

City of Scottsbluff, Nebraska
Thursday, September 17, 2020
Regular Meeting

Item 4

Review and Approve Resolution to:

Approve Redevelopment Contract with MTL Commodity Corporation.

Authorize issuance of Tax Increment Financing Note (MTL Commodity Laundromat), conditional upon the City Council's approval of the Redevelopment Plan and subject to the terms of the Redevelopment Contract.

Staff Contact: Starr Lehl

REDEVELOPMENT CONTRACT

THIS REDEVELOPMENT CONTRACT is entered into on _____ by and between the Community Redevelopment Authority of the City of Scottsbluff, Nebraska (the "Authority") and MTL Commodity Corporation, a Wyoming Corporation ("Redeveloper").

RECITALS

- A. The City Council of the City of Scottsbluff ("City Council" and "City" respectively) has declared the Site (as defined below) blighted and substandard as defined in the Nebraska Community Development Law, NEB REV. STAT. § 18-2101 et seq, (the "Act").
- B. After a positive recommendation by the Planning Commission of the City, the Authority and City Council approved and adopted the Redevelopment Plan ("Plan") submitted by the Redeveloper. The Plan is incorporated into this Redevelopment Contract by this reference.
- C. This Redevelopment Contract has been prepared according to the Act in order to implement the Plan submitted by the Redeveloper.
- D. This Redevelopment Contract is entered into by the Authority to provide financing for an approved redevelopment project.

NOW THEREFORE, in consideration of the foregoing recitals which are material to and made a part of this Contract, the covenants herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows.

1. Definitions. The following terms in this Contract shall have the following definitions.

- a. "Contract" shall mean this Redevelopment Contract and all amendments, modifications, and extensions hereto.
- b. "Holder(s)" means the registered owner or owners of the Indebtedness issued by the Authority.
- c. "Indebtedness" means any bonds, notes, loans, and advances of money or other indebtedness, including interest and premium, if any, thereon, incurred by the Authority pursuant to this Contract to provide financing for the Project Costs (as defined below) and secured in whole or in part by TIF Revenues (as defined below). The Indebtedness as initially issued by the Authority shall consist of the Authority's Tax Increment Financing Note to be issued on the terms described in Schedule C.
- d. "Project" shall mean the Project as defined in the Plan.
- e. "Project Costs" shall mean the costs for those activities described on Schedule B and reimbursable to Redeveloper under the Act. The amount of the Project Costs shall be the amount actually incurred by the Redeveloper for such activities, and the estimates set forth on Schedule B are provided for budgeting purposes only.

- f. "Public Improvements" shall include, without limiting the generality of the description for public improvements, all improvements related to the Project required by the City to be completed, which may be on City property or in the City right of way, and/or relating to City services, utilities, or infrastructure.
- g. "Resolution" shall mean any Resolution of the Authority authorizing the issuance of the Indebtedness and/or approving this Contract.
- h. "Site" shall mean the real estate legally described on Schedule A together with all buildings, improvements and fixtures located thereon and portions of the adjacent public right of way and property as contemplated to be used under the Plan.
- i. "TIF Revenues" shall mean that portion of the ad valorem real estate taxes generated by the Project on the Site and allocated to the Authority pursuant to NEB. REV. STAT. § 18-2147(1)(b).

2. Findings of the Authority: The Authority has made the following findings:

- a. The Plan has been duly approved by the City Council and adopted by the Authority pursuant to the Act.
- b. The proposed land uses and building requirements in the Plan are designed with the general purposes of accomplishing, in conformance with the City's Comprehensive 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 provision of adequate transportation, water, sewerage, and other public utilities, 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 conditions of blight.
- c. The Authority and City have each conducted a cost benefit analysis for the Project in accordance with the Act, and found that the Project would not be economically feasible or occur in the project area without tax increment financing and 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, are in the long term best interests of the community.

3. Representations of the Redeveloper: The Redeveloper makes the following representations:

- a. The Redeveloper is a corporation organized and existing under the laws of the State of Wyoming.
- b. The execution and delivery of this Contract and the consummation of the transactions contemplated under this Contract will not conflict with or constitute a breach of or default under any contract to which Redeveloper is a party or by which it is bound.
- c. There is no litigation pending and to the best of its knowledge threatened against Redeveloper affecting its ability to carry out the Project or this Contract.

- d. The Project as set forth in the Plan would not be economically feasible or occur in the project area without tax increment financing.
- e. The Redeveloper shall only use funds granted by the Authority for the purposes set forth in the Act.
- f. Redeveloper acknowledges that interest on the Indebtedness is not tax-exempt interest under state or Federal law.
- g. Redeveloper acknowledges and represents that it has been advised that the Indebtedness, including any note or bond, is not registered under the Securities Act of 1933, as amended, and that the Authority is not presently required to register under Section 12 of the Securities and Exchange Act of 1934. The Redeveloper therefore recognizes that if and when the Redeveloper may wish to sell or resell the Indebtedness as held by it there may not be any available current business and financial information about the Authority or the Project. Further, the Redeveloper realizes that no trading market presently exists or is ever expected to exist for the Indebtedness. The Redeveloper understands that it may need to bear the risks of an investment in the Indebtedness for an indefinite period of time, since any sale prior to maturity of the Indebtedness may not be possible or may be at a price below that which the Redeveloper is paying for the Indebtedness.
- h. The Redeveloper has conducted its own investigation and has undertaken the responsibility to verify the accuracy and completeness and truth of any statement made or omitted to be made concerning any of the material facts relating to the Indebtedness and the Project and transactions relating thereto.
- i. The Redeveloper is acquiring the Indebtedness for its own account for investment and not with a view for resale or distribution, except that the Redeveloper may assign the Indebtedness to the Redeveloper's lender, provided that such lender shall first acknowledge the Redeveloper's investor related representations substantially the same as set forth in Section 3 of this Contract. The Redeveloper has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment represented by the purchase of the Indebtedness, has financial resources sufficient to sustain the risks related to holding the Indebtedness, and is aware of the intended use of the proceeds and the risks involved therein.
- j. The Redeveloper has been offered an opportunity to ask questions of and receive answers from the Authority and the officers of the Authority concerning the terms and conditions of the Indebtedness and to obtain any additional information on the status of the Project and to obtain any additional financial information and documentation necessary to supplement or clarify the information provided to the Redeveloper.
- k. The Redeveloper understands the liability of the Authority and City shall be limited to the TIF Revenues received by the Authority with respect to the Project available to pay the Indebtedness and the Redeveloper shall look exclusively thereto for the payment on the Indebtedness.

- l. The Redeveloper acknowledges that the Indebtedness has been set based on estimates and assumptions including expectations as to the completion of construction and valuations suggested by the Redeveloper, which may alter substantially and materially, and/or certain costs of the Project to be incurred by the Redeveloper, and that tax increment revenues may be altered or eliminated entirely based on future decisions of the Nebraska Legislature or the voters of the State of Nebraska or by future court decisions.
- m. The Redeveloper acknowledges that the Indebtedness is being purchased in a direct private placement negotiated between the Authority and the Redeveloper in which no broker, dealer, or municipal securities dealer has participated and is therefore not subject to any of the requirements of Rule 15c2-12 of the Securities and Exchange Commission requiring the providing of certain information upon issuance and certain additional information on a periodic basis.
- n. The Redeveloper understands that THE INDEBTEDNESS IS A LIMITED OBLIGATION OF THE AUTHORITY AND IS NOT SECURED BY ANY OBLIGATION OR PLEDGE OF ANY MONIES RECEIVED OR TO BE RECEIVED FROM TAXATION, OTHER THAN TAX INCREMENT REVENUES AS DESCRIBED IN THIS CONTRACT.
- o. The Indebtedness does not constitute a debt within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority or City and does not impose any general liability upon the Authority or City. No official of the Authority or City nor any person executing the Indebtedness shall be liable personally by reason of its issuance.

4. Obligations of the Authority: In addition to the Authority's other obligations set forth in this Contract, the Authority shall perform the following obligations.

- a. In accordance with Section 18-2147 of the Act, the Authority provides that any ad valorem real estate tax on the Site, for the benefit of any public body be divided for a period of fifteen (15) years after the effective date of this provision, which date shall be determined as follows: The effective date of this provision shall be January 1, 2021 and the taxable base value is anticipated to be January 1, 2020. Provided, however, if there is no substantial increase in valuation between the 2020 and 2021 tax years, then, if allowed by law and upon the written request of the Redeveloper, the effective date of this provision shall be January 1, 2022 and the taxable base value shall be January 1, 2021. Said taxes shall be divided as follows:
 1. That portion of the ad valorem real estate tax on the Site 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
 2. That portion of the ad valorem real estate tax on the Site in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premium due in connection with the Indebtedness. When such Indebtedness, including interest and premium due have been paid, the Authority shall notify the County Assessor and County Treasurer and all ad valorem real estate taxes upon the Site shall be paid into the funds of the respective public bodies; and

3. Any interest and penalties due for delinquent taxes shall be paid in the funds of each public body in the same proportion as are all other taxes collected by or for the public body.
- b. Upon the request of the Redeveloper, the Authority shall file with the County Assessor a notice for dividing the ad valorem real estate tax on the Site as described in Section 18-2147(4) of the Act and consistent with the effective date as established in this Section 4.
- c. The Authority shall authorize the issuance of the Indebtedness in the form and stated principal amount and bearing interest and being subject to such terms and conditions as are specified in Schedule C or as otherwise set forth in this Contract and the Resolution; provided, at all times the maximum amount of the Indebtedness shall be limited to the sum of all Project Costs incurred by the Redeveloper. No Indebtedness will be issued until Redeveloper has acquired fee title to the Site and become obligated for a portion of the Project Costs.
- d. The Authority pledges 100% of the available annual TIF Revenues derived from the Site as security for and to provide payment of the Indebtedness as the same fall due. The Authority shall, to the extent funds are available from TIF Revenues, pay the Holder of the Indebtedness the TIF Revenues according to the terms of the Indebtedness and this Contract. Any shortfall in TIF Revenues to pay the Indebtedness for any reason whatsoever shall be borne entirely by the Redeveloper and Holder without recourse of any kind against the Authority or the City.
- e. The Authority shall grant to the Redeveloper up to the amount of the Indebtedness to pay the Redeveloper for the Project Costs actually incurred by the Redeveloper, subject to the limitations set forth in this Contract. The Indebtedness and the grant shall not exceed the amount of Project Costs as certified pursuant to Section 6(a) of this Contract. The Authority shall have no obligation to provide grant funds from any source other than the funds actually received by the Authority for the purchase price paid to the Authority for the Indebtedness. Upon the request of the Redeveloper, the purchase price of the Indebtedness shall be offset against the grant described herein.
- f. The Authority shall create a fund to collect and hold the TIF Revenues. Such fund shall be used for no other purpose other than to pay the Indebtedness.

5. Obligations of Redeveloper. In addition to the Redeveloper's other obligations set forth herein, the Redeveloper shall fulfill the following obligations:

- a. Prior to the execution of this Contract, the Redeveloper shall deliver to the Authority documents as required by the Authority showing who has authority to sign the Contract and related documents on behalf of the Redeveloper.
- b. Redeveloper shall complete the Project and install all required improvements, fixtures, equipment and furnishings necessary to operate the Project as set forth in the Plan. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to construct 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. Redeveloper shall furnish to the City a Certificate of Completion upon full completion of the Project.
- c. At any time, whether before or after commencement of the Project, the Authority may require any or all of the following:

- i. That any general contractor chosen by the Redeveloper or the Redeveloper itself obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations naming the Authority and/or City as additional insureds.
 - ii. That any contractor chosen by the Redeveloper or the Redeveloper itself purchase and maintain property insurance upon the Project to the full insurable value thereof which insure against the perils of fire and extended coverage, includes "All Risk" insurance for physical loss or damage, and insures all stored materials.
 - iii. That the contractor or the Redeveloper, as the case may be, furnish the Authority with a Certificate of Insurance evidencing policies as may required above and providing that the Authority be given prior written notice in the event of cancellation of or material change in any of the policies.
 - iv. That the Redeveloper furnish or cause to be furnished to the Authority security consistent with policies established by the City for other development projects to guarantee the completion of the Public Improvements as set forth in the Plan. Any security furnished by the Redeveloper may be required to be up to the amount of the actual cost of the Public Improvements. It is contemplated that the Redeveloper will enter into one or more contracts for the construction of the Public Improvements. The actual cost of the Public Improvements will be determined by the provisions of such contract. If any required security furnished by the Redeveloper is a bond or letter of credit, the bond or letter of credit shall provide that upon demand by the Authority, the Authority shall be paid all sums which will enable the Authority to complete the Public Improvements. If security required by the Authority is insufficient to complete the Public Improvements, the Redeveloper will remain directly liable to the Authority for the balance. The Authority may, at its option, assess all or any part of the amounts owed for the Public Improvements and not covered by the bond or letter of credit and not paid for by Redeveloper.
 - v. That the Redeveloper furnish or cause to be furnished to the Authority, a payment bond in the amount of the Public Improvements with a corporate surety authorized to do business in the State of Nebraska and approved by the Authority, conditioned upon the Redeveloper at all times making payment of all amounts lawfully due to all persons supplying or furnishing the Redeveloper, the Redeveloper's contractor, or his or her subcontractors with labor, materials, equipment, or supplies for the Public Improvements and indemnifying and saving harmless the Authority to the extent any payments under this Contract which the Authority may be required to make under law. The Authority may allow, in lieu of this surety bond, a cash bond in the amount determined by the Authority, to be held by the Authority for the purposes set forth in this subsection. The cash bond shall be refunded to the Redeveloper upon the completion of the applicable Public Improvements and the Authority's receipt of evidence, satisfactory to the Authority, that all persons having performed labor or furnished materials, equipment, or supplies for such Public Improvements have been fully paid.
- d. Redeveloper shall pay all costs related to the redevelopment of the Site. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project.

- e. The location, size and layout and actual construction of the Public Improvements shall be according to (i) plans and specifications approved in writing by the City in advance of commencement of construction, which approval will not be unreasonably withheld, (ii) all ordinances and codes adopted by the City, as in effect at the time that the Public Improvements are constructed, and (iii) any other agreement related to the Public Improvements between the Redeveloper and the City. This Contract shall not replace or supersede the need for the Redeveloper to obtain other agreements, consents, permits, licenses from the City related to the Public Improvements or other improvements as may be required by the City for the type of work to be performed.
- f. The Redeveloper will purchase or arrange for the purchase of the Indebtedness at a price equal to the principal amount thereof, in a private placement satisfactory to the Authority as to its terms and participants. The Authority and City shall have no obligation to provide for the sale of the Indebtedness by the Redeveloper.
- g. The Redeveloper shall pay the Authority a fee to cover the Authority's expenses in Plan preparation and other arrangements in connection with the Project, this Contract, and the Indebtedness. The fees shall be as set forth on Schedule D and shall be paid to the Authority on or before the date of issuing the Indebtedness.
- h. Prior to the completion of the Project, any loan proceeds obtained by the Redeveloper which are secured by mortgage, deed of trust, or other lien or encumbrance on the Site, or any portion thereof, shall be used solely for the costs and expenses associated with the development of the Site pursuant to the Plan, unless otherwise agreed to by the Authority in writing.
- i. The Redeveloper shall retain copies of all documents and records associated with the Plan and Project received or generated by the Redeveloper and make such documents available to the City and Authority, upon request, for at least three years after the end of the last fiscal year in which ad valorem real estate taxes are divided for the Project.

6. Cost Certification and Disbursement of Funds. Proceeds of the Indebtedness shall be advanced and disbursed in the manner set forth below:

- a. The Redeveloper shall submit to the Authority a grant disbursement request (the "Disbursement Request") executed by an authorized representative of the Redeveloper. The Disbursement Request shall: (i) certify the portion of the Project that has been completed (ii) certify the actual costs incurred by the Redeveloper in the completion of such portion of the Project, including an itemization of the actual Project Costs incurred; and (iii) include documentation to the Authority's satisfaction that such Project Costs have been incurred and all other requirements under this Contract relating to the work have been met. All Disbursement Requests are subject to review and approval by the Authority. Determinations by the Authority whether costs included in the Disbursement Request are properly included as Project Costs as defined in this Contract shall be made in the sole discretion of the Authority and shall be conclusive and binding on the Redeveloper.

- b. The Authority shall inform the Holder in writing of the amount of the Disbursement Request allocated to the Indebtedness for reimbursable Project Costs under this Contract. Upon notification from the Authority, the Holder (if other than the Redeveloper) may make deposits to the Authority in such amount necessary to pay the Project Costs set forth in the Disbursement Request. Such amounts shall be proceeds of the Indebtedness to be granted to the Redeveloper under Section 4(e) of this Contract. If the Redeveloper is the Holder, the grant to the Redeveloper shall be offset by the increase in the principal balance of the Indebtedness by the amount of the Project Costs of the approved Disbursement Request.

7. Redeveloper's Obligations While the Indebtedness is Outstanding. Redeveloper covenants and agrees that while any Indebtedness is outstanding, Redeveloper shall:

- a. Not protest a taxable valuation of the Site so as to reduce the taxable valuation below \$501,262.00;
- b. Not convey the Site or structures thereon to any entity which would be exempt from paying real estate taxes, except those public improvements to be transferred to the City according to the Plan;
- c. Not apply to the Scotts Bluff County Assessor for any structures on the Site to be taxed separately from the land of the Site;
- d. Maintain insurance for the full value of the structures on the Site and in the event of casualty, apply such insurance proceeds to completing or repairing the Project;
- e. Pay or cause to be paid all real estate taxes and assessments levied on the Site prior to the time they become delinquent;
- f. Provide progress reports and any relevant financial records regarding the Project to the City or Authority upon request; and
- g. Include the restrictions in this Section 7 in any subsequent sale, assignment, sale-leaseback or other transfer of the Site or any portion thereof. If such restrictions are included, the Redeveloper shall not otherwise be responsible for the action or inaction of third parties if these covenants are breached by third parties and the Redeveloper no longer owns the Site.

8. Authority's Liability. The liability of the Authority under the Indebtedness shall be limited to the TIF Revenues and the Redeveloper and other Holders shall look exclusively to the TIF Revenues for the payment on the Indebtedness. THE INDEBTEDNESS IS A LIMITED OBLIGATION OF THE AUTHORITY AND IS NOT SECURED BY ANY OBLIGATION OR PLEDGE OF ANY MONIES RECEIVED OR TO BE RECEIVED FROM TAXATION, OTHER THAN TAX INCREMENT REVENUES AS DESCRIBED IN THIS CONTRACT.

9. Environmental Conditions. In the development of the Site, the Redeveloper and its contractors shall not violate any applicable laws, ordinances and regulations relating to industrial hygiene or environmental protection (collectively referred to herein as "Environmental Laws"), and not do anything to introduce to the Site substances deemed to be hazardous or toxic under any Environmental Laws.

10. Indemnity. To the fullest extent permitted by law, the Redeveloper shall indemnify, defend, and hold harmless the Authority and City from and against all claims, damages, losses, fines, assessments, and expenses, including, but not limited to, attorneys' fees (collectively, "Losses"), arising out of or resulting from (a) the negligent or intentional acts or omissions of the Redeveloper, any of Redeveloper's contractors or subcontractors, or anyone directly employed by any of them, or anyone for whose acts any of them may be liable or (b) the noncompliance with this Contract. The Redeveloper also agrees to indemnify and hold the City and Authority harmless for any claims for amounts which are the responsibility of the Redeveloper charged by persons or entities providing labor or materials for the Project. Notwithstanding the foregoing, in no event shall Redeveloper be required to indemnify, defend, or hold harmless the Authority and/or City for Losses to the extent such Losses are caused by the negligent or intentional acts or omissions of the Authority and/or City.

11. Nondiscrimination. The Redeveloper shall not, in the performance of this Contract and the Project, discriminate against any employee or applicant for employment because of race, religion, gender, color, national origin, ancestry, disability, familial status, or receipt of public assistance.

12. Immigration Status. Redeveloper agrees that all of its contractors providing services on the Site will utilize the federal immigration verification system, as defined in NEB. REV. STAT. § 4-114 to determine the work eligibility status of new employees physically performing services on the Project.

13. Conflicts of Interest. No officer, employee, or agent of the Authority shall have any personal interest in this Contract, whether such interest is direct or indirect.

14. Assignment. The Redeveloper may not assign its rights under this Contract without prior written consent of the Authority, which consent shall not be unreasonably withheld.

15. Covenants Running with the Land. This Contract shall be binding upon the Redeveloper's successors and assigns, and shall run with the Site. The Redeveloper shall record this Contract or a memorandum of this Contract in the Scotts Bluff County Office of the Register of Deeds, to be indexed against the Site. The Redeveloper shall not be responsible for the violation or breach of these covenants by its successors or assigns.

16. Status of Parties. The Authority is not and shall not be regarded as a partner, joint venturer, or other jointly acting party with the Redeveloper for any purpose whatsoever, and the undertakings and agreements on the part of the Authority herein are provided solely pursuant to the provisions of the Act and for the governmental purposes of promoting and encouraging redevelopment in blighted and substandard areas.

17. Approvals by the Authority. Whenever, under the terms of this Contract, the Authority has agreed that it shall take an action or cause an action to be taken and applicable statutes require public notice and a hearing or other procedures relating to public approval, the terms and conditions of this Contract shall be understood as subject to such requirements.

18. Default. In the event of any default hereunder, the defaulting party shall, upon written notice to the other party proceed immediately to cure the default and such shall be cured within 30 days after the defaulting party's receipt of such notice or such longer time as may be allowed by the party giving notice. Any default which, by its nature, cannot be cured in the time allowed may be cured if curing is commenced within the time allowed and diligently pursued to completion thereafter. If the default is not timely cured, the non-defaulting party may pursue any remedy available to it at law or equity, including specific performance. In addition, in the event of a default by the Redeveloper which is not timely cured as set forth

above, then the Authority may suspend its performance under this Contract or rescind or terminate this Contract. Neither party shall be deemed to be in default of their respective obligations in the event of delay in the performance of such obligations due to causes beyond such party's reasonable control and without its fault including, but not limited to acts of God, acts of the public enemy, acts of the Federal government, fires, floods, epidemics, quarantine, strikes, freight embargos, or delays of subcontractors due to such causes. In the event of any such delay, the party being delayed shall give prompt notice to the other party and the time for performance of the obligation being delayed shall be equitably extended.

19. Notices and Demands. Any notice, demand, or other communication under this Contract by either party shall be sufficiently given or delivered if it is sent by certified mail, postage prepaid, return receipt requested, or delivered personally as follows:

If to Redeveloper: MTL Commodity Corporation
 PO Box 576
 Scottsbluff, NE 69363

If to Authority: Scottsbluff Community Development Authority
 Attn: City Manager
 2525 Circle Drive
 Scottsbluff, NE 69361

Either party may give notice of a change in contact information in the manner specified herein.

20. Complete Contract. This Contract represents the complete understanding between the parties concerning the subject matter of this Contract, and no other promises or agreements relating to the subject matter of this Contract shall be binding unless they are made in writing and authorized and executed by both parties. *Provided that*, the terms of any Resolution passed by the Authority related to the Indebtedness are made a part of and incorporated into this Contract by this reference.

21. Governing Law. Nebraska law will govern the construction of and the performance under this Contract.

22. Schedules. All schedules referenced above are incorporated into this Contract by this reference.

23. Intent. This Contract is entered into by the Authority to provide financing for an approved redevelopment project.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

Executed this ____ day of _____, 2020.

**CITY OF SCOTTSBLUFF, NEBRASKA
COMMUNITY REDEVELOPMENT
AUTHORITY**

MTL Commodity Corporation

William Trumbull, Chair

By _____
Mark Simmons, President

ATTEST:

Secretary

STATE OF NEBRASKA; COUNTY OF SCOTTS BLUFF) ss.

The foregoing Redevelopment Contract was acknowledged before me this ____ day of _____, 2020 by William Trumbull, Chair on behalf of the City of Scottsbluff, Nebraska Community Redevelopment Authority, after being duly authorized.

Notary Public

STATE OF NEBRASKA; COUNTY OF SCOTTS BLUFF) ss.

The foregoing Redevelopment Contract was acknowledged before me this ____ day of _____, 2020 by Mark Simmons, President on behalf of MTL Commodity Corporation, a Wyoming Corporation.

Notary Public

Schedule A

The Site

Lot 2B, Kelley Subdivision, a Replat of Lot 2, Kelley Subdivision, a Replat of the East 270 feet of the South 300 feet of Tract 34, Goos Tracts, to the City of Scottsbluff, Scotts Bluff County, Nebraska (Scotts Bluff County Parcel ID 010347127)

Schedule B
Estimated Project Costs

Description	Estimated Costs
Land Acquisition	\$ 117,500.00
Site Preparation	\$ 7,500.00
Water Service	\$ 4,500.00
Modifications to Sewer Main	\$ 3,750.00
Plan Preparation/Legal	\$ 10,250.00
Total	\$ 143,500.00

Schedule C
Indebtedness

- | | |
|----------------------|--|
| 1. Principal Amount: | Not to exceed actual Project Costs certified by the Redeveloper. |
| 2. Interest Rate: | WSJ Prime Rate + 1% or as agreed upon by the Redeveloper and the Authority. |
| 3. Maturity Date: | December 31, 2035 (or December 31, 2036 depending on the effective date as set forth in Section 4). |
| 4. Payments: | Semi-Annually on June 15 and December 15 of each year, with payments limited to TIF Revenues received. |
| 5. Date of Issuance: | At Redeveloper's request as agreed to by the Authority, but subject to the terms of the Contract. |

Schedule D
Fee

- | | |
|-----------------------|------------|
| 1. Application Fee: | \$ 250.00 |
| 2. Processing Fee: | \$5,000.00 |
| 3. Administrative Fee | \$5,000.00 |

RESOLUTION NO. CRA_____

BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SCOTTSBLUFF, NEBRASKA:

Recitals:

a. Pursuant to the Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*, a redevelopment plan for the *MTL Commodity Laundromat* project submitted by MTL Commodity Corporation (the “Redevelopment Plan”) has been submitted to the Scottsbluff Community Redevelopment Authority (“Authority”). The Redevelopment Plan proposes to redevelop an area of the City which the City Council has declared to be blighted and substandard and in need of redevelopment. The Redevelopment Plan includes the use of tax increment financing.

b. The Redevelopment Plan has been reviewed by the Planning Commission, which found that the Redevelopment Plan conforms to the 2016 Scottsbluff Comprehensive Plan. The Planning Commission recommended approval of the Redevelopment Plan to the Authority and City Council.

c. The Authority has approved and adopted the Redevelopment Plan.

d. The City Council is scheduled to hold a public hearing regarding and review and analyze the Redevelopment Plan, and consider the Redevelopment Plan for approval at its regular meeting scheduled for September 21, 2020.

d. The Authority and MTL Commodity Corporation (the “Redeveloper”) desire to enter into a Redevelopment Contract (the “Contract”) under which the Authority will provide a grant and tax increment financing to the Redeveloper to assist with the implementation of the Redevelopment Plan. Capitalized terms not otherwise defined in this Resolution shall have the same meaning as provided for in the Contract.

Resolved:

1. The Contract between the Authority and Redeveloper is approved, contingent on the City Council’s approval of the Redevelopment Plan. Once this contingency has been met, the Chair and Secretary of the Authority are authorized to sign the Contract on behalf of the Authority without any further approval other than this Resolution. The Chair may make changes and amendments to the Contract and take all actions and execute all documents which the Chair deems in the best interest of the Authority in connection with the Redevelopment Plan. This Resolution shall be construed consistently with the Contract. Once the Contract has been entered into by the parties, the following resolutions shall automatically become effective, without any further action of the Authority.

2. A tax increment financing note shall be ordered issued by the Authority and shall be designated as “Tax Increment Financing Note (MTL Commodity Laundromat)” (the “Note”).

3. Under the provisions of NEB. REV. STAT. § 18-2147 and the terms of the Contract, the effective date is confirmed as stated in Section 4 of the Contract, after which ad valorem taxes on real property located within the Site may be apportioned under section 18-2147. The taxes shall be divided as follows:

- a. That portion of the ad valorem real estate tax on the Site which is produced by levy at the rate fixed each year by or for each public body upon the "redevelopment project valuation" (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and
- b. That portion of the ad valorem real estate tax on the Site in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premium due in connection with the Indebtedness. When such Indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem real estate taxes upon the Site shall be paid into the funds of the respective public bodies.

4. Under the terms of the Contract, the City Treasurer (the "Agent") as Agent of the Authority is authorized to give notice, upon the request of the Redeveloper, to the County Assessor of the provision of the Contract for dividing ad valorem real estate taxes according to the requirements of NEB. REV. STAT. § 18-2147(4).

5. The Note shall be executed by the Chair and Secretary of the Authority and the official seal of the City shall be placed thereon.

6. The City Manager or the City Manager's designee shall have authority to review and approve Disbursement Requests on behalf of the Authority and carry out all other administrative duties and decisions of the Authority relating to the Note and the Contract.

7. The Note is a special, limited obligation of the Authority and is not secured by any obligation or pledge of any monies received or to be received from taxation, other than tax increment revenues as set forth in the Contract and as described in NEB. REV. STAT. § 18-2147. The Note shall not in any event be a debt of the Authority (except to the extent of the tax increment revenues pledged under the Contract), the City, the State, nor any of its political subdivisions, and neither the Authority, the City, the State nor any of its political subdivisions is liable in respect thereof. In no event shall the Note be payable out of any funds or properties other than those of the Authority acquired under the Contract. The Note does not constitute a debt within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority and does not impose any general liability upon the Authority. No member or official of the Authority nor any person executing the Note shall be liable personally on the Note by reason of its issuance.

8. The Note shall be in substantially the form of the attached Exhibit A and shall be subject to the terms and conditions as set forth in the Contract and this Resolution (including those in Exhibit A).

- a. The Note shall be issued in fully registered form. The name and address of the registered owner of the Note (including notation of any pledgee as may be requested by the Redeveloper) shall at all times be part of the records of the Authority at City Hall in Scottsbluff, Nebraska.

- b. The Note shall be dated the date the Note is initially issued and delivered (“Date of Original Issue”), shall mature, subject to right of prior redemption, not later than December 31, 2035 (or later date as set forth in the Contract), and shall bear interest in the amount of 4.25% per year or as otherwise determined by the Agent and Redeveloper. The Agent is authorized to determine: (i) the Date of Original Issue, (ii) the principal amount of the Note, (iii) the maturity date of the Note, and (iv) any other term of the Note, but all subject to the terms of the Contract and this Resolution.
 - c. The Note shall be issued to such owner as agreed between the Redeveloper and the Authority. Upon execution of the Note and compliance with all other provisions of this Resolution and the Contract, the Note shall be registered by the Agent in the name of the owner and shall be delivered in consideration of payment of the principal amount thereof to the City’s Treasurer in current bankable funds or as otherwise set forth in the Contract. From such purchase price, the Authority shall make a grant to the Redeveloper according to the terms of the Contract.
 - d. The initial purchaser (and any pledgee) shall be required to deliver an investment representation letter to the Agent in a form satisfactory to the Authority, as advised by the Authority’s attorney. No Note shall be delivered to any owner unless the Authority has received from the owner such documents as may be required by the Authority to demonstrate compliance with all applicable laws and the Contract.
 - e. The records maintained by the Agent as to principal amount advanced and principal amounts paid on the Note shall be the official records of the cumulative outstanding principal amount of the Note for all purposes. The Agent shall have only such duties and obligations as are expressly stated in this Resolution and no other duties or obligations shall be required of the Agent.
 - f. A transfer of the Note may be registered only upon surrender of the Note to the Agent, together with an assignment duly executed by the owner or its attorney or legal representative in a form as satisfactory to the Agent. Prior to any transfer, the transferee shall provide to the Authority an investor’s letter in a form satisfactory to the Authority, and shall deposit with the Authority an amount to cover all reasonable costs incurred by the Authority, including legal fees, related to such transfer. Upon any registration of transfer, the Authority may execute and deliver a new Note registered in the name of the transferee, with a principal amount equal to the principal amount of the Note surrendered and with the same maturity and interest rate. The Note surrendered in any such exchange shall be canceled by the Agent. A transfer of any Note may be prohibited by the Authority if a default then exists under the Contract. The Authority may impose any additional restrictions on the transfer of any Note as may be required to ensure compliance with applicable laws.
9. The Chair, City Manager, and their designees are authorized to take any and all actions, and to execute any and all documents deemed by them necessary to affect the transactions contemplated in the Contract and authorized by this Resolution.
10. All prior resolutions of the Authority in conflict with the terms and provisions of this Resolution are repealed to the extent of such conflicts.
11. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED on _____

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SCOTTSBLUFF**

Chair

ATTEST:

Secretary

EXHIBIT A
(FORM OF NOTE)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (THE '33 ACT) OR ANY STATE SECURITIES LAWS, AND THIS NOTE MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE '33 ACT SHALL BE IN EFFECT WITH RESPECT THERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE '33 ACT AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER OR THERE SHALL HAVE BEEN DELIVERED THE SCOTTSBLUFF COMMUNITY REDEVELOPMENT AUTHORITY (THE "AUTHORITY") PRIOR TO THE TRANSFER, ASSIGNMENT, SALE, OR HYPOTHECATION, AN OPINION OF COUNSEL SATISFACTORY TO THE AUTHORITY TO THE EFFECT THAT REGISTRATION UNDER THE '33 ACT IS NOT REQUIRED.

THIS NOTE MAY BE TRANSFERRED OR ASSIGNED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN RESOLUTION NO. ____ OF THE AUTHORITY. THE AUTHORITY'S TREASURER IS PROHIBITED FROM REGISTERING THE OWNERSHIP OR TRANSFER OF OWNERSHIP OF THIS NOTE TO ANY PERSON WITHOUT RECEIPT OF AN EXECUTED INVESTOR LETTER AS REQUIRED UNDER THE TERMS OF SAID RESOLUTION.

TAX INCREMENT FINANCING NOTE (MTL Commodity Laundromat)
ISSUED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF
SCOTTSBLUFF, NEBRASKA

Date of
Original Issue

Date of
Maturity

Rate of
Interest

December 31, 203_

_____ per annum

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: SEE SCHEDULE 1

FOR VALUE RECEIVED, the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SCOTTSBLUFF, NEBRASKA** (the "**Authority**") promises to pay to the Registered Owner named above, but solely from tax increment revenues specified herein, the Principal Amount identified on Schedule 1, together with interest on the unpaid principal balance at the rate set forth above, calculated as simple interest and without compounding, on or before the maturity date set forth above.

All payments of principal and interest prior to maturity shall be made by the Agent by mailing a check to the Registered Owner or its approved pledgee, as shown in the records of the Authority at the time of the payment. All amounts due at maturity or other final payment shall be paid to the Registered Owner or its approved pledgee upon the presentation of this Note to the Agent at City Hall in Scottsbluff, Nebraska.

To the extent funds securing this Note are available to and received by the Authority, the accrued interest shall be payable semiannually on July 15 and December 15 of each year, commencing July 15, 202_. If the date for any payment is a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Scottsbluff Nebraska are closed, then the date for such payment shall be the next day. The Authority may prepay the outstanding principal and/or interest, in whole or in part, at any time without the prior consent of the Registered Owner or its pledgees. Payments made shall first be applied to accrued interest and then to principal.

The Authority and the Agent may treat the Registered Owner as the absolute owner of the Note for the purpose of making payments and for all other purposes and neither the Authority nor the Agent shall be affected by any notice or knowledge to the contrary. The records maintained by the Authority as to the principal amount issued and principal amounts paid on this Note shall be the official records of the cumulative outstanding principal amount of this Note for all purposes.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153 of the Nebraska Revised Statutes, as amended, and under Resolution No. _____ duly passed and adopted by the Authority on _____ 2020, as from time to time amended and supplemented (the “**Resolution**”). The Resolution incorporates by reference the terms of the Redevelopment Contract between the Authority and MTL Commodity Corporation dated _____ (the “**Contract**”). This Note has been authorized and issued by the Authority to aid in financing a redevelopment project as defined in the Nebraska Community Development Law.

This Note is a special limited obligation of the Authority payable solely from and is secured solely by the TIF Revenues (as defined in the Contract) on the terms and conditions in the Resolution and Contract. The TIF Revenues represents that portion of ad valorem real estate taxes levied by public bodies of the State of Nebraska, including the City, on real property on the Site (as defined in the Contract) which is in excess of that portion of such ad valorem real estate taxes produced by the levy at the rate fixed each year by or for each such public body upon the valuation of the Site as of a certain date as set forth in the Contract and as has been or will be certified by the County Assessor of Scotts Bluff County, Nebraska to the City in accordance with law.

This Note shall not be payable from the general funds of the City or the Authority, nor shall this Note constitute a legal or equitable pledge, charge, lien, security interest or encumbrance upon any of the property or upon any of the income, receipts, or money and securities of the City or the Authority or of any other party other than those specifically pledged under the Resolution and Contract. This Note is not a debt of the City or the Authority within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City or the Authority, and does not impose any general liability upon the City or the Authority. Neither the City nor the Authority shall be liable for the payment of this Note out of any funds of the City or the Authority other than TIF Revenues which have been pledged to the payment of this Note according to and as limited by the Resolution and Contract. Neither the members of the Authority nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

This Note is transferable by the Registered Owner in person or by its attorney or legal representative duly authorized in writing at City Hall in Scottsbluff, Nebraska, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution and Contract, and upon surrender of this Note.

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SCOTTSBLUFF NEBRASKA has caused this Note to be signed by the Chair of the Scottsbluff, Nebraska, Community Redevelopment Authority, countersigned by the Secretary of the Community Redevelopment Authority, and with the City's corporate seal imprinted hereon.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SCOTTSBLUFF, NEBRASKA**

[S E A L]

By: _____ (manual signature)
Chair

By: _____ (manual signature)
Secretary

[The remainder of this page intentionally left blank]

SCHEDULE 1

**TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT
TAX INCREMENT FINANCING NOTE (MTL Commodity Laundromat)
COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF SCOTTSBLUFF, NEBRASKA**

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

PROVISION FOR REGISTRATION

Date of Registration	Name of Registered Owner	Signature of Agent