



City of Grand Island

Tuesday, May 25, 2010

Council Session

Item E2

**Public Hearing on Redevelopment Plan for Real Estate Located
between 107 and 203 East Stolley Park Road**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: May 25, 2010

Subject: Amendment to Redevelopment Plan for CRA Area #2

Item #'s: E-2 & G-3

Presenter(s): Chad Nabity, AICP CRA Director

Background

In September of 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, 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.

Ken-Ray LLC (the developer) has submitted a proposed amendment to the redevelopment plan that would provide for the construction a 17,500 square foot commercial retail/office building on property at the southeast corner of Stolley Park Road and South Locust Street.

The CRA reviewed the proposed development plan and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on May 5th. 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 December 2nd. The Planning Commission approved Resolution 2010-04 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 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 for amendment permits the development of a 17, 500 square foot commercial retail office building at this site and the use of Tax Increment Financing to pay for the cost of acquisition of the property, and site preparation and necessary utility improvements. The developer has indicated that depending on market conditions that they would consider building up to 12,500 additional square feet of space at this location. The additional investment if made would shorten the payback period for the TIF as presented. The cost benefit analysis as attached 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. The total tax increment financing allowed for this project may not exceed \$324,350 during this 15 year period.

Alternatives

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

1. Move to approve the resolution
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
April 2010**

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 specific infrastructure related project in Area #2.

**Executive Summary:
Project Description**

THE ACQUISITION OF PROPERTY AT STOLLEY PARK ROAD AND SOUTH LOCUST STREET BY THE DEVELOPER AND SUBSEQUENT UTILITY IMPROVEMENTS, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR THE CONSTRUCTION AND OPERATION OF A COMMERCIAL/OFFICE CENTER THIS LOCATION.

The use of Tax Increment Financing to aid in the acquisition and utility improvements of the property makes it feasible for the proposed development.

The acquisition and site work 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 and site work. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2011 towards the allowable costs and associated financing for the acquisition and site work.

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

Property Description (the “Redevelopment Project Area”)

This property is located at the southeast corner of Stolley Park Road and South Locust Street in southeast Grand Island including:

- Lots 4 and 5 of Equestrian Meadows Subdivision.

The tax increment will be captured for the tax years the payments for which become delinquent in years 2012 through 2025, 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 Commercial/Office center to be constructed on the property to be acquired.

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, 2011.

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 19, 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.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not intend that any structures be removed or demolished. This amendment does not prohibit demolition elsewhere in the Redevelopment Project Area.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]

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

The area is zoned B2- General Business zone with an AC-Arterial Commercial Overlay. Commercial development is anticipated based on 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 a commercial/office building at this site. The total square footage of the building will be 17,500 square feet during the initial phase. A second phase of construction involving up to 12,500 additional square feet of is possible at some point in the future. The property is zoned B2-AC and could accommodate a building of up to 100% of the property [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

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

No other utilities would be impacted by the development.

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

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This 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 purchased the property for \$222,238. Costs for preparation for development are estimated at \$145,937

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 \$324,263 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2011 through December 2025.

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 undeveloped commercial lots. The only conceivable impact as a result of the proposed project is the creation of additional retail space in a commercial district. This will not significantly impact traffic on Stolley Park Road or South Locust Street. 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 the first phase of this project (17,500 square feet of commercial space) is anticipated to be completed during the 2010 and 2011 calendar years. A second phase of this project would include the development of up to 12,500 square feet of additional space. This second phase is not anticipated to occur until at least 5 years after the initial construction. The base tax year should be calculated on the value of the property as of January 1, 2010. Excess valuation should be available for this project for 15 years beginning with the 2011 tax year.

9. Justification of Project

This property has been vacant for more many years. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value but rather seeks to use vacant property for new construction.

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

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

The redevelopment project area currently has an estimated valuation of \$222,238. After acquisition of the property and subsequent improvements a commercial/office structure will be built at this location. This will result in a \$1,017,275 commercial building being placed on the tax rolls. The proposed investment is substantially higher than the taxable value of the building. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

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

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

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

The proposed facility will provide jobs for persons employed at these establishments and for those building the new building.

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

This facility could draw employees from other similar facilities within the City.

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

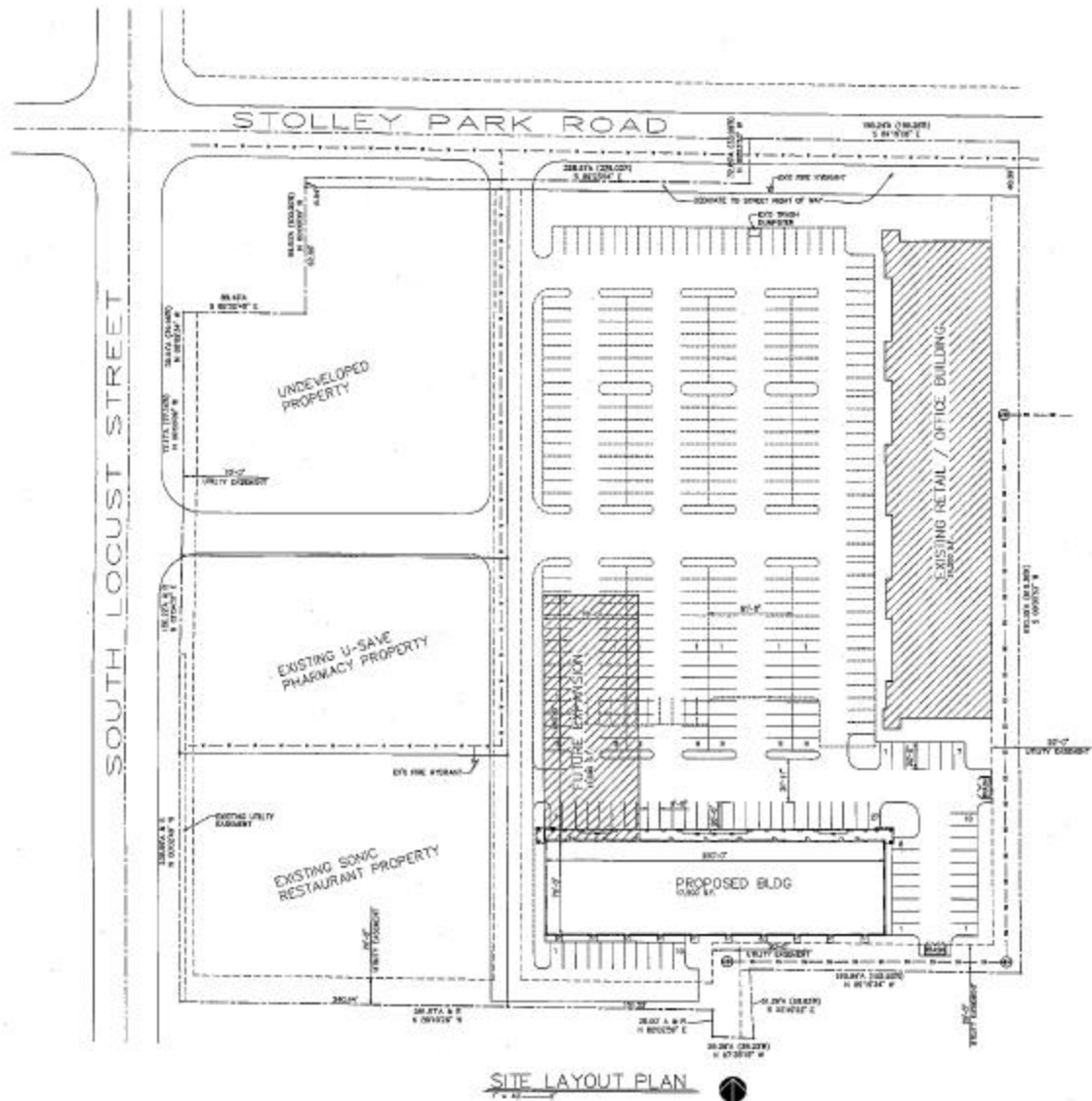
This will provide appropriate development at a key entrance location to Fonner Park and the Nebraska State Fair.

Time Frame for Development

Development of this project is anticipated to be mostly complete during the 2010 calendar year. The base tax year should be calculated on the value of the property as of January 1, 2010. Excess valuation should be available for this project for 15 years beginning in 2012. 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 \$324,263 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the purchase price of the property and estimates of the expenses of eligible activities the developer will spend \$368,275 on TIF eligible activities. The developer will also carry the costs for allowable soft costs (estimated at \$20,000) and interest on the money borrowed for these activities (estimated at \$204,000). A total of \$324,263 of tax increment financing is proposed for \$592,275 worth of eligible expenditures in the initial phase

The developer has plans as shown for a possible expansion of the building space to 30,000 square feet on these lots at some point in the future. This could happen within 5 years depending on the market conditions. This expansion would create an additional \$726,625 of anticipated valuation. The additional increment would be applied \$324,263 TIF requested resulting in a quicker payment of the TIF and a shorter term on the TIF

contract. The additional 12,500 square feet will not be built if the original building is not constructed.



Proposed Site Plan for Development at 107 and 203 E Stolley Park Road in Grand Island, NE

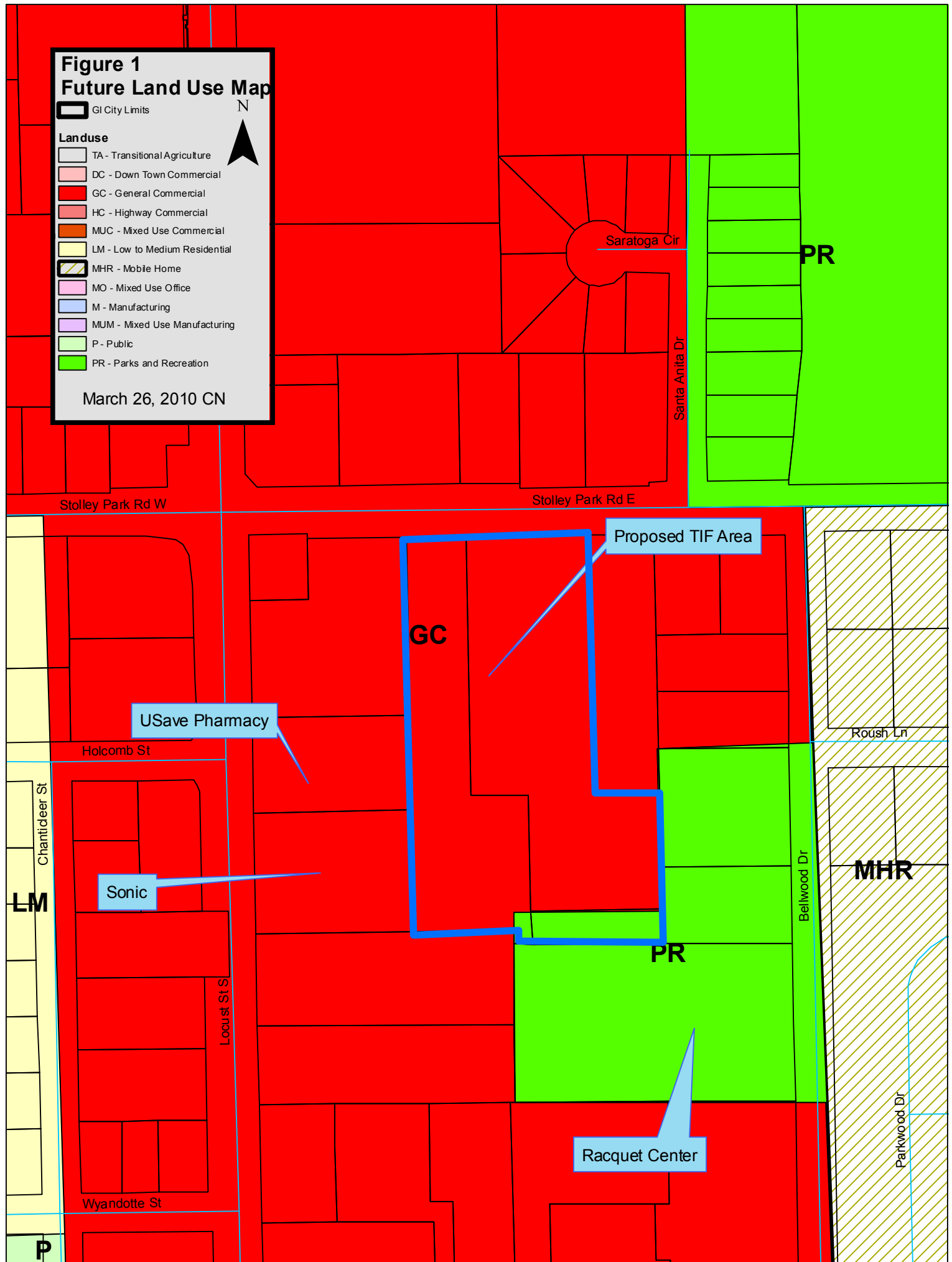
Figure 1
Future Land Use Map

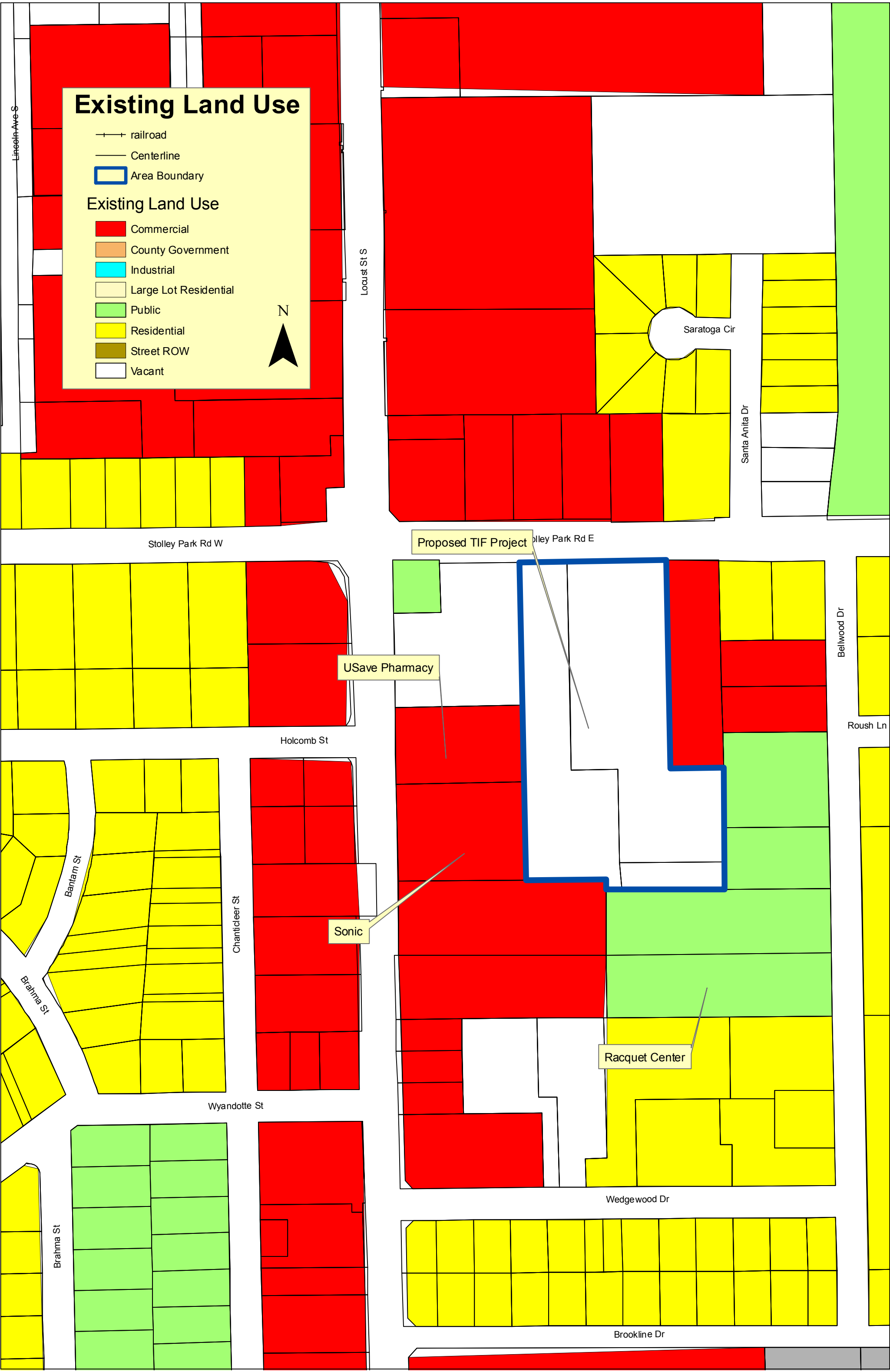
GI City Limits

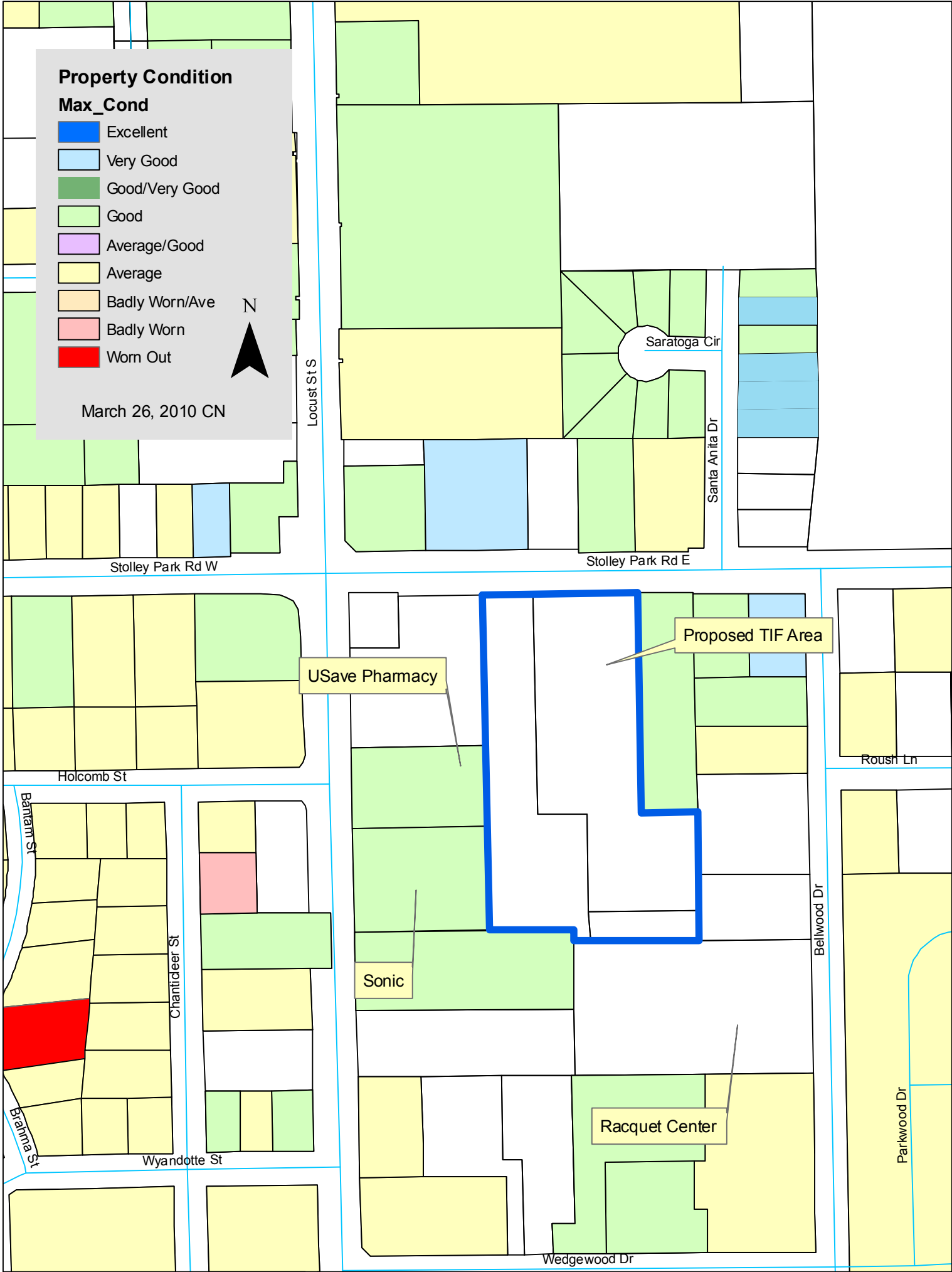
Landuse

- TA - Transitional Agriculture
- DC - Down Town Commercial
- GC - General Commercial
- HC - Highway Commercial
- MUC - Mixed Use Commercial
- LM - Low to Medium Residential
- MHR - Mobile Home
- MO - Mixed Use Office
- M - Manufacturing
- MUM - Mixed Use Manufacturing
- P - Public
- PR - Parks and Recreation

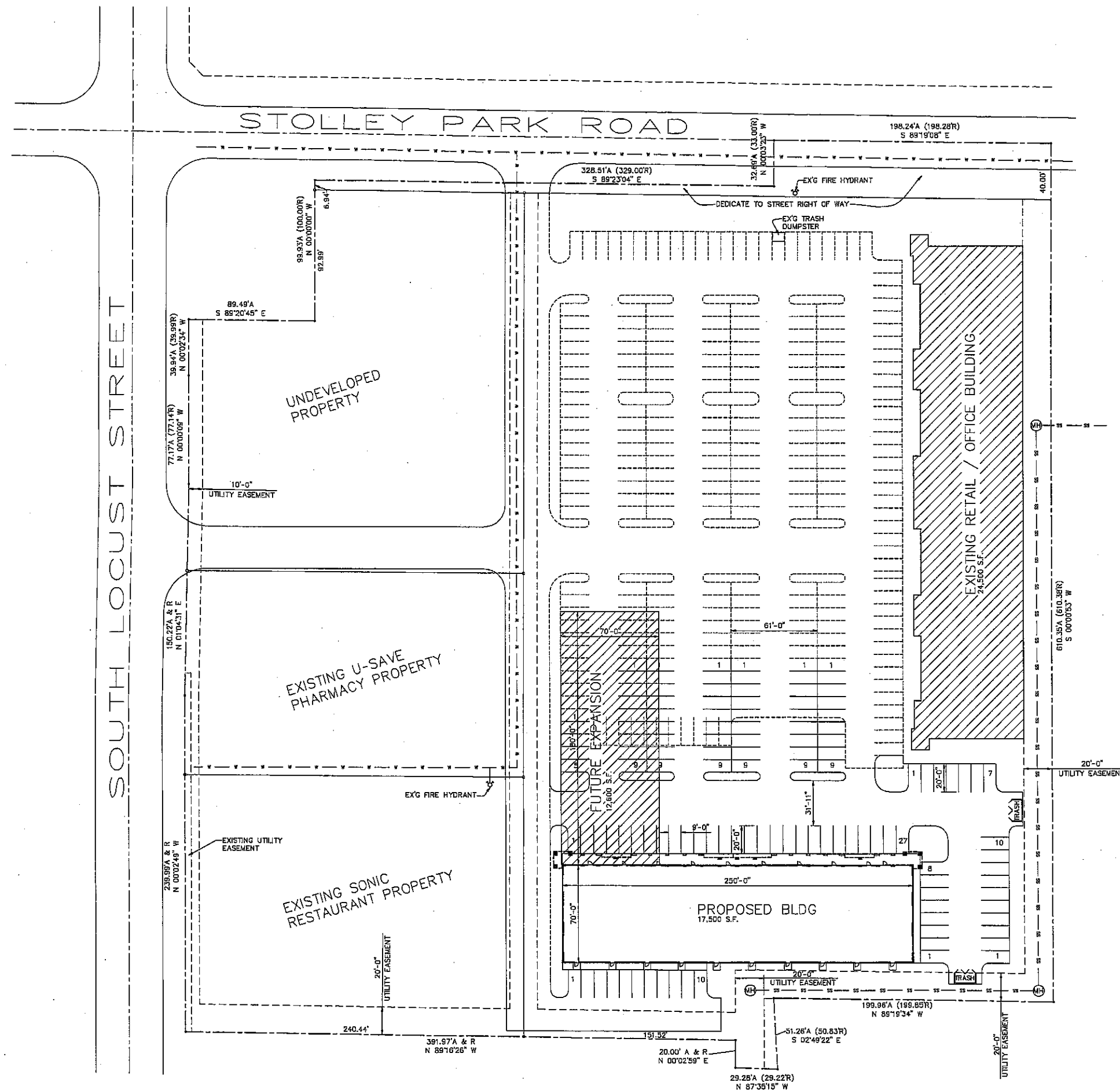
March 26, 2010 CN







[illegible]



PARKING CALCULATIONS:

REQUIRED PARKING BASED ON RETAIL OR OFFICE OCCUPANCIES:
 BLDG SQ. FT. = 42,000 / 200 SQ. FT. PER STALL = 210
 EXISTING PARKING STALLS = 232
 STALLS ELIMINATED FOR BLDG = 11
 STALLS ADDED = 121
 TOTAL STALLS SHOWN = 353

PARKING CALCULATIONS WITH FUTURE EXPANSION:

REQUIRED PARKING BASED ON RETAIL OR OFFICE OCCUPANCIES:
 BLDG SQ. FT. = 54,000 / 200 SQ. FT. PER STALL = 273
 EXISTING PARKING STALLS = 353
 STALLS ELIMINATED FOR BLDG = 55±
 STALLS ADDED = 0
 TOTAL STALLS SHOWN = 298

SITE LAYOUT PLAN

1" = 40'-0"



THIS SITE PLAN DRAWING IS FOR
 CONSTRUCTION ONLY AND IS NOT
 TO BE USED AS A LEGAL SURVEY.



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

- I. Business Name: Ken-Ray LLC.
Address: PO Box 139 Grand Island NE 68802-0139
Telephone No.: 308-381-2497 Fax No.: 308-381-1285
Contact: Raymond O'Connor
- II. Brief Description of Applicant's Business: Commercial Real Estate
Development

- III. Present Ownership Proposed Project Site: Ken-Ray LLC, A Nebraska Limited
Liability Company
- IV. Proposed Project: Building square footage, size of property, description of
buildings – materials, etc. Please attach site plan, if available.
Bld I - 17,500 SF Split-Faced Block and Brick – DryVit Exterior to match
existing 24,500 SF building on adjacent lot

V. If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land \$ 222,238

B. Building \$ 2/3 of land
Assessment by
Hall County

Construction Costs:

A. Renovation or Building Costs: \$ 1,715,000.00

B. On-Site Improvements: \$ 145,937.00

Soft Costs:

A. Architectural & Engineering Fees: \$ Included in
Const cost

B. Financing Fees: \$ 204,000.00

C. Legal/Developer/Audit Fees: \$ 20,000.00

D. Contingency Reserves: \$

E. Other (Please Specify) \$

TOTAL \$

VII. Total Estimated Market Value at Completion: \$ 1,017,000.00
Hall county
Assessor

VIII. Source of Financing:

A. Developer Equity: \$ 385,937.00

B. Commercial Bank Loan: \$ 1,500,000.00

C. Tax Credits:

1. N.I.F.A. \$

2. Historic Tax Credits \$

D. Industrial Revenue Bonds: \$

E. Tax Increment Assistance: \$

F. Other \$ _____

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

Contractor: _____

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

_____1017.000_____1475.000.00_____

___X___2.12562190___X___2.12562190_____

___=___21,617.56___=___31,352.90_____

XI. Project Construction Schedule:

A. Construction Start Date: _____May 2010_____

B. Construction Completion Date: _____November 2010_____

C. If Phased Project:

___12500 additional in 2015_ Year _____100_____ % Complete

_____ Year _____ % Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

_____ \$324,263.00 _____

_____21,617.56 x 15 years _____ Assist with land, utility and soft cost to
complete project _____

**II. Statement Identifying Financial Gap and Necessity for use of Tax Increment
Financing for Proposed Project: _____**

III. 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:

____ City of Grand Island, NE _____ City of Kearney NE

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

New Nebraska LLC formed in 2009 – Tax returns and financial statement for LLC not formulated.

Post Office Box 1486
Grand Island, Nebraska 68802-1486
Phone: 308 382-1920, ext. 20
Fax: 308 382-1154
Email: cjohnson@gichamber.com

Estimate Sheet

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SITEWORK

Page 2

Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
02 002	Survey	0		\$ -		\$ -	\$ 800.00	\$ -	\$ -
02 010	Soil & Compaction Tests	0		\$ -		\$ -	\$ 2,400.00	\$ -	\$ -
02 812	Pest Control			\$ -		\$ -		\$ -	\$ -
	Silt Fence			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Total Misc.			\$ -		\$ -		\$ -	\$ -
02 050	Demolition	1		\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
02 160	Shoring			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Total Demolition			\$ -		\$ -		\$ -	\$ -
02 001	Excavation Sub Allowance	1		\$ -		\$ -	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00
02 100	Site Prep			\$ -		\$ -		\$ -	\$ -
	Fine Grading			\$ -		\$ -		\$ -	\$ -
02 140	Dewatering			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Total Sitework			\$ -		\$ -		\$ 27,000.00	\$ 27,000.00
03 812	Granular Fill			\$ -		\$ -		\$ -	\$ -
02 030	Granular Paving			\$ -		\$ -		\$ -	\$ -
02 120	Asphalt Paving Repair	0		\$ -		\$ -	\$ 5,000.00	\$ -	\$ -
03 020	Concrete Paving	32500		\$ -		\$ -	\$ 3.50	\$ 113,750.00	\$ 113,750.00
03 008	Sidewalks	2500		\$ -		\$ -	\$ 4.00	\$ 10,000.00	\$ 10,000.00
03 020	Approaches			\$ -		\$ -		\$ -	\$ -
03 011	Curb and Gutter	0		\$ -		\$ -	\$ 10.00	\$ -	\$ -
	Seal Joints			\$ -		\$ -		\$ -	\$ -
	Striping	0		\$ -		\$ -	\$ 500.00	\$ -	\$ -
	HC Signs	0	\$ 100.00	\$ -	\$ 50.00	\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Total Paving			\$ -		\$ -		\$ 123,750.00	\$ 123,750.00
			\$ -						
02 810	Landscaping	1		\$ -		\$ -	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
02 810	Seed			\$ -		\$ -		\$ -	\$ -
02 810	Sod			\$ -		\$ -		\$ -	\$ -
02 810	Irrigation			\$ -		\$ -		\$ -	\$ -
02 811	Fencing			\$ -		\$ -		\$ -	\$ -
02 800	Site Improvements			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Total Landscaping			\$ -		\$ -		\$ 5,000.00	\$ 5,000.00
			Total Costs	\$ -		\$ -		\$ 155,750.00	\$ 155,750.00

NOTES

CONCRETE

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Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
03 014	Demolition (Conc.)			\$ -		\$ -		\$ -	\$ -
03 001	Layout			\$ -		\$ -		\$ -	\$ -
03 002	Equipment Pads			\$ -		\$ -		\$ -	\$ -
02 161	Excavate Piers			\$ -		\$ -	\$ 35.00	\$ -	\$ -
02 162	Trenching			\$ -		\$ -	\$ 1.20	\$ -	\$ -
02 163	Backhoe Work			\$ -		\$ -	\$ 75.00	\$ -	\$ -
03 003	Footings			\$ -		\$ -		\$ -	\$ -
03 022	Grade Beam 8"		\$ 8.60	\$ -	\$ 10.00	\$ -		\$ -	\$ -
03 023	Grade Beam 12"		\$ 9.50	\$ -	\$ 6.50	\$ -		\$ -	\$ -
03 032	Grade Beam Cap		\$ 3.40	\$ -	\$ 4.00	\$ -		\$ -	\$ -
03 004	Piers		\$ 378.00	\$ -	\$ 100.00	\$ -		\$ -	\$ -
03 004	Endwall Piers		\$ 94.50	\$ -	\$ 100.00	\$ -		\$ -	\$ -
03 004	Corner Piers		\$ 45.00	\$ -	\$ 100.00	\$ -		\$ -	\$ -
03 005	Walls			\$ -		\$ -		\$ -	\$ -
03 007	Stoops	20		\$ -		\$ -	\$ 250.00	\$ 5,000.00	\$ 5,000.00
03 009	Mud Pits	0		\$ -		\$ -	\$ -	\$ -	\$ -
03 010	Trench Drains		\$ 30.00	\$ -	\$ 15.00	\$ -		\$ -	\$ -
03 011	Interior Curbs		\$ 1.72	\$ -	\$ 4.00	\$ -		\$ -	\$ -
03 012	Catch Basins			\$ -		\$ -		\$ -	\$ -
03 016	Guard Posts			\$ -	\$ 35.00	\$ -		\$ -	\$ -
03 017	Backplaster/Tar/Caulk			\$ -		\$ -		\$ -	\$ -
03 100	Footing Formwork		\$ 1.40	\$ -	\$ 1.25	\$ -		\$ -	\$ -
03 200	Footing Reinforcement		\$ 0.48	\$ -	\$ 0.25	\$ -		\$ -	\$ -
03 039	Perimeter Insulation		\$ 0.65	\$ -	\$ 0.20	\$ -	\$ 0.20	\$ -	\$ -
03 820	Backfill			\$ -		\$ -		\$ -	\$ -
	BUILDING #1	0		\$ -		\$ -	\$ 5.50	\$ -	\$ -
	BUILDING #2	0		\$ -		\$ -	\$ 5.50	\$ -	\$ -
	BUILDING #3	17500		\$ -		\$ -	\$ 6.00	\$ 105,000.00	\$ 105,000.00
	Total Footings			\$ -		\$ -		\$ 110,000.00	\$ 110,000.00
03 812	Fill Sand		\$ 6.50	\$ -	\$ 1.50	\$ -		\$ -	\$ -
03 031	Flatwork Floors 4"		\$ 1.50	\$ -	\$ 0.90	\$ -		\$ -	\$ -
03 032	Flatwork Floors 6"		\$ 1.95	\$ -	\$ 0.90	\$ -		\$ -	\$ -
03 840	Vapor Barrier			\$ -		\$ -		\$ -	\$ -
03 250	Accessories		\$ 0.15	\$ -		\$ -		\$ -	\$ -
03 100	Concrete Formwork		\$ 1.40	\$ -	\$ 1.25	\$ -		\$ -	\$ -
03 200	Mesh		\$ 0.12	\$ -	\$ 0.10	\$ -		\$ -	\$ -
03 370	Curing			\$ -		\$ -		\$ -	\$ -
03 400	Concrete/Asphalt Sawing	0		\$ -		\$ -	\$ 2.00	\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Total Flatwork			\$ -		\$ -		\$ -	\$ -
03 026	Second Deck Concrete	0		\$ -		\$ -	\$ -	\$ -	\$ -
03 033	Flexicore			\$ -		\$ -		\$ -	\$ -
03 400	Precast Concrete			\$ -		\$ -		\$ -	\$ -
03 600	Grout			\$ -		\$ -		\$ -	\$ -
	Total Precast			\$ -		\$ -		\$ -	\$ -
03 860	Rental Equip. (Conc.)			\$ -		\$ -		\$ -	\$ -
03 870	Concrete Subcontract			\$ -		\$ -		\$ -	\$ -
03 027	Concrete Pump Rental	0		\$ -		\$ -	\$ 1,200.00	\$ -	\$ -
03 880	Concrete Cylinder Tests			\$ -		\$ -		\$ -	\$ -
03 036	Mobilization (Conc.)	0		\$ -		\$ -	\$ -	\$ -	\$ -
03 037	Demobilization (Conc.)	0		\$ -		\$ -	\$ -	\$ -	\$ -
03 035	Travel Time (Conc.)			\$ -		\$ -		\$ -	\$ -
03 038	Job Cleanup (Conc.)			\$ -		\$ -		\$ -	\$ -
	Total Misc.			\$ -		\$ -		\$ -	\$ -
	Total Concrete		Total Costs	\$ -		\$ -		\$ 110,000.00	\$ 110,000.00

NOTES

Estimate Sheet

Page No. 4 Of 9 Pages

MASONRY

Page 4

Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
04 001	Trash Enclosures	1		\$ -		\$ -	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
	MEDALLIONS	36	\$ 19.00	\$ 684.00		\$ -	\$ -	\$ -	\$ 684.00
	BUILDING #1 CMU/Brick	1		\$ -		\$ -	\$ 82,893.00	\$ 82,893.00	\$ 82,893.00
	BUILDING #2 CMU/Brick	0		\$ -		\$ -	\$ 70,578.00	\$ -	\$ -
	BUILDING #3 CMU/Brick	1		\$ -		\$ -	\$ 119,778.00	\$ 119,778.00	\$ 119,778.00
	BUILDING #1 PRECAST	0	\$ 7.75	\$ -		\$ -		\$ -	\$ -
	BUILDING #2 PRECAST	0	\$ 7.75	\$ -		\$ -		\$ -	\$ -
	BUILDING #3 PRECAST	371	\$ 7.75	\$ 2,875.25		\$ -		\$ -	\$ 2,875.25
			Total Costs	\$ 3,559.25		\$ -		\$ 205,171.00	\$ 208,730.25

NOTES

STRUCTURAL AND MISC. STEEL

Page 4

Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
05 050	Metal Fasteners			\$ -		\$ -		\$ -	\$ -
05 100	Unloading			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
05 106	Structural Steel	0	\$ 12.00	\$ -	\$ 4.00	\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Trash Enclosure Gates	2		\$ -		\$ -	\$ 800.00	\$ 1,600.00	\$ 1,600.00
	Stairway Labor			\$ -		\$ -		\$ -	\$ -
05 010	Misc. Metals			\$ -		\$ -		\$ -	\$ -
	Stairways	0	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
	Guard Posts	0	\$ 82.00	\$ -		\$ -		\$ -	\$ -
05 105	Trench Drain Grate	0		\$ -	\$ 8.00	\$ -		\$ -	\$ -
05 501	Steel Grates			\$ -		\$ -		\$ -	\$ -
05 502	Hand Railing			\$ -		\$ -		\$ -	\$ -
05 503	Guard Railing	0	\$ 25.00	\$ -	\$ 5.00	\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
05 001	Mobilization (Bldg)			\$ -		\$ -	\$ 150.00	\$ -	\$ -
05 008	Demobilization (Bldg)			\$ -		\$ -	\$ 150.00	\$ -	\$ -
05 007	Travel Time (Bldg)			\$ -		\$ -		\$ -	\$ -
05 009	Job Clean-up (Bldg)			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
			Total Costs	\$ -		\$ -		\$ 1,600.00	\$ 1,600.00

NOTES

Page No. 5 Of 9 Pages

Page 5

NOTES

Page No. 6 Of 9 Pages

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WOOD AND PLASTICS									Page 6
Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
17 100	Blocking	0		\$ -		\$ -	\$ 1,500.00	\$ -	\$ -
17 100	Rough Carpentry			\$ -		\$ -		\$ -	\$ -
17 200	Finish Carpentry			\$ -		\$ -		\$ -	\$ -
17 680	Cabinetry	0		\$ -		\$ -	\$ 350.00	\$ -	\$ -
17 675	Vanity Top	0		\$ -		\$ -	\$ -	\$ -	\$ -
17 680	Shelving			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
			Total Costs	\$ -		\$ -		\$ -	\$ -
NOTES									

THERMAL/MOISTURE PROTECTION									Page 6
Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
05 885	6" Roof Insulation		\$ 0.507	\$ -		\$ -		\$ -	\$ -
05 886	4" Roof Insulation			\$ -		\$ -		\$ -	\$ -
			\$ 0.374	\$ -	\$ 0.10	\$ -		\$ -	\$ -
05 888	6" Wall Insulation			\$ -	\$ 0.10	\$ -		\$ -	\$ -
05 889	4" Wall Insulation	0	\$ 0.374	\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
05 891	Simple Saver - Roof	0	\$ 1.00	\$ -		\$ -	\$ 0.75	\$ -	\$ -
05 891	Simple Saver Roof Install			\$ -		\$ -	\$ 0.70	\$ -	\$ -
05 892	Simple Saver Walls			\$ -		\$ -		\$ -	\$ -
05 892	Simple Saver Wall Install			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
05 893	BUILDING #1 DURO-LAST			\$ -		\$ -	\$ 56,827.00	\$ -	\$ -
	BUILDING #2 DURO-LAST			\$ -		\$ -	\$ 46,266.00	\$ -	\$ -
	BUILDING #3 DURO-LAST			\$ -		\$ -	\$ 114,635.00	\$ -	\$ -
				\$ -		\$ -	\$ -	\$ -	\$ -
07 100	Masonry/EIFS Joints	2000		\$ -		\$ -	\$ 1.50	\$ 3,000.00	\$ 3,000.00
07 101	Spray Sealers			\$ -		\$ -		\$ -	\$ -
07 810	Concrete Joints	2000		\$ -		\$ -	\$ 1.50	\$ 3,000.00	\$ 3,000.00
				\$ -		\$ -		\$ -	\$ -
07 300	Shingles and Roof Tiles			\$ -		\$ -		\$ -	\$ -
07 500	Smoke Hatches			\$ -		\$ -		\$ -	\$ -
07 501	BUILDING #1 EPDM	0		\$ -		\$ -	\$ 53,950.00	\$ -	\$ -
07 600	BUILDING #2 EPDM	0		\$ -		\$ -	\$ 43,452.00	\$ -	\$ -
07 601	BUILDING #3 EPDM	1		\$ -		\$ -	\$ 104,637.00	\$ 104,637.00	\$ 104,637.00
07 700	Roof Specialties & Acc.			\$ -		\$ -		\$ -	\$ -
07 810	Joint Sealers	1		\$ -		\$ -	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
				\$ -		\$ -		\$ -	\$ -
			Total Costs	\$ -		\$ -		\$ 112,637.00	\$ 112,637.00
NOTES									

Page No. 7 Of 9 Pages

FINISHES								Page 7	
Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
19 402	Gyp Systems	0		\$ -		\$ -	\$ -	\$ -	\$ -
		0		\$ -		\$ -	\$ -	\$ -	\$ -
09 100	Subcontract Painting	0		\$ -		\$ -	\$ -	\$ -	\$ -
09 800	Subcont Floor Covering	0		\$ -		\$ -	\$ 3.00	\$ -	\$ -
09 835	Suspended Ceiling	0		\$ -		\$ -	\$ 2.00	\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
	Floor Stain			\$ -		\$ -	\$ 2.50	\$ -	\$ -
	GYP			\$ -		\$ -		\$ -	\$ -
	BUILDING #1 STUD/EIFS	0		\$ -		\$ -	\$ 150,080.00	\$ -	\$ -
	BUILDING #2 STUD/EIFS	0		\$ -		\$ -	\$ 112,830.00	\$ -	\$ -
	BUILDING #3 STUD/EIFS	1		\$ -		\$ -	\$ 150,700.00	\$ 150,700.00	\$ 150,700.00
	BUILDING #1 PAINT	0		\$ -		\$ -	\$ 5,500.00	\$ -	\$ -
	BUILDING #2 PAINT	0		\$ -		\$ -	\$ 4,494.00	\$ -	\$ -
	BUILDING #3 PAINT	1		\$ -		\$ -	\$ 8,900.00	\$ 8,900.00	\$ 8,900.00
				\$ -		\$ -		\$ -	\$ -
			Total Costs	\$ -		\$ -		\$ 159,600.00	\$ 159,600.00
NOTES									

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[illegible]

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ELECTRICAL								Page 8	
Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total
16 100	Electrical - Subcontract	0		\$ -		\$ -	\$ -	\$ -	\$ -
16 211	Fire Alarm			\$ -		\$ -		\$ -	\$ -
	Parking Lot Lighting			\$ -		\$ -		\$ -	\$ -
	Specialty Building Lights			\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
				\$ -		\$ -		\$ -	\$ -
			Total Costs	\$ -		\$ -		\$ -	\$ -
NOTES									

								Page 9
			Total All Pages	\$ 121,059.25		\$ -	\$ 1,491,429.00	
Page 1	GENERAL REQUIREMENTS	\$ 635,861.00						
Page 2	SITEWORK	\$ 155,750.00						
Page 3	CONCRETE	\$ 110,000.00						
Page 4	MASONRY	\$ 208,730.25						
Page 4	METAL & STRUCTURES	\$ 1,600.00						

Page 1	GENERAL REQUIREMENTS	\$ 635,861.00
Page 2	SITEWORK	\$ 155,750.00
Page 3	CONCRETE	\$ 110,000.00
Page 4	MASONRY	\$ 208,730.25
Page 4	METAL & STRUCTURES	\$ 1,600.00
Page 5	PRE-ENGINEERED	\$ 155,925.00
Page 6	WOOD & PLASTICS	\$ -
Page 6	THERM/MOIST PROTECT'N	\$ 112,637.00
Page 7	DOORS & WINDOWS	\$ 72,385.00
Page 7	FINISHES	\$ 159,600.00
Page 8	SPECIALTIES	\$ -
	EQUIPMENT	\$ -
Page 8	MECHANICAL	\$ -
Page 8	ELECTRICAL	\$ -

		TOTAL ALL PAGES		\$ 1,612,488.25
01 900	Sales Tax on Materials	0.07	\$ 8,474.15	\$ 1,620,962.40
01 001	Payroll Tax	0.38	\$ -	\$ 1,620,962.40
01 002	Overhead	0	\$ -	\$ 1,620,962.40
01 812	Gen. Liability Insurance	0.0065	\$ 10,536.26	\$ 1,631,498.65
		SUBTOTAL		\$ 1,631,498.65

Consulting	0.05	\$ 81,574.93	\$ 1,713,073.59
TOTAL			\$ 1,713,073.59

01 820	Sales Commission	0.0000	\$ -	\$ 1,713,073.59
01 820	Est. Commission		\$ -	\$ 1,713,073.59
99 998	Sales Budget		\$ -	\$ 1,713,073.59
	CONTRACT AMOUNT without builders risk			\$ 1,713,073.59

	Bldrs Risk Ins / month	0.00019	\$ 325.48	
01 811	Number of months	3	\$ 976.45	\$ 1,714,050.04
	CONTRACT AMOUNT with builders risk			\$ 1,714,050.04

01 910	Sales Tax on Labor	Use Table		\$ 1,714,050.04
01 810	Performance Bond			\$ 1,714,050.04

01 870	Architect & Engin. Fees		\$ 1,714,050.04
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month calculator for builders risk

months

\$0 to \$200,000

3

\$200,000 to \$400,000

4

\$400,000 to \$800,000

6

\$800,000 to \$1,500,000

8

\$1,500,000 to \$2,500,000

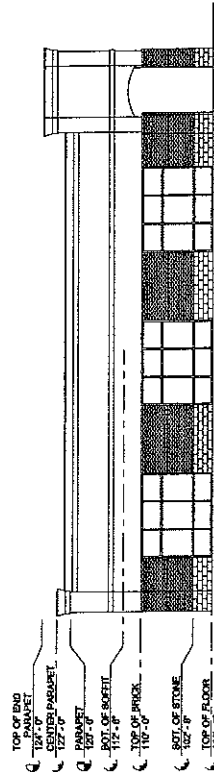
10

Cost Per SF

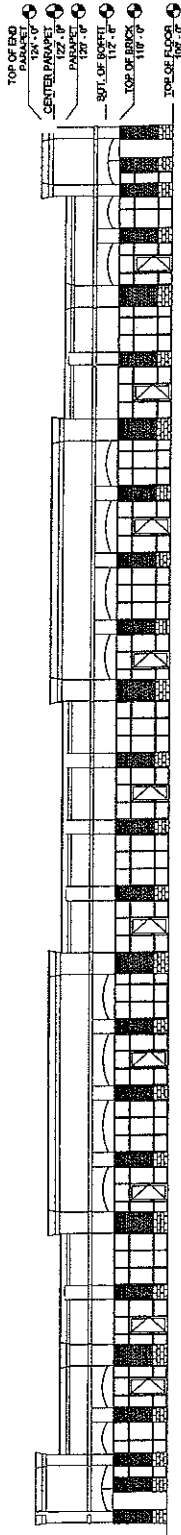
\$97.95

[illegible]

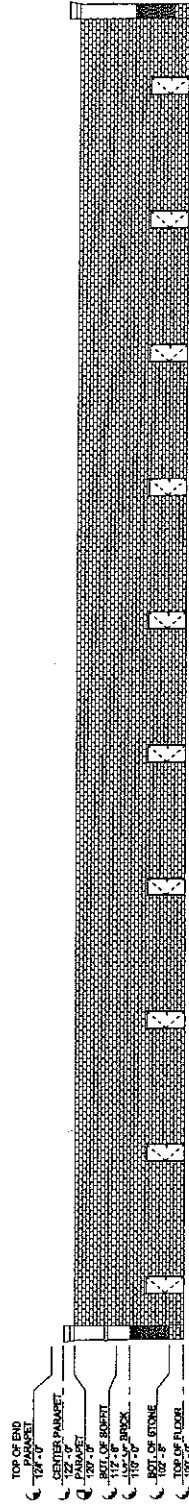
WEST ELEVATION



EAST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION
SCALE = 1/8" = 1'-0"

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

RESOLUTION NO. 111

**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"), received a proposed redevelopment plan (the "Plan"), 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 21 day of April, 2010.

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

By Barry H. Linder
Chairperson

ATTEST:

CHMA
Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract

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

RESOLUTION NO. 112

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 Ken-Ray 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 21 day of April, 2010.

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

By 
Chairperson

ATTEST:


Secretary

Resolution Number 2010-04

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF A 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: May 5th 2010.

HALL COUNTY REGIONAL PLANNING
COMMISSION

ATTEST:

By: Leslie E. Ruge
Secretary

By: [Signature]
Vice Chair

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ____th day of _____, 2010, by and between the City of Grand Island, Nebraska, acting as the Community Redevelopment Authority of the City of Grand Island, Nebraska (**“City”**), and Ken Ray, LLC, a Nebraska corporation (**“Redeveloper”**).

WITNESSETH:

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

WHEREAS, City and Redeveloper desire to enter into this Redevelopment Contract for acquisition and redevelopment of a parcel in the blighted and substandard area;

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

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

“Act” means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended, and acts amendatory thereof and supplemental thereto

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

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

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

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

“Liquidated Damages Amount” means the amounts to be repaid to Authority by Redeveloper pursuant to Section 6.02 of this Redevelopment Contract.

“Project” means the improvements to the Redevelopment Area, as further described in Exhibit B attached hereto and incorporated herein by reference and, as used herein, shall include the Redevelopment Area real estate.

“Project Cost Certification” means a statement prepared and signed by the Redeveloper verifying the Redeveloper has been legally obligated for the payment of Project Costs identified on Exhibit D

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

“Redeveloper” means Ken Ray, LLC, a Nebraska limited liability company.

“Redevelopment Area” means that certain real property situated in the City of Grand Island, Hall County, Nebraska, which has been declared blighted and substandard by the City pursuant to the Act, and which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

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

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

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

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

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

Section 1.02 Constructions and Interpretation.

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

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

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by Authority.

The Authority makes the following representations and findings:

(a) the Authority is a duly organized and validly existing Community Redevelopment Authority under the Act.

(b) The Redevelopment Plan has been duly approved and adopted by the City pursuant to Section 18-2109 through 18-2117 of the Act.

(c) The Authority deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

(d) The Redevelopment Project will achieve the public purposes of the Act by, among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening conditions of blight and substandard in the Redevelopment Area.

(e) (1) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based on Representations made by the Redeveloper:

(i) the Project would not be economically feasible without the use of tax-increment financing,

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

(iii) the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the Authority and have been found to be in the long-term best interest of the community impacted by the Project.

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

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a Nebraska limited liability company, having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract.

(b) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Redeveloper contrary to the terms of any instrument or agreement.

(c) There is no litigation pending or to the best of its knowledge threatened against Redeveloper affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Contract or, except as disclosed in writing to the Authority, as in any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

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

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

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

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

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on the following real property in the Project: to wit: Lots 4 and 5, Equestrian Meadows Subdivision to the City of Grand Island, Hall County, Nebraska, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be January 1, 2011.

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

(b) That proportion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection

with the bonds, loans, notes or advances of money to, or indebtedness incurred by whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Project shall be paid into the funds of the respective public bodies.

Section 3.02 Issuance of TIF Indebtedness

Authority shall incur TIF Indebtedness in the form and principal amount and bearing interest and being subject to such terms and conditions as are specified on the attached exhibit C. No TIF Indebtedness will be issued until Redeveloper has (a) acquired fee title to the Redevelopment Area; (b) obtained financing commitments as described in Section 5.01; and (c) entered into a contract for construction of the Project. The Authority shall have no obligation to find a lender or investor to acquire the TIF Indebtedness, but rather shall issue the TIF Indebtedness to the Redeveloper upon payment of the principal amount thereof. The purchase price of the TIF Indebtedness may be offset against the Grant described in Section 3.04 hereof.

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

Section 3.03 Pledge of TIF Revenues.

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

Section 3.04 Grant of Proceeds of TIF Indebtedness.

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

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

Section 3.05 Creation of Fund.

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

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Insurance.

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

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

Section 4.02 Cost Certification.

Redeveloper shall submit to Authority a certification of Project Costs, on or before the

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

Section 4.03 Legal Costs.

Redeveloper shall pay the Authority the sum of \$5,000 for the costs incurred by the Authority associated with the issuance of the TIF Indebtedness. Redeveloper understands that the law firm assisting with the issuance of the TIF Indebtedness represents the Authority and not the Redeveloper.

Section 4.04 No Discrimination.

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

Section 4.05 Pay Real Estate Taxes.

Redeveloper intends to create a taxable real property valuation of the Redevelopment Area and Project of One Million Two Hundred and Forty Thousand Dollars (\$1,240,000) no later than no later than January 1, 2011. During the period that any TIF Indebtedness is outstanding, neither the Redeveloper, nor its assigns, will (1) file a protest seeking to obtain a real estate property valuation on the Redevelopment Area of less than One Million Two Hundred and Forty Thousand Dollars (\$1,240,000) after substantial completion or occupancy; (2) convey the Redevelopment Area on structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; nor (3) allow real estate taxes and assessments levied on the Redevelopment Area and Project to become delinquent during the term that any TIF Indebtedness is outstanding.

Section 4.07 Assignment or Conveyance.

Any assignment or conveyance of the any portion of the Redevelopment, the Project or any interest therein prior to the termination of the 15 year period commencing on the effective date specified in Section 3.01 hereof Area by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract.

Section 4.08 Purchase of TIF Indebtedness.

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

Section 4.09 Penal Bond.

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

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

Redeveloper shall pay all Project Costs and any and all other costs related to the Redevelopment Area and the Project which are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to Redeveloper. Prior to issuance of the TIF Indebtedness, Redeveloper shall provide Authority with evidence satisfactory to the Authority that private funds have been committed to the Redevelopment Project in amounts sufficient to complete the Redevelopment Project. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project.

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform on in breach of its obligations.

Section 6.02 Additional Remedies of Authority

In the event that:

(a) the Redeveloper, on successor in interest, shall fail to complete the construction of the Project on or before January 1, 2011, or shall abandon construction work for any period of 90 days,

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

(c) There is, in violation of Section 4.08 of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 30 days following written notice from Authority, then the Redeveloper shall be in default of this Redevelopment Contract.

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

Interest shall accrue on the Liquidated Damages Amount at the rate of one percent (1%) over the prime rate as published and modified in the Wall Street Journal from time to time and interest shall commence from the date that the Authority gives notice to the Redeveloper demanding payment.

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

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

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

Section 6.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Authority nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area for redevelopment, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the

Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Authority or of the Redeveloper with respect to construction of the Project, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the City, the Authority, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be the issuance of the TIF Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, as specifically set forth in Sections 3.02 and 3.04. The obligation of the City and Authority on any TIF Indebtedness shall be limited solely to the payment of the TIF Revenues on the TIF Indebtedness. Specifically, but without limitation, neither the City or Authority shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. The Redeveloper releases the City and Authority from, agrees that neither the City or Authority shall be liable for, and agrees to indemnify and hold the City and Authority harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the City and Authority and their directors, officers, agents, employees and member of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, including litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about the Project during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, whether on not related to the Project, or resulting from or in any way connected with specified events, including the management of the Project, or in any way related to the enforcement of this Redevelopment Contract or any other cause pertaining to the Project.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract

shall be recorded with the County Register of Deeds in which the Redevelopment Area is located.

Section 7.02 Governing Law.

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

Section 7.03 Binding Effect; Amendment.

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

Section 7.04 Third Party Enforcement,

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

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

ATTEST:

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

Secretary

By: _____
Chairman

Ken Ray, LLC

By: _____
Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

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

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

 The foregoing instrument was acknowledged before me this _____ day of _____,
_____, by _____, Manager of Ken Ray, LLC, on behalf of the corporation.

Notary Public

EXHIBIT A

DESCRIPTION OF REDEVELOPMENT AREA

Lots 2 and 3 of Equestrian Meadows Second Subdivision in Grand Island, Hall County,
Nebraska

A-I

EXHIBIT B

DESCRIPTION OF PROJECT

Site acquisition, demolition and construction of a 17,500 square foot commercial/ office building together with the required electrical, water, sanitary sewer and storm sewer extensions, as required by the City of Grand Island. At some point in the future an additional 12,500 square foot commercial/ office building space may also be constructed.

EXHIBIT C

TIF INDEBTEDNESS

1. Principal Amount: \$324,350.00 [annual payment amounts assumed are \$21,400]
2. Payments: Semi-annually or more frequent, with payments limited to annual incremental taxes revenues from the project.
3. Interest Rate: Zero percent (0.00%)
4. Maturity Date: On or before December 31, 2025.

EXHIBIT D

PROJECT COSTS

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

1. Redevelopment Area Acquisition cost
2. Site demolition work and site preparation
3. Utility extensions, installation of gas, water, sewer and electrical lines and equipment