grand Island, Hall County, Nebraska.

all the improvements required to be constructed upon the above-described Redeveloper Property have been satisfactorily completed in accordance with the requirements of the REDEVELOPMENT CONTRACT with Bosselman Real Estate, LLC, dated _____ ("Contract") by and between the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA**, , and Bosselman Real Estate, LLC, a Nebraska limited liability company ("Redeveloper"), said Contract with an effective date of January 1, 2017, and recorded as Instrument No. _____, in the office of the Register of Deeds for Hall County, Nebraska.

The Authority further makes the conclusive determination that the Private Improvements (as defined in the Contract) to the above-described Redeveloper Property are presently in conformance with the Contract.

IN WITNESS WHEREOF, the Authority and Redeveloper have executed this instrument this _____ day of _____, 201__.

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

ATTEST:

Secretary

By: _____
Chair

Bosselman Real Estate, LLC

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ____ day of _____,
201__, _____, Chair of the Redevelopment Authority of the City of Grand
Island, Nebraska, on behalf of the Authority.

“Redeveloper”

Bosselman Real Estate, LLC, a Nebraska
limited liability company qualified to do
business in the state of Nebraska

By: _____
Manager

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
201__, by _____, the Manager of **Bosselman Real Estate, LLC**, a
Nebraska limited liability company, on behalf of the limited liability company.

Bosselman Real Estate, LLC

Exhibit "E"

(FORM OF NOTE)

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL**

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

**TAX INCREMENT DEVELOPMENT REVENUE NOTE
(BOSSELMAN REAL ESTATE PROJECT), SERIES 2015**

Series No. R-1

**Total of Series of Notes not to exceed \$6,552,000.00
(subject to reduction as described herein)**

**Date of
Original Issue**

**Date of
Maturity**

**Rate of
Interest**

December 31, 2031

0.0%

REGISTERED OWNER: BOSSELMAN REAL ESTATE, LLC

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

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

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

[S E A L]

By: _____ (manual signature)
Chairman

Bosselman Real Estate, LLC

By: _____ (manual signature)
Secretary

The **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the “**Registrar**”), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on June 1 and December 1 of each year until payment in full of such Principal Amount, beginning June 1, 2018, by check or draft mailed to the Registered Owner hereof as shown on the Note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner’s address as it appears on such Note registration books. The principal of this Note and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____ 2015, as from time to time amended and supplemented (the “**Resolution**”).

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. [THE MAXIMUM PRINCIPAL AMOUNT OF THIS SERIES OF NOTES IS \$6,552,000.]

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

Bosselman Real Estate, LLC

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

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

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

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

Bosselman Real Estate, LLC

thereof.

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

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

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

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

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

[The remainder of this page intentionally left blank]

Bosselman Real Estate, LLC

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ agent to transfer the within Note on the Note register kept by the Registrar for
the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment
must correspond with the name of the
Registered Owner as it appears upon the
face of the within Note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as
defined by SEC Rule 17 Ad-15 (17 CFR
240.17 Ad-15)

By: _____
Title: _____

[The remainder of this page intentionally left blank]

Bosselman Real Estate, LLC

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
FAMOS REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES R-1 2015**

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

Bosselman Real Estate, LLC