



City of Grand Island

Tuesday, July 24, 2012

Council Session

Item E1

**Public Hearing on Amendment to Redevelopment Plan Area #6
Located at 709 & 715 West 18th Street**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nability, AICP

Meeting: July 24, 2012

Subject: Amendment to Redevelopment Plan for CRA Area #6

Item #'s: E-1 & I-4

Presenter(s): Chad Nability, AICP CRA Director

Background

In 2007, the Grand Island City Council declared property referred to as CRA Area #6 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.

Baker Development Inc., as the developer has submitted a proposed amendment to the redevelopment plan that would provide for site acquisition, clearance and extension of utilities and subsequent construction of a duplex at 709 and 715 W 18th Street in Grand Island, Nebraska.

The CRA reviewed the proposed development plan on June 13, 2012 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on July 11th, 2012. 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 July 11th. The Planning Commission approved Resolution 2012-06 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 #6 and authorizes the CRA to execute a contract for TIF based on the plan amendment. The redevelopment plan amendment permits site acquisition, clearance and extension of utilities and subsequent construction of a duplex at 709 and 715 W 18th 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. The total tax increment financing allowed for this project may not exceed \$42,000 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.



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

I. Business Name: BAKER Development LLC.
Address: P.O. Box 2161 Grand Island NE 68802
Telephone No.: 308-383-1609 Fax No.: 308-382-3372
Contact: GREG BAKER

II. Brief Description of Applicant's Business: _____
Residential + Commercial Contractors and Rental Company

III. Present Ownership Proposed Project Site: 709-715 W. 18th St.

IV. Proposed Project: Building square footage, size of property, description of
buildings – materials, etc. Please attach site plan, if available.
Residential duplex with Attached garages
units are 884 Sq/Ft Each yards landscaped and
Sprinklers installed

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

VI. Estimated Project Costs:

Acquisition Costs:

- ✓ A. Land \$ 28,500
- B. Building \$ N/A

Construction Costs:

- A. Renovation or Building Costs: \$ 128,000
- ✓ B. On-Site Improvements: *Extend water from N. side of 18th Street to site - tree removal* \$ 9,769

Soft Costs:

- ✓ A. Architectural & Engineering Fees: \$ 500
- B. Financing Fees: \$ 1,500
- ✓ C. Legal/Developer/Audit Fees: \$ 1,250⁰⁰
- D. Contingency Reserves: \$ 2,000
- ✓ E. Other (Please Specify) *TIF (City Fees) Financing Fees* \$ 1,500⁰⁰

TOTAL \$ 173,019

VII. Total Estimated Market Value at Completion:

\$ 158,882

VIII. Source of Financing:

- ✓ A. Developer Equity: \$ 30,000
- B. Commercial Bank Loan: \$ 110,000
- C. Tax Credits:
 - 1. N.I.F.A. \$ _____
 - 2. Historic Tax Credits \$ _____
- D. Industrial Revenue Bonds: \$ _____
- E. Tax Increment Assistance: \$ 42,000

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

✓ BAKER Development - General Contractor

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

158,882 x Levy = Base 20909 x Levy = 3009
 2.180514
See attached spreadsheet
3009 x 15 yrs = 45135

XI. Project Construction Schedule:

A. Construction Start Date: Aug. 2012

B. Construction Completion Date: MAR 2013

C. If Phased Project:

_____ Year _____ % Complete
 _____ Year _____ % Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma
(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

Amount of Incremental Prospective Annual Real Estate
Taxes over 2012 Real Estate Taxes on the Subject Property
for 15 yrs will be used to develop the property.

II. Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed

Project: 709-715 W 18th St

TIF is an important component in order for this project to bridge the deficit between the actual cost of the project and the income producing capability of the real estate.

We feel that this project will add value to a defined blighted area in the community as well as provide much needed quality affordable rental housing

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:

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

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

REALESTATE PURCHASE AGREEMENT

THIS AGREEMENT is entered into this 14th day of May, 2012, between James and Mary Jane Partington hereinafter referred to as "Seller", whether one or more, Baker Development hereinafter referred to as "Buyer".

WITNESSETH:

1. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase and accept from the seller the following described real property located in Hall County, Nebraska, on the terms and conditions and covenants herein contained, to wit:

**Schimmer's Addition, Lots 2 and 3, Block 22
City of Grand Island, Hall County, Nebraska**

And carrying a physical address of 709 and 715 West 18th Street, Grand Island, NE

together with all appurtenances related thereto and improvements thereon and subject to all easements, covenants and restrictions of record.

The purchase of the aforesaid property shall specifically include the following items of personal property:

None

2. The purchase price of the real and personal property being sold by the Seller and purchased by the Buyer hereunder is the sum of Twenty eight thousand five hundred Dollars (\$28,500.00), at closing to Seller. This contract is contingent upon Tax Increment Financing being granted to the buyer.

3. Buyer shall be entitled to possession of all the property being sold hereunder within 30 days of the approval of the Tax Increment Financing. Except that if necessary for the Seller to cure defects in title to the real property as provided in the paragraph following, the date of closing shall be 10 days after said defects are cured. Closing shall occur at the offices of Grand Island Abstract, Escrow & Title Company Grand Island, Nebraska, which shall act as closing agent.

4. Within 20 days of the date of the Agreement, Seller shall furnish to Buyer evidence of its title to the above-described real estate which shall take the form of a commitment to insure the Buyer under an owner's title insurance policy. Buyer shall, within 10 days after receipt of such commitment, notify Seller of any defects in title which are unacceptable to the Buyer. Seller shall have 10 days thereafter to determine whether it will agree to cure such defects and if Seller determines not to cure such defects, this Agreement shall terminate and neither party shall have any further liability or obligation hereunder. If the Seller elects to cure said defects, it may do so within a reasonable time thereafter and closing shall be extended as in the above and foregoing paragraph. The cost of said title insurance shall be borne equally between the Buyer and the Seller.

5. General real estate taxes shall be prorated to the date of closing, all special assessments levied and assessed prior to the date of closing shall be paid by Seller.

HALL COUNTY ASSESSOR'S OFFICE

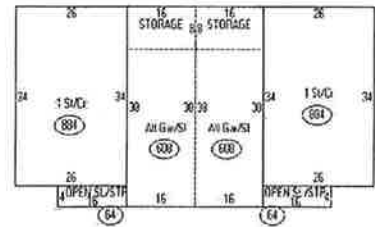


Parcel No. 404040404
 Owner
 Situs
 Neighborhood 160
 Width/Depth 105.6x132
 Legal

Topography
 Street Type
 Utilities
 Amenities
 Amenities

Impr Value 137,973
 Other Bldgs
 Land Value 20,909
 Total Value 158,882

Component	Recorded	Observed
Condition	40 Good	
Type	1 Single-Family	
Quality	30 Average	
Arch Type		
Ext Wall	14 100%	
Base Area	1,768	
Total Area	1,768	
Style	1 100%	
Roofing	1 Comp-Shingle	
HVAC1	100% Warm&Cool-Air	
HVAC2		
Foundation	0	
Slab Area		
Crawl Area	1,768	
Basement Area/Min		
Rec./Partition Finish		
Fixture Count/Baths	12 2.0	
Bdms/Total Rooms	4	
Gar. Type/Area	3 608	
Year Built	2012	
Remodel Type/Year		
Effective Age		
Phys Depr.		
Econ Depr.		
Func Depr.		
Total Depr.		
Appraiser Name		
Entry Code		
Data Entry		
Tenant/Owner		
Signature		



Miscellaneous Improvements					Building Permits					
Code	Description	Year	Units	Depr	Value	Number	Opened	Closed	Description	Amount
ATG	ATTACHED GARAGE		608		10,950					
OPS	OPEN SL PRCH/STP		64		815					
OPS	OPEN SL PRCH/STP		64		815					

Sale Information				
Book/Page	Sale Date	Code	Grantor	Amount

Notes Field Notes

Date & Time 05/15/2012 09:38:32A

ReviewSheet 2012



O'Hara Plumbing Co., Inc.

P.O. Box 1038
 Grand Island, NE 68802-1038
 (308) 382-0765
 Fax (308) 382-5166
 Email oharaplumbing@hamilton.net

PROPOSAL SUBMITTED TO Baker Development		PHONE	DATE May 14, 2012
STREET		JOB NAME 709-715 W. 18th	
CITY, STATE and ZIP CODE		JOB LOCATION Water Service	
ARCHITECT	DATE OF PLANS		JOB PHONE

We hereby submit specifications and estimates for:

Remove 37 x 14 1/2 concrete
 Side dump
 Excavator
 Skidsteer with breaker
 Mobilization

1-6x 1 1/2" tapping sleeve
 1-1 1/2" corp
 1-1 1/2" curb stop
 1-Curb box
 1-1" corp for test
 1-1" corp plug
 54'-1 1/2" type "K" copper pipe
 Flowable fill
 Excavate
 Less concrete replacement
 Total \$6,567.00

Concrete Replacement 2000⁰⁰

Barricades by owner
 Street permit by owner

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

_____ dollars (\$ _____).
 Payment to be made as follows: _____

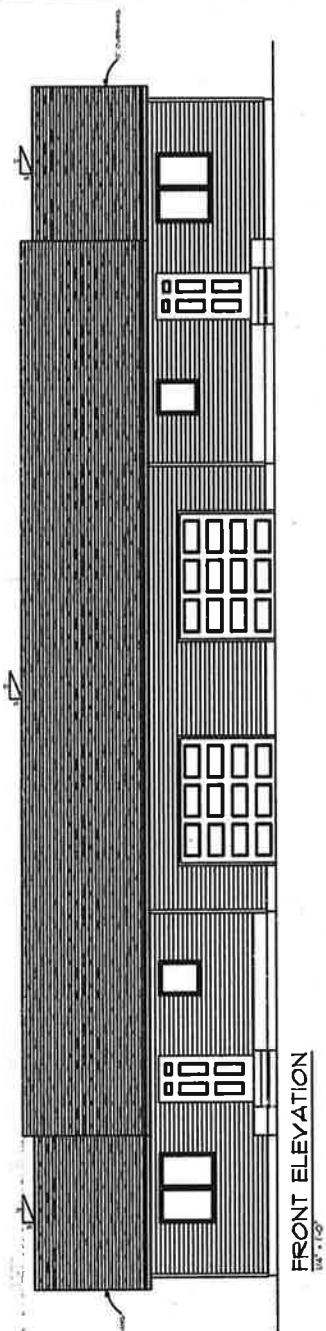
All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized
 Signature _____

Note: This proposal may be
 withdrawn by us if not accepted within _____ days.

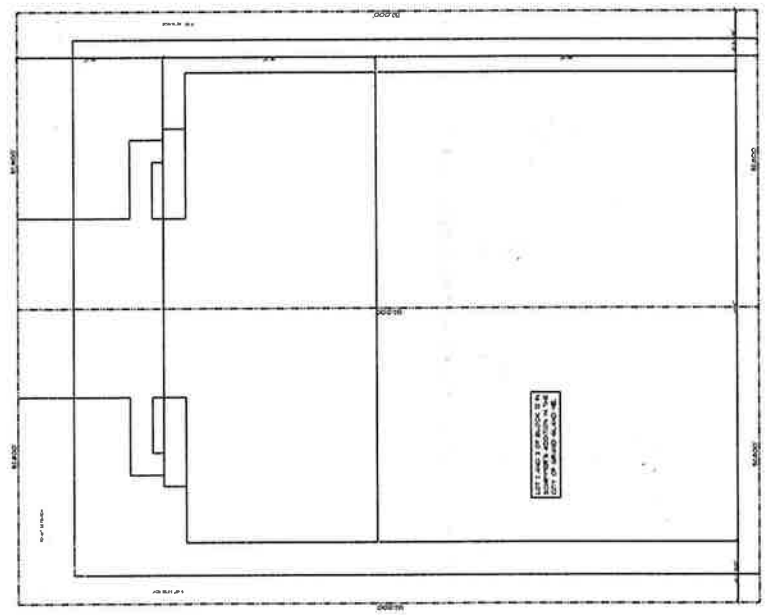
Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____ Signature _____



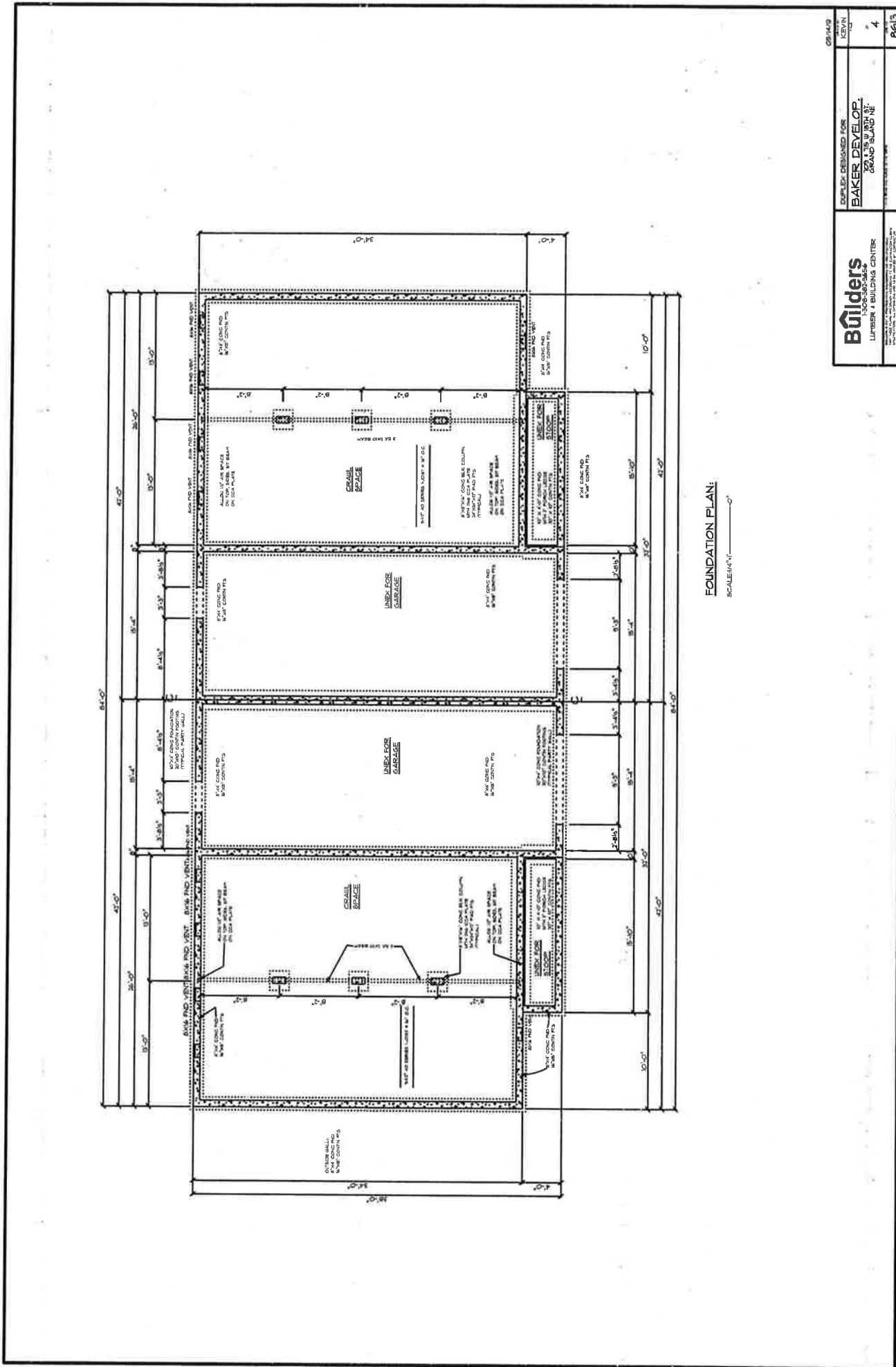
FRONT ELEVATION
1/2" = 1'-0"

10TH ST. W.



PLOT PLAN
1" = 10'-0"

BUILDERS 1-800-360-6666 LUMBER & BUILDING CENTER <small>2000 N. 10TH ST. SUITE 100 GRAND ISLAND, IA 51541</small>	DUPLEX DESIGNED FOR BAKER DEVELOP. <small>200 N. 10TH ST. GRAND ISLAND, IA</small>	DATE 05/14/12
	SHEET NO. 4	TOTAL SHEETS 86/13



FOUNDATION PLAN:
SCALE 1/4" = 1'-0"

	DUPLICATED FOR BAKER DEVELOP 1308-303-3262 GRAND ISLAND NE	SHEET NO. 4	DATE 8/15/11
	Builders LUMBER & BUILDING CENTER <small>1308-303-3262</small> <small>1308-303-3262</small>	PROJECT NO. B615	DRAWN BY B615



**HOME FEDERAL
BANK**

May 16, 2012

RE: Greg Baker
4710 Tara CT.
Grand Island, NE 68801

To Baker Development:

This letter is to advise the reader that Home Federal Bank has approved financing for Greg Baker to construct a duplex located at 709 & 715 W. 18th in Grand Island. This loan is contingent upon tax increment financing approval.

Please do not hesitate to call me at 308/398-4930 should you have any questions.

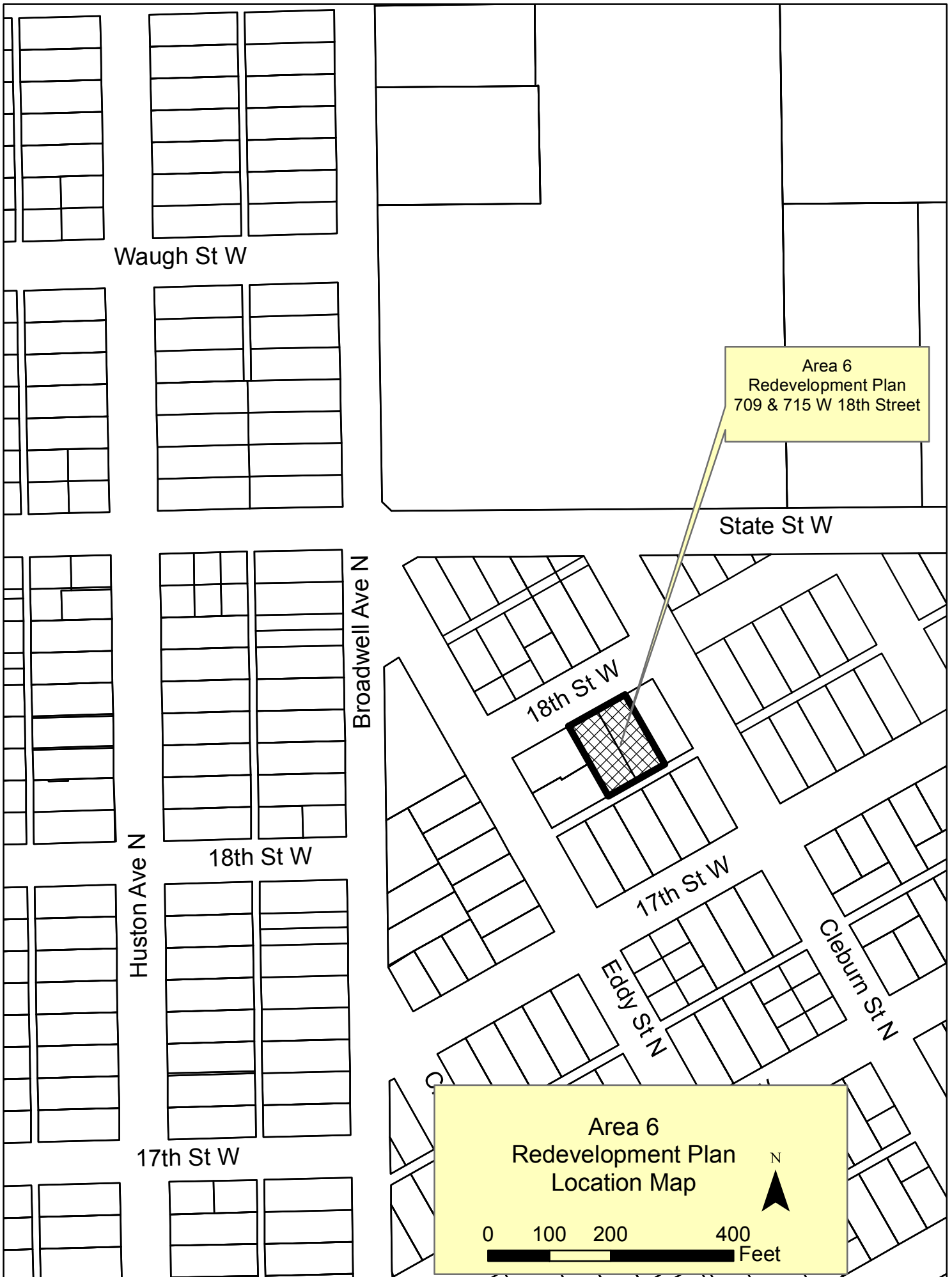
Respectfully,

Steve Kunzman
Senior Vice President



P.O. Box 1009 — GRAND ISLAND, NE 68802-1009
308-382-4000 — www.homefedgi.com

MEMBER
FDIC



COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 136

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 13th day of June, 2012.

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

By Bruce J. Hubler
Chairperson

ATTEST:

Chad A. [Signature]
Secretary

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 137

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

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

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

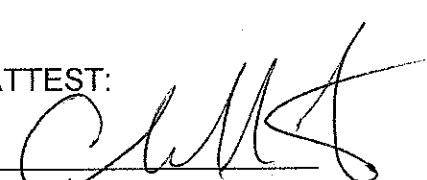
Section 2. The Secretary of the Authority is directed to file a copy of this
resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this 13th day of June, 2012.

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

By 
Chairperson

ATTEST:


Secretary

Resolution Number 2012 - 06

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: July 11 2012.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: Pat C. O'Neil
Chair

By: Leslie E. Ruge
Secretary

EXHIBIT A

FORM OF REDEVELOPMENT PLAN

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

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #6 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 #6.

**Executive Summary:
Project Description**

THE ACQUISITION OF PROPERTY LOCATED AT 709 AND 715 W 18TH STREET AND THE SUBSEQUENT SITE WORK, UTILITY and ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR CONSTRUCTING A DUPLEX AT THIS LOCATION.

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

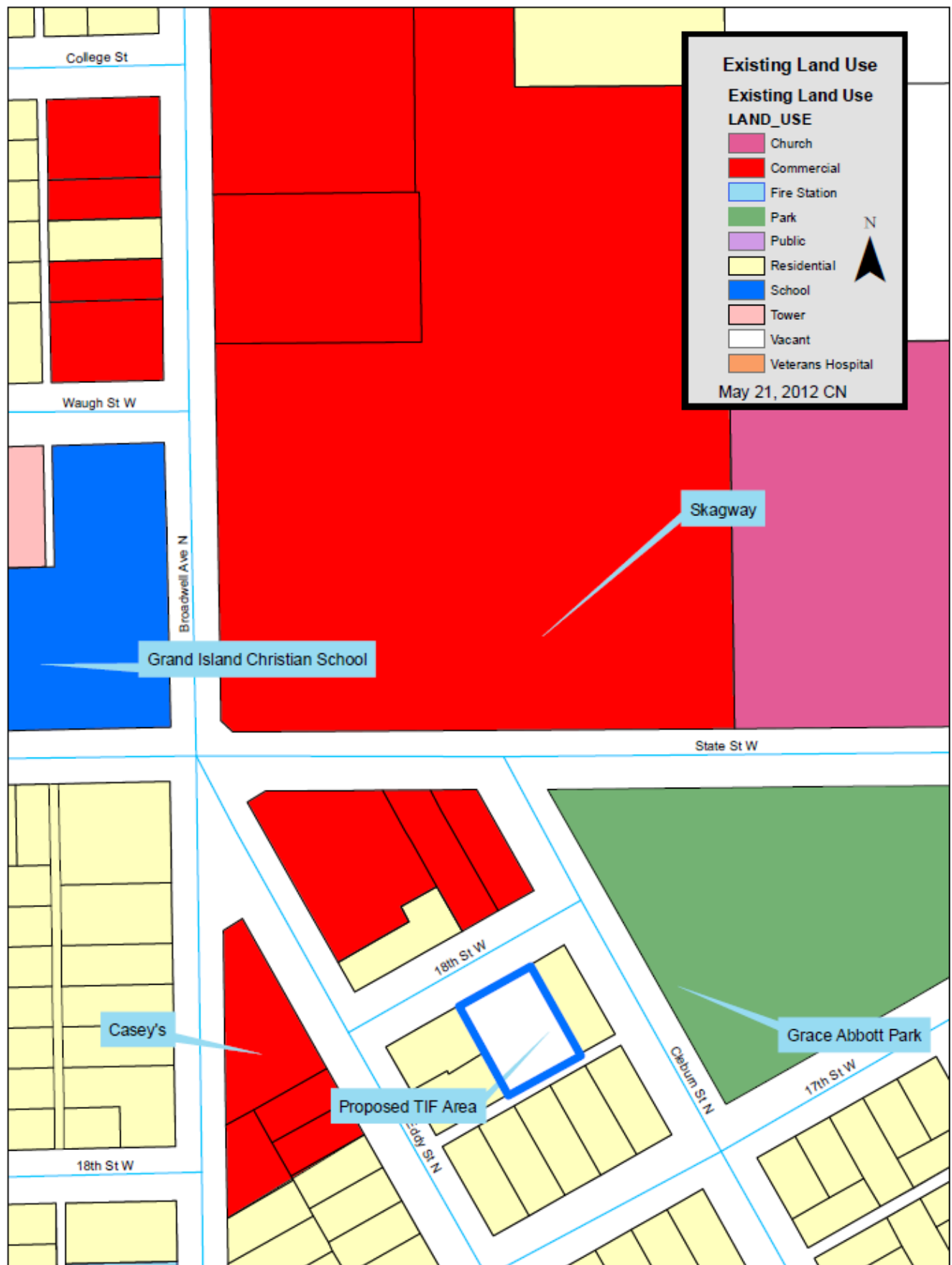
The site is under contract for purchase by developer contingent on the approval of TIF. All acquisition costs, site work, and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2014 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 between Cleburn Street and Eddy Street on the south side of 18th Street in northeast Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 2 and Lot 3 of Block 22 of Schimmer’s Addition to the City of Grand Island.



The tax increment will be captured for the tax years the payments for which become delinquent in years 2014 through 2028 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from development of a duplex housing unit at this location.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2014.

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

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

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

Redevelopment Plan Amendment Complies with the Act:

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

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on October 9, 2007.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

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

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

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

a. Land Acquisition:

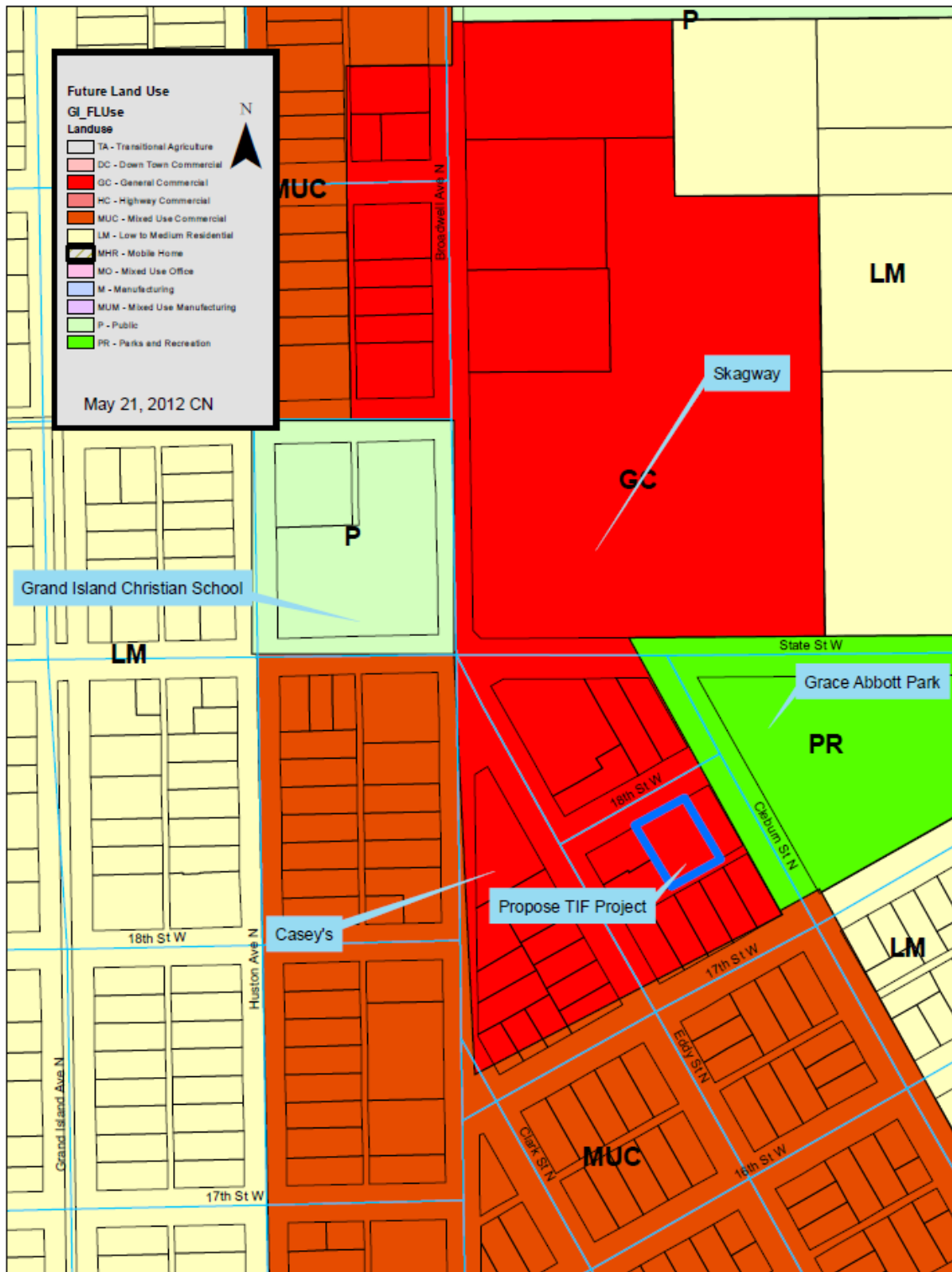
The Redevelopment Plan for Area #6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. The developer is proposing to acquire the property through private contract.

b. Demolition and Removal of Structures:

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

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. 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)]



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-General Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing purchase the property. The B2 zoning district allow 1 dwelling unit per 1000 square feet of property the combined size of the two lots is slightly more than 13139 square feet; enough to legally accommodate a duplex housing unit. The property is zoned B2 and could accommodate a building of up to 100% of the property area. The proposed units including the attached garages will cover about 2,984 square feet, well within the allowable coverage. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. New water and sewer services may be required for this building. Water is located on the north side of 18th Street and no services are present on the south side of the street for these lots.

No other utilities would be impacted by the development.

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

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property, under contract by the developer is currently vacant and undeveloped, no relocation is needed. [§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]

Baker Development Inc. does have a banking relationship with Home Federal Bank in Grand Island, Nebraska. Barry Sandstrom, Chair of the CRA is also President of Home Federal Bank. He will abstain from the votes on actions taken on this project.

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

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

The developer has a contract to purchase the property. The cost of property acquisition is included as a TIF eligible expense. Costs for acquisition, site preparation, utilities extensions, landscaping and concrete are \$38,250. These expenses are included as TIF eligible expenses. Fees and reimbursement to the City and the CRA of \$2750 are included as a TIF eligible expense. .

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 \$42,000 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2014 through December 2029.

c. Statement of feasible method of relocating displaced families.

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

7. Section 18-2113 of the Act requires:

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

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in

that it will allow for the utilization of and redevelopment of existing lots. This will not significantly impact traffic on at the Five Points intersection. New residential rental properties in this area raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

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

9. Justification of Project

This is a residential neighborhood characterized by single family dwellings on smaller lots. The City of Grand Island is in need of additional housing units and this development will result in 2 brand new housing units. This is infill development in an area with all city services available. This project does not propose to tear down any buildings.

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 \$20,909. The proposed demolition and subsequent construction of a duplex at this location will result in an additional \$138,000 of taxable valuation based on an analysis by the Hall County Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

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

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

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

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

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

This project will not have a negative impact on other employers and will result in additional housing choices for employees within the city.

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

This project will increase the available quality housing in Grand Island by a net of 2 units. These types of smaller projects spread throughout the city will have a less drastic impact on neighborhoods and schools than a centralized larger housing project.

Time Frame for Development

Development of this project is anticipated to be completed during between September 2012 and March of 2013. The base tax year should be calculated on the value of the property as of January 1, 2013. Excess valuation should be available for this project for 15 years beginning in 2014. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$42,000. This is about \$3,000 less than the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the cost of acquisition, site preparation, expenses and fees reimbursed to the City and CRA, the developer will spend at least \$42,000 on TIF eligible activities.

See Attached Building Plans

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____th day of _____, 2012, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (“Authority”), and Baker Development, Inc., 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 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 Baker Development, Inc., a Nebraska corporation.

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

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

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

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

“TIF Indebtedness” means 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 Construction and Interpretation.

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

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

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by Authority.

The Authority makes the following representations and findings:

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

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

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

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

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

(2) Based on Representations made by the Redeveloper:

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

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

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

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

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a Nebraska corporation, 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: the property shown on attached Exhibit A, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be January 1, 2013.

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

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

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

Section 3.02 Issuance of TIF Indebtedness

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, in the sole discretion of the Authority.

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.

(c) Redeveloper shall pay, on execution hereof the sum of \$1,000.00 to the City of Grand Island for administrative expenses related to payment of the tax increment revenue.

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 \$1,250 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 [over and above the valuation thereof as the same existed on January 1, 2012] of the Redevelopment Project Area of One Hundred Fifty Eight Thousand Dollars (\$158,000) no later than no later than January 1, 2013. 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 the sum of: (a) One Hundred Fifty Eight Thousand Dollars (\$158,000) and (b) the valuation of the Redevelopment Project Area as the same existed on January 1, 2012; (2) convey the Redevelopment Area or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; 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. Redeveloper shall pay the real property ad valorem taxes for the project for the year 2027 prior to January 1, 2028.

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.

Section 4.10 Immigration Status.

The Redeveloper agrees that any contractor for the Project shall be required to agree to use a federal immigration verification system (as defined in §4-114, R.S. Supp. 2009) to determine the work eligibility status of new employees physically performing services on the Project and to comply with all applicable requirements of §4-114, R.S. Supp. 2009.

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 which shall include such other fees and expenses imposed by the Authority.

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, 2013, 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.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

ATTEST:

Secretary

By: _____

Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____, President of Baker Development, Inc., on behalf of the corporation.

Notary Public

EXHIBIT A

Lots 2 and 3, Block 22, Schimmer's Addition to the City of Grand Island, Hall County, Nebraska.

A-I

EXHIBIT B

DESCRIPTION OF PROJECT

The acquisition of property located at 709 and 715 w 18th street and the subsequent site preparation work, utility and engineering, landscaping and parking improvements necessary for constructing a duplex at the site.

B- 1

EXHIBIT C

TIF INDEBTEDNESS

1. Principal Amount: \$42,000.00 [annual payment amounts assumed are \$3,000.00]
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, 2027.

C-1

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
4. Underground and surface concrete, including parking.
5. Sidewalk rehabilitation

D-1