

City of Seward, NE

Tuesday, May 19, 2015

Regular Session

Item G3

PUBLIC HEARING - 7:00 P.M. - CONSIDERATION OF TAX INCREMENT FINANCING (TIF) PROJECT - BOTTLE ROCKET BREWING, LLC - TIF Attorney, Andrew Willis

Presentation and Review of TIF Application

Presentation and Review of Cost-Benefit Analysis

Presentation and Review of Amendment to Redevelopment Plan

Presentation and Review of Redevelopment Agreement

Consideration of Resolution approving the Redevelopment Plan Amendment

*Consideration of a Resolution Approving the Redevelopment Agreement and the Issuance of TIF
Indebtedness for the Redevelopment Project*

Administrative Report: The Community Redevelopment Authority (CRA) approved the project on April 29, 2015 by a vote of 4/0 with 1 member abstaining. The Planning Commission held a public hearing on May 11, 2015 and approved the project by unanimous vote.

Staff Contact:

CITY OF SEWARD NEBRASKA

COMMUNITY REDEVELOPMENT AUTHORITY (CRA)

COMMUNITY DEVELOPMENT AGENCY (CDA)

537 MAIN STREET - P.O. BOX 38 - SEWARD, NE 68434-0038

Tax-Increment Financing Application

(Return To Seward City Clerk's Office)

PROJECT SCOPE: (PLEASE PRINT OR TYPE ALL INFORMATION)1) Business Name Bottle Rocket Brewing LLCStreet Address: 230 S. 5th Street

Mailing Address: _____

Telephone: 402-304-5673 Alt 402-643-4423Text Number: Same as Above Fax: _____Email: gerald@bottlerocketbrewing.comBusiness Structure: LLCOwners/Princ 11 / 3

2) Description Of The Business
Craft Brewery, will focus on manufacture/produce
Beer to be sold on location and also distributed.
The building will also have an event space for
meetings, events, receptions, etc...
 Estimated # of Employees 4-10

3) Name of Present Ownership of Project Site & Full Legal
 Address: 230 S. 5th Street
 Legal Descrip: Seward Original
Town Block 20 Lot 7

4) Description of Physical Project Items:
 Building Square Footage 4680
 Size of Property Site 5040
 Description of Building
 Material/Construction Structural Steel, open Span
Two story.

4a) Site Plan - Attach to Completed TIF Application
 5) If Property is to be Subdivided, Include Division Drawing
 6) Estimated Project Costs:
 Include Construction Proforma Statement

a)	Land Acquisition Costs	\$ <u>130,000</u>
b)	Site Development	\$ <u>21,900</u>
	Site Development	\$ _____
	Site Development	\$ _____
	Site Development	\$ _____
c)	Building Cost	\$ <u>1,074,846</u>
d)	Equipment Acquisition Cost	\$ <u>0</u>
e)	Architectural and Engineering Fees	\$ <u>76,245</u>
f)	Legal Fees	\$ <u>0</u>
g)	Financing Costs	\$ <u>0</u>
h)	Broker Costs	\$ <u>0</u>
i)	Contingencies	\$ <u>77,000</u>

Estimated Total Project Costs \$ 1,379,991

City of Seward Nebraska - City Administrator's Office - 402.643.2928
 CityofSewardNE.com

received
4-13-15 APD

- 7) Est. Assessed Valuation at Completion: \$ 832,272 14) Municipal References: Please name any other City(s) Where the Applicant, or Other Corporations, that the Applicant(s) has Been Involved With, and Has Completed Developments Within Last Five Years: N/A
- 8) Current Property Valuation \$ 64,970
- 9) Est. R.E. Property Valuation Increase \$ 767,302
- 10) Estimated New R.E. Tax Generated: \$ 13,860.24

11) Itemized Source of Financing:

- a) Equity \$ (547,719)
- b) Bank Loan 1 \$ 965,993.70
- Bank Loan 2 \$ _____
- c) Tax Increment Financing \$ 190,231.85
- d) Industrial Revenue Bonds \$ _____
- e) Other Sources \$ 223,765.45

- 12) Name(s) and Addresses of: Suite 105
 Architect: David Wiehove - 7501 Ost. Lincoln
 Engineer: Vance Behrens - 410 S. 74th St. Lincoln 68508

General Contractor: Cheever Construction
 Consultants: Tim Donner, Cheever Const.
& Doug Klute

13) Project Construction Schedule:

- a) Construction Start Date: 1BD upon Approval
 b) Completion Date: Oct 2015 - Dec 2015
 c) If Phased Construction:
 Year 2015 / 100% Complete
 Year _____ / _____% Complete

TAX INCREMENT FINANCING REQUEST:

15. Describe Eligible Costs For Which Tax Increment Financing Will Be Used (include attachment(s) if necessary):
Site Acquisition + Demolition, Site preparation - landscaping, HVAC System, facade improvements, streets + utilities extension
(See Attached Letter)

AMOUNT OF TIF REQUEST: \$ 190,231.85

(Note: If the Application is approved, the Applicant is not entitled to receive the Requested TIF Amount. The actual amount of the TIF Loan/Bond will vary depending on multiple factors including Lender Interest Rates, Identification of Eligible Expenditures, and Additional Information identified during the TIF Process. However, as a General Estimate for this Application, Request no more than Ten Times the Amount identified in Item 10 of this Application)

Attach To Completed Application:

Statement of Necessity For The Desired Use of Tax Increment Financing App needed 4/13/15 Bldg

x Gerald Homp 4/10/15
 Signature of Authorized Applicant Date City Use -Date Revd/Initials

Printed Name of Applicant Gerald Homp

Printed Name of Business Bottle Rocket Brewing LLC

By Signing Application: Document and Its Attachments Are Subject To State Open Records Disclosure Law

City of Seward Nebraska - City Administrator's Office - 402.643.2928
 CityofSewardNE.com

April 10, 2015

To whom it may concern:

The property at 230 S. 5th Street in Seward, located in a blighted and under-utilized area of the community, will be developed into a Craft Brewing Company. This new company will serve the Seward community and county by creating new jobs, sales and property taxes (See attached proposed layout). The company will be classified as manufacturing and tourism.

Tax Incentive Financing will be vital in the development of this property. The current building will remain; all exterior concrete and grain bins will be removed in preparation for construction. Additionally, the utility infrastructure will need to be upgraded in order to handle manufacturing demands. The new building, that will surround the current building, will include a new HVAC system and exterior improvements.

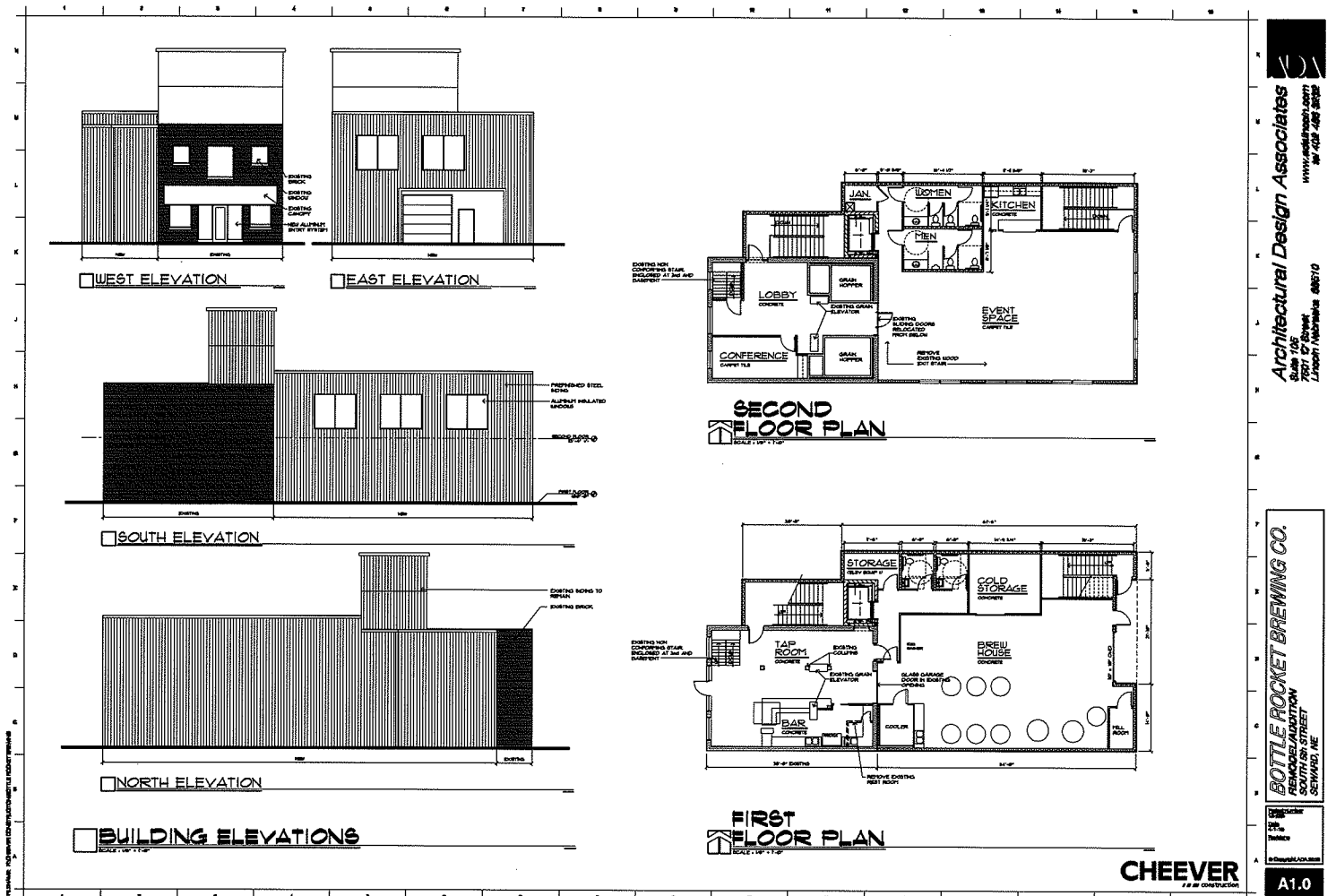
Thank you for your consideration of this project. Should you have any questions please call me at 402-304-5673 or email me at

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Homp". The signature is stylized with a large, looped "G" and a cursive "Homp".

Gerald Homp

Bottle Rocket Brewing LLC





April 6, 2015

Gerald Homp
Founder & President
Bottle Rocket Brewing, LLC
230 South 5th Street
Seward, NE 68434

Dear Gerald,

On behalf of our Cheever Construction project team, I am pleased to provide you with this Budget Analysis and Professional Services Fee detail letter. Our Budget Analysis for the Bottle Rocket Brewing facility is based upon our understanding of the project scope and schedule information as provided by the Bottle Rocket Brewing management. Given the information provided on the schematic drawing generated by Architectural Design Associates, combined with our site observations, we applied the following resources and criteria in preparing and establishing this Budget Analysis.

- Based upon the Schematic Design provided by Architectural Design Associates, the building square footage applied to the Budget Analysis is 4,800 SF new, 1880 SF existing, and site.
- Established best construction methods, procedures, and materials based upon our team's extensive commercial construction experience as well as current commercial construction standards.
- Applied historic and current cost values to these methods and assumed materials.
- Consulted with key subcontractors for their analysis of the project including current projected costs.

3425 North 44th Street, Lincoln, Nebraska 68504
P 402.477.6745 F 402.477.2063 cheeverconstruction.com

- Consulted with a structural engineer to develop the best possible footing, foundation, and structural steel package given the information assumed about soil conditions and adjacent structures. This was performed without the benefit of GEO-Tech report specific to this site.
- Consulted with Architectural and Engineering professionals to establish proposed professional services fee for the project.

Taking into consideration all the information and input available, the Budget Analysis for the Bottle Rocket Brewery facility to be located in Seward, NE is currently established at a total construction cost of \$1,250,000.00. A break down on this is as follows.

• Building Cost	\$1,074,846.00
• Professional services fees, Architectural & Engineering	\$76,245.00
• Contingency	\$77,000.00
• Site Development	\$21,900.00

The current contingency value is based upon the level of information on conditions and scope of the project. As additional clarifications are provided through the GEO-Tech survey and the development of construction drawings providing the means necessary to bid scopes of work to subcontractors, this contingency value should decrease accordingly.

We would like to thank you for the opportunity to provide this Budget Analysis for Bottle Rocket Brewing, and look forward to working with Bottle Rocket Brewing in completing this project.

Best Regards,

Tim Donner
Cheever Construction

- 1) Please list all owners, addresses and contact information in the LLC.

Gerald Homp
1210 Eastridge Dr
Seward NE 68434
Phone: 402-304-5673
Gerald@bottlerocketbrewing.com

Jason Berry
301 Lindell Ave.
Seward, NE, 68434
Phone: 402-643-9278
jason@bottlerocketbrewing.com

Ryan Koch
302 E Roberts St
Seward, NE, 68434
Phone: 402-613-2441
ryan@bottlerocketbrewing.com

- 2) What is the estimated number of new jobs this project will create? **4-10**
- 3) What is the pay scale and benefits package for these positions?

Staff Year 1	Qty	Hr. Wage	Hr. Per Week	Weekly Base	Year 1 Base
Owner, Gerald Homp	1	\$ 12.50	40	\$500.00	\$26,000.00
Key Employee, Jason Berry	1	\$ 12.50	40	\$500.00	\$26,000.00
Key Employee, Ryan Koch	1	\$ 12.50	25	\$312.50	\$16,250.00

Employee growth and management is based on some of the conversations, stats and knowledge that we have come to understand about the craft brewing industry and event management. To keep costs down, we will employ a quantity of part-time hourly bar, wait and production staff. Some of these may roll over into full time employees as the years and their work performance dictates. Gerald Homp and Jason Berry will be salaried positions and was judged based on an hourly wage. Ryan Koch will begin hourly since he has responsibilities outside the brewery and will work towards transitioning to full-time when appropriate. Outside of the three Managers part-time employees will be hired as needed paying minimum wage with no more than 20hrs per employee per week. Bonus incentive packages have also been implemented based on company profits.

- 4) Please provide current zoning of the property; include whether the proposed project is a permitted use on the property and include permits required for the project.

Zoning: Commercial; It is a permitted use and we applied to the Federal Trade and Tax Bureau (TTB) in February for our Brewers Notice, which was approved mid-March 2015 (Normal processing 124 days). We are currently working with the State Liquor Commission office since we have been approved for our Brewers Permit (you cannot apply to the state prior to this approval from the TTB).

We met with the NE State Liquor Control Director and his team this past December in Lincoln where we presented our business plan and learned the process to achieve the Liquor license for the brewery. The approval for this process takes 60 days. We are 99% complete with the application and will submit within the next few days. Other permits for construction will be applied for by Cheever Construction who is our General Contractor.

5) Please attach the following documentation:

- Annual Income and Expense Pro Forma (with appropriate schedules)

New Business

- Applicant's Corporate/Business Annual Financial Statements for the last 3 years

New Business

- Business Plan for the Proposed Project

See Attached

6) Please describe your "Other" sources of Financing (Item #11 on application)

Investment Income from Investors and owners.



Business Plan
October 2014

Presented by
Gerald Homp
Founder & President



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1.0 Executive Summary

Bottle Rocket Brewing Company LLC (BRB) will develop and operate a Craft microbrewery in Seward, NE, which will focus on building a strong community where patrons can enjoy high quality beer in a unique and historical setting. The environment will be relaxing and perfect for socializing with acquaintances, coworkers, friends and family.

It will be a destination for people from within and from outside the Seward community that offers a variety of services and experiences. Built around an historic grain mill within a block of the city square, the facility will highlight the rich history of the community of Seward with an atmosphere that celebrates the significance of agriculture on its development and illuminates why Nebraskans can be proud of the town designated as the state's 4th of July City.

BRB is scheduled to begin operations in 2015.

1.1 Mission

Our primary mission is to brew superior craft beer for patrons in the Seward and surrounding communities. Our first floor tap room, tasting room and rooftop patio will cater to novice drinkers as well as those drinkers with more sophisticated palates; our second floor event areas will provide accommodations for different venues and gatherings.

Additional facets of the business are to participate in other lawful business practices common to the brewing industry. Such business interactions include but are not limited to, the sale of brewery merchandise and brewery tours.

A secondary mission is to influence economic development in the Seward area by packaging and distributing our uniquely branded beers locally, throughout Nebraska and then nationally.

1.2 Objectives

Our success will be built upon our ability to cater to our customers' desire to enjoy a unique setting designed to promote the appreciation of craft beers, while at the same time creating memories and strengthening connections to a city, state and nation rich in the history of its founding. We will have high quality beers to quench the thirst of craft beer enthusiasts and pique the interest of novice or inexperienced beer drinkers.

In the community of Seward we have the opportunity to capitalize on an emerging market where currently there are no other local breweries and establish a profitable, well-managed company that can bring increased revenues and jobs to the local community.

1.3 Company Ownership & Key Management

BRB will start out as a Limited Liability Corporation founded by Gerald Homp who has worked for over 20 years in the service, marketing and relationship management fields. The Key Management team will consist of Jason Berry, Vice President, who has over 20 years' experience in business ownership, Marketing, advertising, and video production. Ryan Koch, Brewmaster, an eight-year veteran in structural engineering who is also an avid home beer brewing enthusiast. Koch has won county and state wide awards for his beers and has designed and built his own home brewing system.



Gerald Homp, Founder & President *(picture center)*

Gerald previously served as Regional Sales Director at Lincoln Benefit Life in Lincoln, NE for the past 21 years. Upon the sale of LBL in 2013, Gerald's primary focus has been the development and creation of BRB. Responsibilities include overseeing the company strategic partners, marketing, distributors and the overall direction of the company.

Gerald is an active volunteer in the Seward community and in his church. Gerald and his wife Michelle have three children and reside in Seward.

Jason Berry, Vice President *(picture left)*

Jason is the current owner and founder of Wildberry Production Group and Rawvine Domain and Hosting companies. Jason was approached by Gerald to assist in the development and creation of BRB because of his experience in business ownership. Responsibilities include overseeing advertising, marketing, events, and assisting in the overall direction of the company.

Jason is an active volunteer in the Seward community and in his church and also serves as the pole vault coach for Seward high school and Concordia University. Jason and his wife Julie have three children and reside in Seward.

Ryan Koch, Brew Master *(picture right)*

Ryan currently works as a Structural Engineer at Hughes Brothers. Ryan has been brewing beer for the past decade and was approached by Gerald and Jason after having received several high recommendations about him and his beer brewing abilities. Responsibilities include the overseeing of production, quality assurance and the consumable materials needed for production and assisting in the overall direction of the company.

Ryan and his wife Amanda currently live in Seward.



U.S. Beer Sales 2013

Overall BEER

-1.9%

196,241,321 bbls

Craft BEER

17.2%

15,302,838 bbls

Import BEER

-0.6%

27,539,358 bbls

Export

Craft BEER

49%

282,526 bbls

Overall BEER Market

\$100 Billion

Craft BEER Market

\$14.3 Billion

20% Dollar Sales Growth

Craft BEER

7.8%

15,302,838 bbls

Import
15,302,838 bbls

Domestic

15,302,838 bbls

2.0 Industry Description

For many centuries beer has been a mainstay in numerous cultures across the world. From its start with the Sumerians in 6,000 BC, beer has been a beverage that extends across all social barriers, enhances celebrations, consummates accomplishments, and helps create an atmosphere for family and social bonding. A quote from the Beer Institute (an organization representing more than 2800 breweries) quite nicely summarizes what beer means to Americans:

"From the eastern seaboard to the Pacific coast, it's a traditional part of a family reunion, a day at the beach, or an afternoon at the ballpark. And the traditional reward for mowing the lawn, clipping the hedge, or cleaning the garage."

Craft beer is a growing market in the United States that has seen 10% growth in 2010 and 2011 and 18% in 2013, even as the total U.S. beer market is down 1.9% in 2013. The total U.S. beer market retail dollar value is \$100 billion. Craft retail dollar value grew to \$14.3 billion in 2013, a 20% increase from 2012. Small brewing companies employed over 110,000 people in 2013, an increase of 1.7% over the year 2012. While Nebraska is ranked #9 nationally in beer consumption it is home to only 21 breweries (10 Microbreweries and 11 Brewpubs). Clearly, there is a substantial market for craft breweries in Nebraska, particularly one that is housed in a small town.

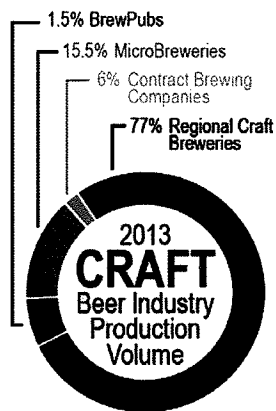
For the craft brewing industry, market analysis supports the understanding and facts that consumers are consistently and increasingly moving away from buying mass-produced beer and are purchasing more and more beer from craft beer makers and microbreweries. "The craft beer industry is growing 13 percent to 14 percent each year, with a commensurate drop in production by the 'big guys' like Anheuser-Busch and Coors, from 177.6 million barrels in 2008 down to 162.7 million in 2013," Beer Marketers VP Eric Sheppard (May 2014).

States see the craft beer industry as an avenue to build economic prosperity and tourism.

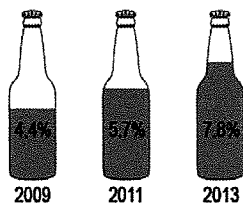
The following comprise characteristics of the craft beer industry as describe by the Brewers Association (brewersassociation.org):

- Craft brewers are small brewers.
- The hallmark of craft beer and craft brewers is innovation. Craft brewers interpret historic styles with unique twists and develop new styles that have no precedent.
- Craft beer is generally made with traditional ingredients like malted barley; interesting and sometimes non-traditional ingredients are often added for distinctiveness.
- Craft brewers tend to be very involved in their communities through philanthropy, product donations, volunteerism and sponsorship of events.
- Craft brewers have distinctive, individualistic approaches to connecting with their customers.
- Craft brewers maintain integrity by what they brew and their general independence, free from a brewer.
- The majority of Americans live within 10 miles of a craft brewer.

U.S. Beer Production Volume 2013



U.S. Volume Share for Craft Brewers



2.1 U.S Support of Craft Beer

A blog post from the New York Beer School by Carolyn Smagalski, author & beer connoisseur summarizes the vitality and influence of the craft beer industry in the United States:

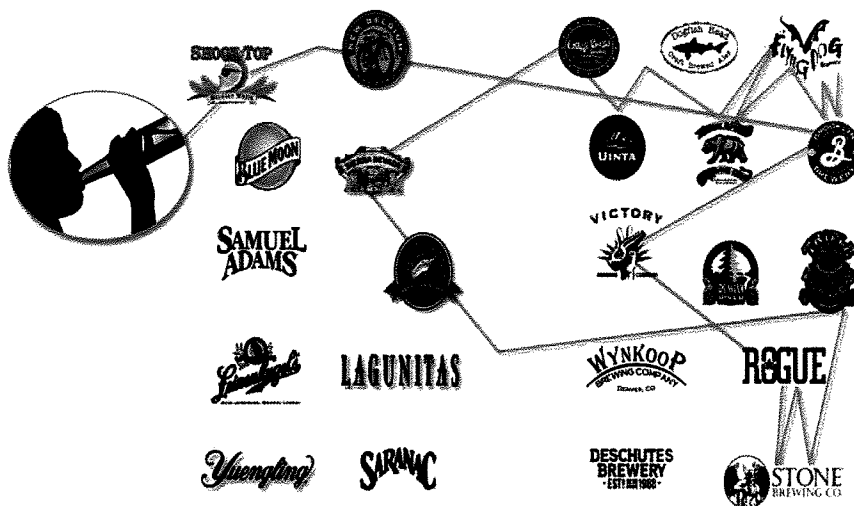
In 2012, a member of the President's cabinet, U.S. Secretary of Agriculture Tom Vilsack, toured the Great American Beer Festival in Denver, Colorado. Mingling among the executive chefs, brewmasters and growers in the Farm-to-Table Pavilion, Secretary Vilsack sent a clear signal that American craft beer has entered the race as a significant segment of the American economy. Craft beer has proven itself as a robust and vital part of the business community, a growth engine in which sales, pricing and profits remain strong.

In early 2013, there were 45 active craft brewers' guilds across the country. The Small Brewers' Caucus in the United States House of Representatives, chaired by Representatives Peter DeFazio (D-OR) and Jim Gerlach (R-PA), boasted 115 members, while the Senate Bipartisan Small Brewers' Caucus, established by Senators Max Baucus (D-MT) and Mike Crapo (R-ID), engaged 17 members. These organizations signal the emergence of craft brewing as a stimulus to economic growth.

2.2 Craft Beer Consumers

"*Mintel's 2013 research shows that the sweet spot for craft beer consumers is the 25-to-34-year-old demographic. In the United States, 36% of U.S. consumers are said to have drunk craft beer, while the figure rises to 50% for Millennials. In fact, 43% of Millennials and Generation Xers say craft beer tastes better than domestic beer, while 32% of Baby Boomers say so.*" ~ Author: Xun Yao Chen - Why craft beer attracts Millennials and consumers with momentum

"*Consumers of today are in love with variety, led by the Gen Y-millennial generation. These leaders of style are in-touch with cuisine from every part of the world. As a bright spot in the American economy, craft beer has become a part of that overall experience.*" ~ Author: Carolyn Smagalski - Accomplished editor, author & beer connoisseur



The diagram provides a representation of the types of individuals who enjoy craft beers.

*Demeter Group,
State of the Craft
Beer Industry,
2013
demetergroup.net



Key Marketing Observations of Seward, NE

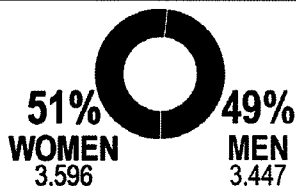
Current Seward
Beverage & Food
Service Establishments

- 1 Coffee Shop
- 2 Bar/Restaurants
- 2 Restaurants no Beer
- 2 Clubs
- 3 Bars
- 7 Fast Food

Location

County Seat
3 Colleges within
30 Minutes
State Capital within
30 Minutes
Easy Access
I-80, Highway 34 & 15

Population



Median Age

Seward	32.4 yrs
Nebraska Average	42.2 yrs

Median Income

Seward	\$59,872
Nebraska Average	\$50,723

2.3 Seward Demographics

Situational Analysis

According to a 2012 poll conducted by Gallup, "Beer is the beverage of choice among both 18 to 34 year olds and those aged 35 to 54, while adults aged 55 and older lean more toward wine. Additionally, drinkers in the Midwest show the greatest preference for beer, while those in the East are the most likely to drink wine."

The micro brewing industry is a facet of the beer industry that has grown over the past few years and continues to show strong growth. In Nebraska the growing demand for micro brewed beer is not being satisfied by the current 21 microbreweries in the state. The lack of local micro-breweries provides an opportunity to fill this demand by offering a local microbrew. In addition to filling this demand, BRB will be stimulating Seward's economy and will add to the local business community as a whole.

BRB Target Markets

Primary - Males ages 21-41

We will introduce a variety of delicious beers that appeal to the tastes of beer drinkers ranging from novice to expert. This demographic group includes a full range of drinking experience from the beginner Pilsner or Light beer drinker to the mild lagers and ales. We will encourage the expanding of tastes and explore new types of beers.

Secondary A - Females ages 21-41

We will introduce a series of drinks called "Radler" that features a blend of one of our primary beers along with any variation of a carbonated beverage (such as a lemon-lime soda), fruit juice or cider. For example, one such Radler might feature a combination of our Bottle Rocket Pilsner and a pop like Mountain Dew. Another variation will be our Brown Ale mixed with a pop like Sprite. These drinks feature less alcohol per ounce than a normal beer.

Secondary B - Males ages 42-62

We will introduce a delicious variety of seasonal beers that will appeal to the experienced beer drinker. These beers are not necessarily popular with younger drinkers, but satisfy those who have acquired a preference for a Stout, Porter or IPA.

Secondary C - Female ages 42-62

This group will enjoy the Radlers to compliment some of the other beers on hand. This group is known as the "sipping group" that is looking to gather in a quiet relaxing space to enjoy some delicious drinks over light conversation.

We understand that the 62+ age group is also a significant market to consider. Gallup includes this demographic within its 50+ category, and data from a 2014 poll indicate that "older affluent" (i.e. age 50+) consume alcohol more frequently than their younger counterparts, though they tend to consume less at each sitting.

In conclusion, no matter the age group, beer is the drink of choice for adults of legal age (Gallup, Beer Is Americans' Adult Beverage of Choice This Year, July 2014).

Community Programs

BRB will initiate awareness and education programs within the City of Seward and County.



2.4 Brewing Competition

Currently there are 21 active breweries in the state and one more is currently opening in Lincoln within the next year. Many are micro pubs who brew specifically to compliment a restaurant. Under half of these focus primarily on distribution and have created tap rooms as a secondary method of earning income. Our focus on making the tap room a major feature of the brewery will make BRB unique when compared with many other breweries in the state.

BRB looks to move into the top 10 breweries within the state during our first year of production with a goal to move to within the top 5 during the first 5 years of business operation.

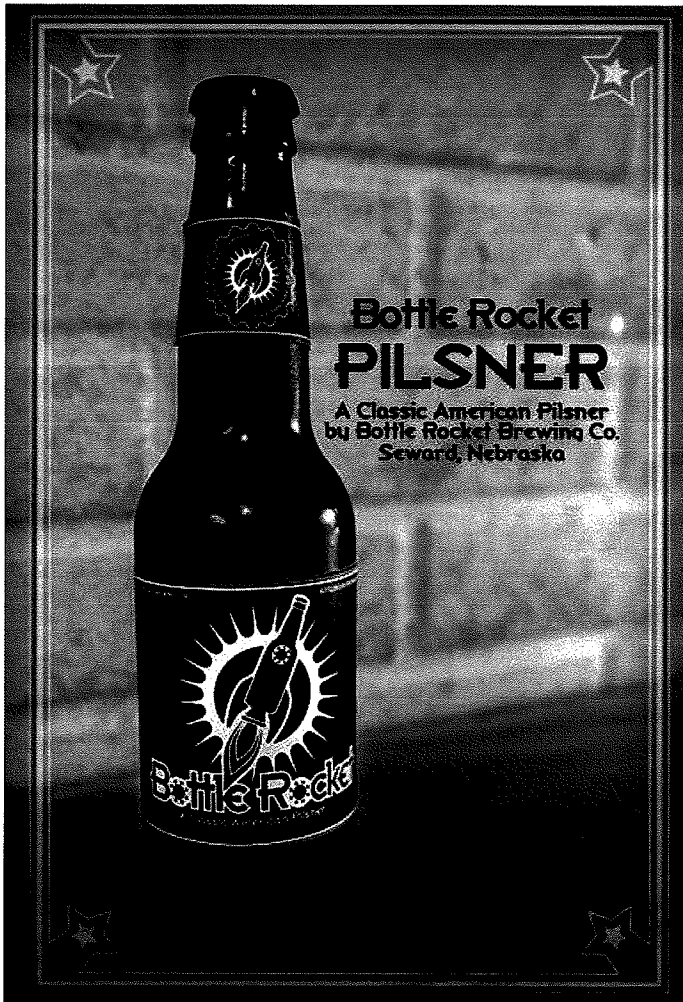
Current Breweries in Nebraska and Estimated Market Shares

Rank	Name	Est. Market Share & bbl/yr	
1.	Lucky Bucket Brewing CO. - LaVista	23.5%	5,350
2.	Empyrean Brewing Co. - Waverly	21.5%	4,870
3.	Zipline Brewing Co. - Lincoln*	13.0%	2,990
4.	Blue Blood Brewing - Lincoln*	7.0%	1,630
5.	Nebraska Brewing Co. - Papillion	5.5%	1,260
6.	Upstream Brewing Co. - Omaha	4.5%	1,020
7.	Empyrean/Lazlo's/Fireworks - Lincoln*	3.5%	850
Year One Goal: Bottle Rocket Brewing Co. - Seward		3.5%	800
8.	Granite City - Lincoln*	3.5%	770
9.	Infusion Brewing Co. - Omaha	3.5%	750
10.	Upstream Brewing Co. West - Omaha	3.0%	730
11.	Spilker Ales - Cortland	2.5%	550
12.	Thunderhead Brewing - Axtell	2.5%	540
13.	Granite City - Omaha	1.5%	310
14.	Pra Inc - Misty's Steakhouse	1.0%	280
15.	Gottberg Auto Company - Columbus	1.0%	200
16.	Schillingbridge Microbrewery - Pawnee City	1.0%	170
17.	Scratch Town - Ord	0.5%	140
18.	Everest Brew House - Omaha	0.5%	100
19.	Benson Brewery - Omaha	0.5%	60
20.	Loop Brewing Co.- McCook	0.0%	60
21.	Beaver View Co. - Albion	0.0%	10
22.	Ploughshares - Lincoln	0.0%	Open 2014



3.0 Products and Services

BRB will develop a competitive edge in the Nebraska microbrewery market by brewing quality beers at all times. We realize the importance of ensuring that our beer is stored and served using the best possible means in order to please our customers. In addition to quality control measures we will keep our customers intrigued by providing seasonal beers and new releases based on classic styles, but with our own unique interpretations.



Our initial craft beer portfolio will include five mainstay beers, seasonal beers, Radlers and a root beer. The five mainstay beers names are,

Pilsner: Bottle Rocket Pilsner

Ale: 1868 Brown Ale

Belgium White: Red Wheat and Boom

IPA: Wicked Spark IPA

Stout: Stout Constitution

The approach of simultaneously launching five mainstay beers helps ensure we are reaching customers with different style preferences.

3.1 Brewing Beer

The brewing process can last between 8-10 hours per brew day. Once the beer has completed the fermentation cycle, it will be kegged directly from the fermenters. Kegs stored in cold storage will be placed on 4'x4' pallets and double stacked with a hydraulic fork lift.

We plan to start brewing on average 2-3 times per week with a first year goal of 800 barrels of beer brewed. With the 10 barrel system, we have the capacity to produce more than this, but in order to ensure outstanding quality, we will start with a lower production rate and work our way up towards full capacity. Ultimately production rates will be determined by demand, popularity of the beers and the production schedule since each type of beer takes different ingredients and times to brew and ferment.

We understand that the beer we produce will be the life-blood of the company, thus producing outstanding flavor and quality in our beer is paramount. To ensure our beer is of the highest quality, Ryan Koch, BRB brew-master, will

strengthen his knowledge of the art of brewing beer by attending a program for brew-masters, such as one offered by the Siebal Brewing Academy in Chicago.

To continue to improve our products, we will submit our brews into various contests in order to receive valuable feedback from professional beer tasters. This will also help to bring recognition to our products and make BRB a company of which the community can be proud.



3.2 Beer Distribution

We will begin by establishing our tap room, event rooms and service to the local community in order to first build a reputation for quality craft beers and to fine tune our production processes prior to pursuing a distribution contract. Having established a brand and taste will give BRB better leverage in negotiations with distributors, enabling us to capitalize on a strong relationship with our distributors. We will look to solidify a firm relationship within the first 6-9 months of operation.

Initial distribution efforts will focus on Seward and its surrounding counties. Once our products expand beyond these markets, we will distribute our beers throughout Nebraska and the nation.

3.3 Hosting Events

The community of Seward has a limited number of locations in which to host social gatherings and events. As a result our building includes plans for two event rooms which can hold up to 250 people. We plan to book special events, small concerts, comedians, hypnotists, car or bike rallies and shows, weddings, reunions, business events, etc., and plan to host some type of event every weekend. Although we intend to make light snacks available to all patrons at any time during business hours, we will work with caterers to bring food into the establishment for events. We will also organize community nights out, informal gatherings for people looking for a location to enjoy camaraderie and conversation, at which we will feature food vendors offering an array of menus.

3.4 Merchandise

Jason Berry will take the lead on designing and presenting a wide range of BRB merchandise such as t-shirts, koozies, mugs, hats, polo shirts, etc., which will be for sale in our tap room and online on our bottlerocketbrewing.com website.

3.5 Waste and Byproduct Opportunities

Our brewing process byproducts are not wastes to dispose of, but resources with a beneficial reuse. We will use spent grains as a soil amendment and feed for local livestock. Any waste that can be recycled will be properly recycled. Such products include paper and plastics.



4.0 Employees

We know that our employees shape us as a company; we will only be as strong as our weakest link. We plan to hire in the first year five part time wait and bartending staff and two production space workers. We know that this number will increase as production, popularity and demand grow. Our ultimate goal is to be able support a staff of 10 to 20 full and part time employees to service a very busy tap room, assist with events and meet production demands. We will look to hire a mix of seasoned and youthful individuals and provide training so that we can run the brewery the way we believe a business should be run, with a focus on integrity and service.

4.1 Engagement

We wish to create a fun and collaborative culture using our own employees' best ideas for improvements and growth and extend decision making power to all levels. We believe in rewarding our employees financially for such contributions.

4.2 Giving Back

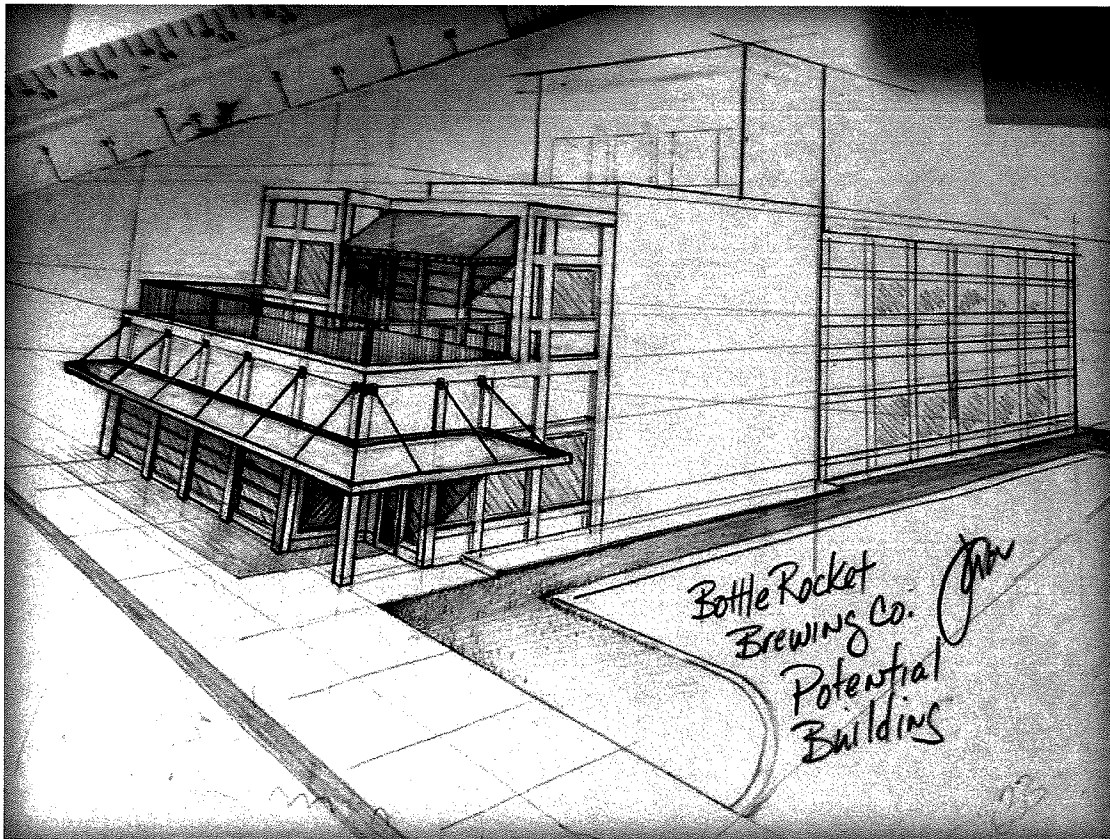
The individual members of the leadership team are already actively involved with various aspects of the Seward community. As a team we will continue to support the community and work to increase public awareness of the arts, culture, charities and environment. This can be accomplished by monetary donations to organizations related to or involved in these activities. We will look for ways to involve the local community in helping to choose which charities to support. Our first priority is to support local charities, followed by regional, national and then global causes.

5.0 Location Information

The corporate office and main brewing facility will be located at 230 S. 5th St, Seward, NE. Until we are fully moved into the building, the corporate address for Bottle Rocket Brewing LLC will be 1210 Eastridge Dr. Seward, NE 68434.

The building is located in historic downtown Seward, less than one block from the City square. Built as a granary in 1946, it is in excellent, structural condition and is an ideal location for a facility seeking to highlight the history of Seward. Since the building currently does not have the production or event space to meet our needs, BRB is working with Cheever construction to develop a floor plan that will surround the Mill inside a larger structure. In this way we can maintain the integrity of the original building, adding to the uniqueness of the facility. Some initial space concepts can be seen in section 5.6 Physical Brewery Layout.

Here is one of the first conceptual design ideas for the new building sketched by Jason Berry. The current building will be wrapped by a new building.





5.1 Production Room

The production space will feature a 10 barrel brewer, two 10 barrel brite tanks and four fermentation tanks. Also in the space will be a 288 sq ft cold storage unit, a keg washer and an area for bottling. The brewing equipment is being manufactured and installed by Alpha Brewing Operations out of Lincoln, NE. The system will be fully programmable and controlled with iPads. The system can be monitored from any location within the brewery. The system can also control timing of ingredients, temperature and fermentation to create a consistent taste that is vital to a craft brewery. The space will also include a mill room for handling the grains; it is rather ironic that the Mill will once again house grains!

5.2 Tap Room & Tourism

As a tourist and go-to destination for great beer, cultural awareness, patriotism and City of Seward historical intrigue, the BRB tap room will be the core of our identity as the predominate brewery in the state of Nebraska. We want to be a place that the Seward community and then the Nebraska community can be proud to call their own. It will be a destination within and from outside the Seward community, whether for wedding receptions, business meetings, rallies or fund raising events, it will serve as a unique and memorable gathering spot.

The Tap Room will feature a bar setting and merchandise area and a view right into the heart of the production space. The lounge will feature an estimated 1,300 square foot space with both high and low table seating and a comfortable lounge seating area; a perfect space for tasting great beer while socializing with friends. Another unique feature of the tap room will be the three industrial glass garage doors that sit in the front of the building. The door will have iron rails in front of them and can be opened on beautiful Nebraska days and evenings.

On weekends (dates to be determined) BRB will feature catering by local, Lincoln and surrounding community restaurants, food trucks and community fund raising meals. Beers will be spotlighted for each type of dining experience for the ultimate beer tasting experience.

5.3 Roof Top Patio

The Roof Top Patio will feature open patio space with seating, shaded areas and a very relaxed setting from which to view beautiful downtown Seward. This space can be rented out for tail gate parties, weddings, reunions, etc.

5.4 Event Space

The second floor will feature an event space. This space can be rented out for weddings, company events, seminars, and any other type of event for which significant space is needed. We will encourage community use of the rooms for various events. BRB will also initiate a wide variety of events in the space.

5.5 Location Access

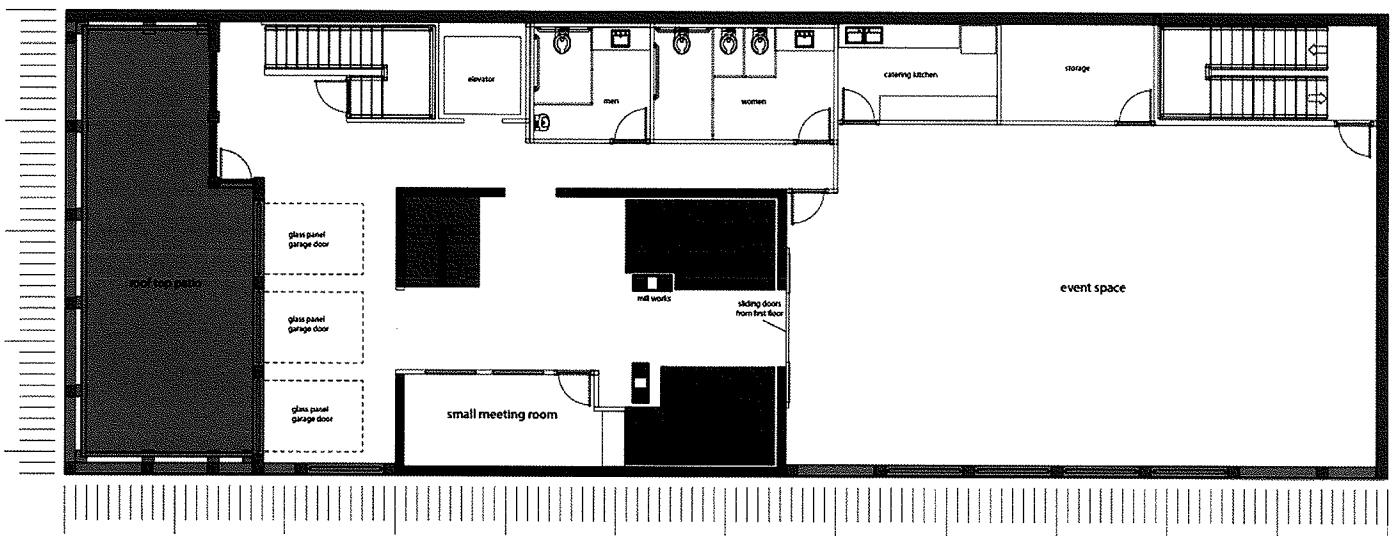
There is plenty of easy parking access to the building, with a parking lot directly to the south, along 5th Street and South Street. In addition there is parking on both sides of 4th Street. Since the location of the building is one block south of Highway 34 and one block east of Highway 15, this makes it convenient for tourists, but also off the main roads for easy parking and convenience for the local residents.

5.6 Energy Efficiency & Renewable

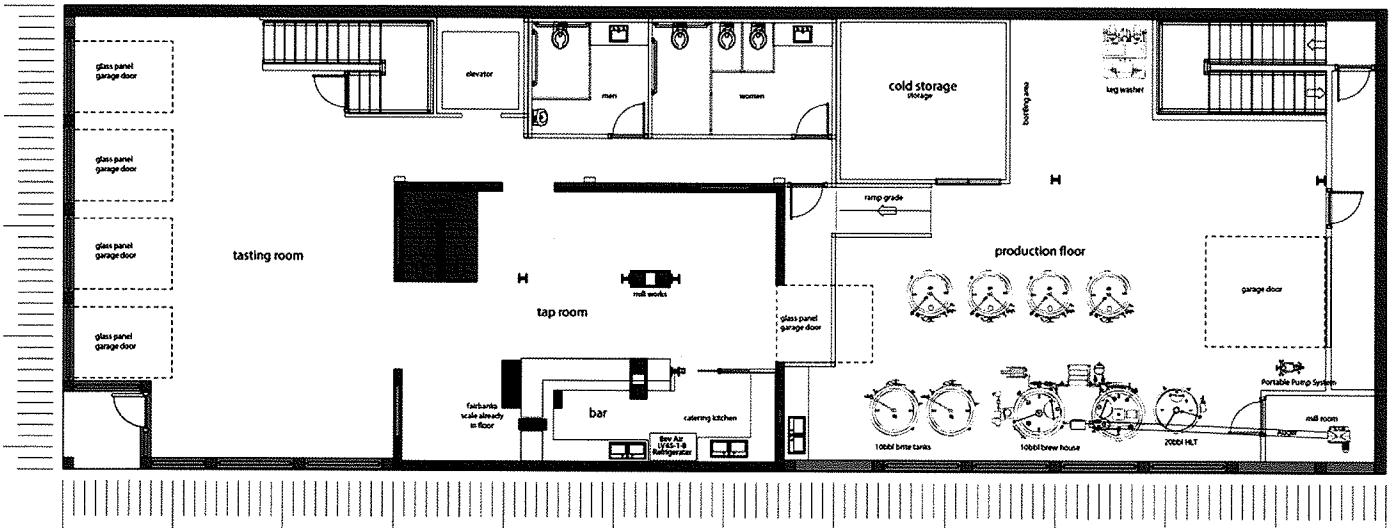
We plan to be sensible regarding energy consumption by reducing energy usage and using renewable energy throughout our brewery wherever possible. Though it is vital for the brewing and cleaning process, we recognize that water is an invaluable resource. Thus we are committed to protecting this resource in our brewery operations and aspire to minimize waste and promote water conservation.

Below is a mockup of the new building layout. The brown colored area is the current building.

Second Floor



First Floor





6.0 Operation Plan

All three primary managing members will meet weekly to remain in constant communication regarding all areas of marketing, advertising, event coordination and production of the company. Semi-monthly, there will be a meeting with a third party accountant that will contract for financial assistance and updates. The managing team may designate up to three capital investment individuals to sit in on the meetings to serve as advisors and two additional non-invested members of the board to serve as advisors. All final decisions will rest entirely on the three managing members.

6.1 Suppliers

The cost of raw materials dramatically decreases as quantities purchased increases. There are several suppliers that service the brewing industry. To get the best industry pricing, a pallet's worth of products must be ordered. Prices for products will be compared between suppliers. Although price is a driving force for profitability, quality of products will be the final determining factor in every purchase.

All products used in any beverage recipe must be available from a minimum number of suppliers. This will maintain a steady supply chain. All products must meet industry quality standards.

6.3 Quality Control

BRB will implement these quality control processes to ensure our customers always have consistent, quality beers at all times.

1. Define the problem.
2. Measure key aspects of the process and collect relevant data.
3. Analyze the data to investigate and verify cause-and-effect relationships, determine what the relationships are, and attempt to ensure that all factors have been considered. Then seek out root cause of the defect under investigation.
4. Improve and optimize the current process based on data analysis techniques.
5. Control the process to ensure that any deviations from the target are corrected before they result in defects.
6. We believe that business efficiencies also promote quality. The following practices will help to make our business cost effective and efficient.
 - a. Minimize out of stock materials
 - b. Improve product freshness and warehouse efficiencies
 - c. Maximize warehouse space utilization
 - d. Provide cash flow efficiencies
 - e. Capitalize on peak sales weeks

The brewing quality control process starts with inspecting all incoming raw ingredients. This includes the malt, hops, yeast, water and any other ingredients used in the beer recipes. The chemistry of Seward water can vary throughout the year. To maintain consistency in our beer, we have opted to filter the water using the recommended filters by Alpha Brewing Systems. The filter deemed necessary will be determined after water analysis testing. The water will be tested periodically to ensure quality. Our building plan includes a laboratory space for beer sampling and testing purposes in order to ensure our products meet customer expectations and quality standards.

Next, proper storage of these raw ingredients is very important. The humidity levels, temperature, and exposure to sunlight are all factors to be considered



for proper storage of the raw ingredients. By maintaining low humidity storage rooms free of insects and rodents, the life and freshness of these items will be extended. The yeast must be stored in refrigerators. Care must be taken to properly clean and sanitize all equipment and storage vessels to ensure yeast is not cross contaminated and to ensure that off-flavor bacteria and wild yeast do not infect the beer. All raw ingredients must be properly dated and labeled. The FIFO (First In – First Out) process will be employed to ensure the freshness of all ingredients.

Finally, all batches of beer will be sampled and graded for quality and consistency. If a batch of beer does not meet our quality standards, it will be analyzed for possible improvements. If steps cannot be made to allow the beer to meet our standards, it will be destroyed.

6.4 Inventory

Brewing software will be used to track raw material inventory. The software will deduct what ingredients are used and in what quantities. These numbers will be deducted from the amount maintained in inventory and a report will be generated when raw ingredients need to be ordered.



7.0 Financials

The initial startup costs for a brewery that features a state of the art craft brewing and tracking system, along with a modern destination location and a quality product are quite significant.

We understand and respect the cost and the work that goes into a business of this nature. We plan to run the finances of the company as conservatively as possible without risking the quality of our products. Furthermore, we will balance the virtues of financial stability with the broadening of our experiences and growth of the company. Our goal is to develop BRB into a strong and thriving company that will benefit all investors, the community, the employees and the management team.

Our initial operating startup costs are broken down into the following basic categories, with knowledge that the building construction and modifications can fall under the TIF (which we intend to utilize to the fullest).

Item	Projected Cost
Real Estate & Building (Acquisition)	\$ 130,000.00
Real Estate Construction	\$ 1,300,000.00
Brewing Equipment	\$ 275,000.00
Furnishings	\$ 76,000.00
Vehicles	\$ 50,000.00

Startup Costs and Cost of Initial Operation

Employee Expense	\$ 139,185.00	
Building Maintenance	\$ 10,000.00	
Marketing	\$ 4,380.00	
Telephone/Utilities	\$ 13,167.00	
Equipment Repair/Updating	\$ 6,667.00	
Insurance	\$ 24,320.00	
Legal/Software/Accounting	\$ 34,600.00	
Licensing & Fees	\$ 12,000.00	
Credit Card Fees	\$ 34,921.00	
Total		\$ 300,000.00
Total		\$ 2,131,000.00

In addition we are actively pursuing tax, grants and economic development advantages.

We are in discussions with various local banks about handling the initial cost loans to balance cash flow.

We have been working with CPA Ryan Burger of Seward, Nebraska and Attorneys Tim Moll of Rembolt Ludtke and Greg Damman of Blevens & Damman Law on various aspects of our business development.



7.1 Operational Costs

The state of mind and determination to set and work within a budget is crucial to a successful business. We will strive to keep all cost down while keeping revenues up. This balance of management requires experience and diligence that we possess and will build upon. The largest variable for BRB is the fact that grain and ingredient cost can shift with the markets and will affect our bottom lines. We have and will continue to search out experts within this area and try to utilize locally grown grains to reduce cost and make it well known that our beer is a Nebraska grown product.

7.2 Revenue

We have broken down the potential revenue stream for levels of barrels produced and sold per year. During the first 6-9 months of operation we will work to establish a positive working relationship with a key distributor. At this point we have only included revenue in the first year from beer produced and sold within BRB in this projection. Once distribution is added to the potential revenue stream, the production could easily exceed the 800bbl projection in year 1. Below is estimation based on minimum yearly production, initial estimates indicates that 800bbl of beer can be sold in Seward without distribution. Once a distribution contract is negotiated, production could double to triple per year. Our 10bbl system would have a maximum production capacity of just over 7,200 bbl per year. **Beer Gross Sales were based on production costs that were calculated to a value per ounce, taking into account all hard costs during production.*

Production	800bbl	1600bbl	3200bbl	4800bbl	6400bbl
Beer Gross Sales*	\$ 640,003.65	\$ 640,003.65	\$ 640,003.65	\$ 640,003.65	\$ 640,003.65
Distribution After 800bbl		\$ 480,002.74	\$ 1,440,008.21	\$ 2,400,013.68	\$ 3,360,019.15
Events	\$ 31,950.00	\$ 31,950.00	\$ 31,950.00	\$ 31,950.00	\$ 31,950.00
Merchandise	\$ 20,046.10	\$ 23,053.02	\$ 26,510.97	\$ 30,487.61	\$ 35,060.75
Gross Profit	\$ 691,999.75	\$ 1,175,009.40	\$ 2,138,472.82	\$ 3,102,454.94	\$ 4,067,033.55
Fixed Loans Cost					
Building Loan w/o Potential TIF	\$ 123,746.16	\$ 123,746.16	\$ 123,746.16	\$ 123,746.16	\$ 123,746.16
Brewing Equipment Loan	\$ 54,384.00	\$ 54,384.00	\$ 54,384.00	\$ 54,384.00	\$ 54,384.00
Business Equipment Furnishings Loan	\$ 22,404.00	\$ 22,404.00	\$ 22,404.00	\$ 22,404.00	\$ 22,404.00
Auto Loan	\$ 10,781.16	\$ 10,781.16	\$ 10,781.16	\$ 10,781.16	\$ 10,781.16
	\$ 211,315.32	\$ 211,315.32	\$ 211,315.32	\$ 211,315.32	\$ 211,315.32
Variable Costs					
Yearly Employee Expenses	\$ 121,030.00	\$ 142,963.60	\$ 172,884.40	\$ 216,587.80	\$ 264,435.60
St, Fed, SS and UnEmp Taxes	\$ 18,154.50	\$ 21,444.54	\$ 25,932.66	\$ 32,488.17	\$ 39,665.34
Maintenance Building	\$ 10,000.00	\$ 11,500.00	\$ 13,225.00	\$ 15,208.75	\$ 17,490.06
Marketing Expenses	\$ 4,380.00	\$ 5,037.00	\$ 5,792.55	\$ 6,661.43	\$ 7,660.65
Telephone	\$ 5,976.00	\$ 5,976.00	\$ 5,976.00	\$ 5,976.00	\$ 5,976.00
Utilities	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00
Equipment Updates/Fixes	\$ 6,667.00	\$ 7,667.05	\$ 8,817.11	\$ 10,139.67	\$ 11,660.62
Insurance	\$ 24,320.14	\$ 24,320.14	\$ 24,320.14	\$ 24,320.14	\$ 24,320.14
Legal, Software & Accounting (5% of GP)	\$ 34,599.99	\$ 58,750.47	\$ 106,923.64	\$ 155,122.75	\$ 203,351.68
Licensing & Fees (Liquor & Auto)	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Unexpected Costs (5% of GP)	\$ 34,946.00	\$ 58,750.47	\$ 106,923.64	\$ 155,122.75	\$ 203,351.68
Credit/Debit Card Processing Fees	\$ 20,759.99	\$ 35,250.28	\$ 64,154.18	\$ 93,073.65	\$ 122,011.01
	\$ 300,033.62	\$ 390,859.55	\$ 554,149.32	\$ 733,901.11	\$ 919,122.78
Net Profit	\$ 180,650.81	\$ 572,834.53	\$ 1,373,008.18	\$ 2,157,238.51	\$ 2,936,595.46



7.3 Investment

Investing in a brewery is an exciting opportunity. One obvious reason is that if they are setup and run well, craft breweries are highly profitable. But potential investors need to be aware that since we will be producing alcohol, all officers, employees and investors will be required to meet certain TTB, Federal and State regulations. Some of these regulations require that background checks be conducted and stipulate that a felon cannot own stock in a brewery. As a result, investing in a craft brewery requires a bit more paperwork than other company investments.

Breweries are expensive to launch, but have provided cash influx to the small communities in which they operate. Craft breweries can function with a high profit line because of one simple fact, "Beer has been part of civilization since day one!" This was noted in the documentary by Discovery Channel "How Beer Saved the World" which lays out how beer has been a key part of every civilization and will continue to be a part of its future. In short, beer is here to stay. Craft beer is impacting beer sales across the United State, and we are jumping on the wave.

To effectively start and hit the local, state and national markets correctly, we are looking to raise \$2,500,000 in capital investment. We are offering an initial of 8,000 shares at \$250 value per share. Due to regulations, we are offering a maximum investment to each individual of no more that 20% at \$500,000.00 and would prefer to keep minimum investment to at least \$25,000.00.

Purchase of initial shares and company operations are described in documents Operation Agreement, Private Placement Memorandum and Subscription Agreement. Those will be made available to interested investors. Upon purchase of Offered Shares, a 10% deposit is required at time of signing and purchased in full within 30 days of signing.

Federal and State Regulations dictate that all Members will be subject to a Federal background check, any individual with a felony is not eligible to own interest in a Craft Brewery. All Members will be listed on the company Application for Liquor License Form 102 as required by Nebraska Liquor Control Commission. Any Member holding over 25% of units and their spouses will be required to sign Nebraska Liquor Control Commission application forms.

7.4 Investor ROI

Investing in a brewery is an exciting venture. The potential returns can be even more exciting with national industry growth at 18% annually.

Over the first 5 years we will be focused on growth and stability. During this time, the first year, 2015, we will not be distributing dividends but instead returning all net profits back into the company. Beginning with the completion of 2016, dividend will be administered. From 2016-2019, investors will receive a proportionate dividend of 35% of net profits, with 65% returning to the company for growth and stability. In this projection, **investors could see their investment doubled in 4-6 years**. For example, an investment of \$25,000 could see a dividend of \$7,125 in year 4 based on this model, which would represent a 28.5% return on investment for that year.

NOTICE OF PUBLIC HEARINGS

Public notice is hereby given by the Planning Commission of the City of Seward, Nebraska, that a public hearing will be held at 7:30 p.m. on May 11, 2015, at the Seward Municipal Building, 142 North 7th Street, Seward, Nebraska. Public notice is hereby also given by the Mayor and City Council of the City of Seward, Nebraska, that a public hearing will be held at 7:00 p.m. on May 19, 2015, at the Seward Municipal Building, 142 North 7th Street, Seward, Nebraska. The purpose of both hearings is to obtain public comment prior to the review and consideration of a proposed amendment to the redevelopment plan for the City of Seward, including a specific redevelopment project.

The property which is the subject of this notice and of the public hearing is located at 230 South 5th Street in Seward, and is legally described as follows:

Lot 7, Block 20, Original Town of Seward, Seward County,
Nebraska.

All interested parties shall be afforded at each public hearing a reasonable opportunity to express their views regarding the proposed redevelopment plan amendment.

/s/Bonnie Otte, City Clerk

Please publish one time April 22, 2015
1 Proof of Publication

COMMUNITY REDEVELOPMENT AUTHORITY
CITY OF SEWARD, NEBRASKA
BOTTLE ROCKET BREWING
May, 2015

COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the above referenced project, as described on the attached Exhibit A, which will utilize funds authorized by Neb. Rev. Stat. §18-2147, can be summarized as follows:

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

a.	Estimate Base Project Area Valuation:	\$64,970
b.	Projected Completed Project Assessed Valuation:	\$832,272
c.	Projected Tax Increment Base (b. minus a.):	\$767,302
d.	Estimated Tax Levy:	1.735900
e.	Annual Projected Tax Shift:	\$13,320

Note: The Projected Tax shift is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

The Project anticipates expenditures of approximately \$1,380,000 for construction and installation of the Project and related and ancillary improvements. It is proposed that approximately \$130,800 of these expenditures will be financed with the proceeds of tax increment financing indebtedness, with the remaining balance to be paid by the Redeveloper. The projected sources and uses of the TIF indebtedness, which will be refined in the Redevelopment Agreement for this Project, are set forth in the TIF Sources and Uses chart on the attached Exhibit B. All expenditures financed by tax increment financing Indebtedness shall be eligible public expenditures. It is not anticipated that the Project will have a material adverse impact on existing public infrastructure.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, it is intended to create a long term benefit and substantial increase in property taxes to the City and other local taxing

jurisdictions. The Project should also generate immediate tax growth for the City. The Project will include an amount of personal property that will be on the property tax rolls upon its acquisition and installation. Additionally, the City should realize revenue from personal property and sales tax paid by the Redeveloper and the sales tax paid by customers for beer and merchandise.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

The Project should not have a material impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers. The Project could be seen as providing competition to local bars, but the Project is a different business, focused primarily on manufacturing beer. This manufacturing aspect is supported by the tap room and tasting room, but ultimately the manufacturing is the primary driver of business. There are no other breweries in the City. The closest competing craft breweries are in Lincoln, Nebraska.

5. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

The Project is anticipated to create 4 to 10 jobs in the City within one year. Ultimately, the Project could create 10 to 20 full and part time jobs in the City. There is also a tourism component to a craft brewery that should positively impact the redevelopment area and the City. The Project will also include unique construction features highlighting the history of the city. The Project will be constructed around the old mill that was built in 1946, which will be retained and preserved. The Redeveloper is also planning energy efficiency upgrades that should positively affect its impact on community resources and the environment.

There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project.

6. Cost Benefit Analysis Conclusion:

Based upon the findings presented in this cost benefit analysis, the benefits outweigh the costs of the proposed Project.

[SIGNATURE PAGE TO FOLLOW]

Approved by the Community Redevelopment Authority, City of Seward this ____
day of May, 2015.

E. Thomas Spunaugle, Chairman

Bonnie Otte, Secretary

EXHIBIT A

PROJECT INFORMATION

The Project will consist of the construction of an approximately 6,680 square foot craft brewery and tap room and other associated improvements on the following real estate:

Lot 7, Block 20, Original Town of Seward, Seward County, Nebraska.

Exhibit A

EXHIBIT B

PROJECTED TIF SOURCES AND USES

1. TIF SOURCES

Assumptions:	Tax Levy	1.735900
	Interest Rate	5.5%
	Number of years	15

**Property Value
Assumptions:**

	Assessed Value	Estimated Taxes
Pre-Project	\$64,970	\$1,128
Completed Project	\$832,272	\$14,447
Difference	\$767,302	\$13,320

TIF Calculations:

Annual TIF Amount	\$13,320
Total TIF Amount	\$199,800
Loan Amount	\$134,850
less 3% Admin Fee	(\$4,045.50)
Total TIF Available	\$130,804.50

2. TIF USES

Cost of Issuance	TBD
Site Acquisition	\$130,000
Site Preparation	\$21,900
Total	\$151,900

**AMENDMENT TO THE REDEVELOPMENT PLAN
OF THE CITY OF SEWARD, NEBRASKA
(BOTTLE ROCKET BREWING PROJECT)**

The City of Seward, Nebraska ("City") has undertaken a plan of redevelopment within the community pursuant to the adoption of the Redevelopment Plan for a certain redevelopment area in the City of Seward, as amended (the "Redevelopment Plan"). The Redevelopment Plan was approved by the City Council of the City as of November 15, 2011. The Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City, as set forth in the Redevelopment Plan.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the "Act"), the City created the Community Redevelopment Authority of the City of Seward ("CRA"), which has administered the Redevelopment Plan for the City.

The purpose of this Plan Amendment is to identify specific property within the redevelopment area that is in need of redevelopment to cause the removal of blight and substandard conditions identified as the site located in the in the City of Seward, Nebraska, and legally described on the attached and incorporated Exhibit "A" (the "Site").

Description of the Project

The project under consideration will consist of the construction of an approximately 6,680 square foot craft brewery and tap room and associated improvements on the Site (the "Project").

Project

The Site is in need of redevelopment. The CRA has considered whether redevelopment of the Site will conform to the general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CRA finds that such a redevelopment of the Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight. The blighted condition of the Site and the Redevelopment Area has contributed to its inability to attract businesses and/or development. In order to support private development, the Site and the Redevelopment Area are in need of renovation and development.

The Site was currently used as a grainery. There are exterior grain bins and concrete that needs to be removed to repurpose and redevelop the Site. The

building currently located on the site is inadequate to support a modern business. Significant site preparation must be undertaken before the Site can be developed. Additionally, the utility infrastructure is not sufficient to support manufacturing and will need to be upgraded to be viable for the proposed business. Because of the condition of the property and the upfront costs to remove the blighted and substandard conditions from the property, the Project is not feasible without the use of tax increment financing. The site acquisition required site preparation, stabilization and the construction of a retaining wall, extension of utilities, and other aspects of the Project are eligible expenditures under the Act. The redevelopment of the Site pursuant to this Plan Amendment will include the construction of a new brewery and other enhancements of the Project Site and Redevelopment Area. The project is anticipated to eliminate the current blight and substandard conditions of the Site and will further the purposes of the Act in conformity with the Redevelopment Plan. The Project will retain part of the grainery constructed in 1946, to preserve historical aspects of the Property, while constructing a modern brewery manufacturing facility and tap room that will enhance the Redevelopment Area and the City.

Bottle Rocket Brewing, LLC (the “Redeveloper”), have submitted a proposal for the redevelopment of the Site to include the construction of the brewery and associated improvements. Redeveloper will pay the costs of the private improvements, including all construction of the building. As part of the Project, the CRA shall capture available tax increment from the Site to assist in payment for the public improvements listed as eligible expenditures under the Act in the Redevelopment Area. Such public improvements may include, but are not limited to: site preparation, utility improvements, energy efficiency enhancements, and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act.

As described above, the project envisions the capture of the incremental taxes created by the Project on the Site to pay for those eligible expenditures as set forth in the Act. Attached as Exhibit “B” and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law.

Approved by the Community Redevelopment Authority, City of Seward, on this ____ day of May, 2015.

E. Thomas Spunaugle, Chairman

Bonnie Otte, Secretary

EXHIBIT "A"
Legal Description of the Site

The property is located at 230 South 5th Street and is legally described as follows:

Lot 7, Block 20, Original Town of Seward, Seward County, Nebraska.

Exhibit A

EXHIBIT “B”
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. The Redeveloper has a contractual right to purchase the property from the current owner, and the land will be purchased by Redeveloper.

B. Population Density

The proposed development at the project site is the construction of a brewery and tap house which will not significantly affect population density in the project area.

C. Land Coverage

The Project will consist of constructing a two story building with a total of approximately 6,680 square feet. This will include adding approximately 4,800 square feet of new construction to 1,880 square feet of existing building on the approximately 5,040 square foot project site. The Project will meet the applicable land-coverage ratios and zoning requirements as required by the City of Seward.

D. Traffic Flow, Street Layouts, and Street Grades

No adverse impacts are anticipated with respect to traffic flow, street layouts, and street grades.

E. Parking

The construction of the Project will include construction of all parking necessary to satisfy the parking requirements set forth in the applicable zoning district.

F. Zoning, Building Code, and Ordinances

The Site is located in the Commercial zoning district and the Project is a permitted use in said zoning district. No additional zoning, building code, or ordinance changes will be necessary for the Project. The Redeveloper has been approved for its required Brewer's Permit from the Federal Trade and Tax Bureau, and is currently working with the Nebraska Liquor Control Commission to obtain the necessary state liquor license.

REDEVELOPMENT AGREEMENT (Bottle Rocket Brewing Project)

This Redevelopment Agreement is made and entered into as of the ____ day of May, 2015, by and between the Community Redevelopment Authority of the City of Seward, Nebraska ("CRA") and Bottle Rocket Brewing, LLC, a Nebraska limited liability company ("Redeveloper").

RECITALS

- A. The CRA is a duly organized and existing community redevelopment authority, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Agreement.
- B. The City of Seward, in furtherance of the purposes and pursuant to the provisions of Article VIII, Section 12 of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 to 18-2154, as amended (collectively the "Act"), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City, including the Redevelopment Area.
- C. Redeveloper owns or has contracted to purchase the Project Site which is located in the Redevelopment Area.
- D. Redeveloper submitted a redevelopment project proposal to redevelop the Project Site.
- E. The CRA has approved the Redeveloper's proposed redevelopment project, including the utilization of tax-increment financing to provide for the construction of the eligible public improvements defined in this Redevelopment Agreement.
- F. CRA and Redeveloper desire to enter into this Redevelopment Agreement for redevelopment of the Project Site.

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

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Agreement.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Agreement, 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:

A. “Act” means Article VIII, Section 12 of the Nebraska Constitution, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended, and acts amendatory thereof and supplemental thereto.

B. “City” means the City of Seward, Nebraska.

C. “County” means Seward County, Nebraska.

D. “CRA” means Community Redevelopment Authority of the City of Seward, Nebraska.

E. “Effective Date” means January 1, 2016.

F. “Eligible Project Costs” means only costs or expenses incurred by Redeveloper for Public Improvements that are eligible for reimbursement under the Act.

G. “Minimum Project Valuation” means the amount of Eight Hundred Thirty Two Thousand Two Hundred Seventy Two and No/100 Dollars (\$832,272.00).

H. “Private Improvements” means all the private improvements to be constructed on the Project Site as more particularly described on Exhibit “A”.

I. “Project” means the work undertaken in the Redevelopment Area which is necessary or incidental to the proper clearance, development, or redevelopment of blighted and substandard conditions in the Redevelopment Area, which shall include improvements to the Project Site and adjacent thereto, including the Private Improvements and Public Improvements defined herein and described on Exhibit “A” attached and incorporated by this reference.

J. “Project Completion Date” means December 31, 2015.

K. “Project Site” means all that certain real property situated in the City of Seward, Seward County, Nebraska, more particularly described on Exhibit “A”.

L. “Public Improvements” shall include all the public improvements more particularly described on Exhibit “A” which are eligible improvements under the Act. The costs of the Public Improvements include the debt service payments of the TIF Indebtedness.

M. “Redeveloper” means Bottle Rocket Brewing, LLC, a Nebraska limited liability company.

N. “Redevelopment Agreement” means this Redevelopment Agreement between the CRA and Redeveloper with respect to the Project.

O. "Redevelopment Area" means the Redevelopment Area #1 that is set forth in the Redevelopment Plan.

P. "Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Area by the CRA and approved by the City pursuant to the Act, as amended from time to time.

Q. "Tax Increment" means incremental ad valorem taxes generated by the Project which are allocated to and paid to the CRA pursuant to the Act, as more particularly described in Section 3.02 of this Redevelopment Agreement.

R. "TIF Indebtedness" means any bonds, notes, loans and advances of money or other indebtedness, including interest thereon, issued by the CRA or the City secured in whole or in part by the Tax Increment.

Section 1.02 Construction and Interpretation.

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

(a) This Redevelopment Agreement shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.

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

(c) The phrase "at any time" shall be construed as meaning "at any time or from time to time."

(d) The word "including" shall be construed as meaning "including, but not limited to."

(e) The words "will" and "shall" shall each be construed as mandatory.

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

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

(h) The captions to the sections of this Redevelopment Agreement 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 the CRA.

The CRA makes the following representations and findings:

- (a) The CRA is a duly organized and validly existing community redevelopment authority under the Act.
- (b) The CRA deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper for the redevelopment of the Project Site as specified herein.
- (c) The Project will achieve the public purposes of the Act by, among other things, increasing employment, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Area.

Section 2.02 Representations of Redeveloper.

Redeveloper makes the following representations and findings:

- (a) Redeveloper is a Nebraska limited liability company, having the power to enter into this Redevelopment Agreement and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Agreement.
- (b) The execution and delivery of the Redevelopment Agreement 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 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 Agreement or, except as disclosed in writing to the CRA, as to any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.
- (d) Redeveloper owns or has contracted to purchase the Project Site, in fee simple and free from any liens, encumbrances, or restrictions which would prevent the performance of this Agreement by Redeveloper.

ARTICLE III OBLIGATIONS OF THE CRA AND PUBLIC IMPROVEMENTS

Section 3.01 Capture of Tax Increment.

Subject to the contingencies described below and to all of the terms and conditions of this Agreement, commencing for the tax year of the Effective Date and continuing thereafter, the CRA shall capture the Tax Increment from the Private Improvements pursuant to the Nebraska Community Development Law. The CRA shall divide the ad valorem tax and capture the Tax Increment generated by the Project Site for a total period of not to exceed fifteen (15) years after the Private Improvements have been included in the assessed valuation of the Project Site and is generating the Tax Increment subject to capture by the CRA. The effective date of this provision shall be the Effective Date. The CRA shall file with the County Assessor the "Notice to Divide Taxes" on or prior to August 1st in the year of the Effective Date.

Section 3.02 Tax Increment.

The term Tax Increment shall mean, in accordance with Neb. Rev. Stat. § 18-2147 of the Nebraska Community Development Law, the difference between the ad valorem tax which is produced by the tax levy (fixed each year by the County Board of Equalization) for the Project Site before the completion of the construction of the Private Improvements and the ad valorem tax which is produced by the tax levy for the Project Site after completion of construction of the Private Improvements as part of the Project. For this Project, the anticipated Tax Increment is the difference between the projected taxes payable for 2016 (after construction completion) and the taxes payable for 2015 (before completion of construction), as more particularly set forth on Exhibit "B".

Section 3.03 Issuance of TIF Indebtedness.

(a) On or after thirty (30) days following the approval and execution of this Agreement, the CRA shall incur or issue Redeveloper TIF Indebtedness in the estimated amount of One Hundred Thirty Four Thousand Eight Hundred Fifty and No/100 Dollars (\$134,850.00), as calculated on the attached and incorporated Exhibit "B", to be purchased by the Redeveloper or a lender of the Redeveloper. The Redeveloper TIF Indebtedness, which shall be in the form of a TIF Promissory Note, shall not be a general obligation of the CRA or City which shall issue such Note solely as a conduit. The Redeveloper shall locate a lender or other entity to acquire and fund the acquisition of the TIF Note for this Redeveloper TIF Indebtedness. The Redeveloper Indebtedness shall be secured by a pledge or assignment of the Tax Increment or otherwise secured by the Redeveloper as required by the lender.

(b) The parties acknowledge that there are additional eligible public improvements within the Redevelopment Area that would benefit the Project and the City including, but not limited to, additional street and infrastructure

improvements, utility improvements, public space enhancements, public facility improvements, landscaping, the implementation and financing of a CRA program of voluntary or compulsory repair, rehabilitation, or demolition of buildings and other improvements in accordance with the Redevelopment Plan, and the removal of blighted and substandard conditions, that are being included in the Project as CRA Improvements. If the Redeveloper TIF Indebtedness is fully repaid prior to the end of the fifteen (15) year tax increment capture period, the CRA shall have the right to incur or issue CRA TIF Indebtedness in an amount reasonably determined by the CRA to be used for the construction and completion of the CRA Improvements. The CRA TIF Indebtedness may be issued in the form of a CRA TIF promissory note, loan, advance of money, or any form of indebtedness incurred by the CRA, and the CRA shall capture any remaining Tax Increment to pay the CRA TIF Indebtedness in the Redevelopment Area. The CRA TIF Indebtedness shall in no case be a general obligation of the CRA or City.

Section 3.04 Use of TIF Indebtedness.

(a) CRA will collect the Tax Increment and use said Tax Increment to pay debt service on the TIF Indebtedness incurred as provided in Section 3.03 of this Redevelopment Agreement. Notwithstanding the foregoing, the amount of the Redeveloper TIF Indebtedness that the CRA agrees to service and repay with the Tax Increment shall not exceed the amount of the Eligible Project Costs certified pursuant to Section 4.02. In addition, the CRA shall retain an amount sufficient to pay its reasonable and necessary cost of issuance, including attorney fees, and a CRA administration fee in the amount of three percent (3%) of the Redeveloper TIF Indebtedness. The Tax Increment, less the CRA's costs set forth above, shall be paid pursuant to the terms and schedules of any TIF Promissory Note or TIF resolution issued by the CRA relating to this Project.

(b) Upon the repayment in full of the Redeveloper TIF Indebtedness, the CRA shall retain the Tax Increment to pay the CRA TIF Indebtedness, if the CRA issues or incurs any CRA TIF Indebtedness pursuant to Section 3.03(b). The CRA shall not be obligated to issue any CRA TIF Indebtedness.

Section 3.05 Creation of Fund.

CRA will create a special fund to collect and hold the receipts of the Tax Increment. Such special fund shall be used for no purpose other than to: (1) pay TIF Indebtedness issued pursuant to Section 3.03 above; and (2) hold any Tax Increment until such time as the CRA commences the public improvements and incurs the CRA TIF Indebtedness described in Section 3.03(b).

Section 3.06 Projected TIF Sources and Uses.

In addition to the Redeveloper TIF Indebtedness calculation formula set forth on Exhibit "B", Redeveloper's anticipated TIF sources and eligible uses are attached and incorporated for the parties' reference as Exhibit "C."

ARTICLE IV OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Insurance.

(a) Redeveloper will complete the Public Improvements and the Private Improvements as described on Exhibit "A" and install all equipment necessary to operate the Public Improvements and the Private Improvements no later than the Project Completion Date. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Public Improvements and the Private Improvements. Until construction of the Public Improvements and the Private Improvements has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the CRA as to the actual progress of Redeveloper with respect to construction of the Public Improvements and the Private Improvements. Promptly after completion by Redeveloper of the Public Improvements and the Private Improvements, Redeveloper shall furnish to the CRA a Certificate of Completion in the form attached hereto as Exhibit "D" and incorporated by this reference. When signed and accepted by the CRA, the certification by Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Agreement with respect to the obligations of Redeveloper to construct the Public Improvements and the Private Improvements.

(b) Any contractor chosen by Redeveloper or 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 (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance) and a penal bond as required by the Act. Redeveloper shall be named as an additional insured. Any contractor chosen by Redeveloper or Redeveloper itself, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance). This insurance shall insure against the perils of fire and extended coverage and shall include "special causes of loss" insurance for physical loss or damage.

(c) Redeveloper shall have no obligation to construct or complete any CRA improvements that will be constructed with the CRA TIF Indebtedness, pursuant to Section 3.03(b) of this Redevelopment Agreement.

Section 4.02 Cost Certification.

Redeveloper shall submit to CRA a certification of Eligible Project Costs, after expenditure of such project costs. Redeveloper may, at its option, submit one or more partial Eligible Project Costs Certifications prior to expenditure of all Eligible Project Costs providing certification of receipt of billings for work in progress. All Eligible Project Costs Certifications shall be subject to review and approval by the CRA. Determinations by the CRA whether costs included in the

Eligible Project Costs Certification are properly included in Eligible Project Costs as defined in this Agreement shall be made in its sole discretion and shall be conclusive and binding on Redeveloper.

Section 4.03 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as this Redevelopment Agreement 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, color, religion, sex, 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 4.04 Pay Real Estate Taxes.

(a) Redeveloper intends to create a taxable real property valuation of the Project and Project Site of not less than the Minimum Project Valuation no later than the Effective Date. During the period of this Agreement, Redeveloper, its successors and assigns, will: (1) not protest a real estate property valuation of the Project and Project Site to a sum less than or equal to the Minimum Project Valuation; and (2) not convey the Project Site 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.

(b) If, during the period of this Agreement, the Project Site is assessed at less than the Minimum Project Valuation, Redeveloper shall either: (1) successfully protest the valuation of the Project Site upwards such that the valuation is equal to or greater than the Minimum Project Valuation; or (2) make a payment in lieu of taxes in the amount the anticipated Tax Increment, as defined in Exhibit "B", exceeds the actual Tax Increment.

Section 4.05 No Assignment or Conveyance.

Redeveloper shall not convey, assign or transfer the Project Site or any interest therein prior to the termination of the 15 year period commencing on the Effective Date specified in Section 3.01 hereof without the prior written consent of the CRA, which shall not be unreasonably withheld and which the CRA may make subject to any terms or conditions it reasonably deems appropriate, except for the following conveyance, which shall be permitted without consent of the CRA:

(a) any conveyance as security for indebtedness (i) previously incurred by Redeveloper or incurred by Redeveloper after the effective date for Project costs or any subsequent physical improvements to the premises with the outstanding principal amount of all such indebtedness (whether incurred prior to or after the

effective date of this Agreement) secured by the Project Site which shall have lien priority over the obligations of Redeveloper pursuant to this Redevelopment Agreement, or (ii) any additional or subsequent conveyance as security for indebtedness incurred by Redeveloper for Project costs or any subsequent physical improvements to the premises provided that any such conveyance shall be subject to the obligations of Redeveloper pursuant to this Redevelopment Agreement.

ARTICLE V FINANCING PROJECT; ENCUMBRANCES

Section 5.01 Financing.

(a) Redeveloper shall pay all costs for the construction of the Private Improvements and the Public Improvements. Redeveloper shall be responsible for arranging all necessary financing for the construction of the Public Improvements and Private Improvements, including, with respect to the Public Improvements, the TIF Indebtedness.

(b) Notwithstanding Redeveloper's obligation above, the CRA shall pay the cost of and shall be responsible for arranging all necessary financing for any CRA improvements that shall be constructed utilizing the CRA TIF Indebtedness, pursuant to Section 3.03(b) of this Redevelopment Agreement.

Section 5.02 Encumbrances.

Redeveloper shall not create any lien, encumbrance or mortgage on the Project or the Project Site except, (a) encumbrances which secure indebtedness incurred to acquire, construct and equip the Project or for any other physical improvements to the Project Site, (b) easements and rights of entry granted by Redeveloper, (c) construction and materialman liens that may be filed in connection with the construction of the Private Improvements so long as any such lien is discharged or bonded within 90 days of completion of the Private Improvements, and (d) any other liens so long as any such lien is satisfied and released or substitute security is posted in lieu thereof within 90 days of Redeveloper receiving notice thereof.

ARTICLE VI DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of the CRA and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Agreement or any of its terms or conditions, by either 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 Agreement 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 Agreement, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations; provided that, in view of the additional remedies of the CRA set out in Section 6.02, the remedy of specific performance by Redeveloper shall not include or be construed to include the covenant to build or construct the Private Improvements or Project.

Section 6.02 Additional Remedies of the CRA.

In the event that:

(a) Redeveloper, or successor in interest, shall fail to complete the construction of the Project on or before the Project Completion Date, or shall abandon construction work for any period of 120 days (not including any period covered pursuant to the terms of Section 6.04 below);

(b) Redeveloper, or successor in interest, shall fail to pay real estate taxes or assessments on the Project Site or any part thereof when due, and such taxes or assessments or payments in lieu of taxes shall not have been paid, or provisions satisfactory to the CRA made for such payment within thirty (30) days following written notice from the CRA;

(c) Redeveloper does not maintain an assessed valuation equal to or greater than the Minimum Project Valuation for the Project Site for the term of this Agreement and fails to satisfy the obligations of Section 4.04(b) of this Agreement; or

(d) There is, in violation of Section 4.05 of this Redevelopment Agreement, transfer of the Project Site or any part thereof, and such failure or action by Redeveloper has not been cured within 30 days following written notice from the CRA,

then Redeveloper shall be in default of this Redevelopment Agreement; and such failure to perform, breach or default is not cured in the period herein provided, the parties agree that the damages caused to the CRA would be difficult to determine with certainty. To the extent that such failure results in the fact that the CRA is not able to capture the full amount of the anticipated Tax Increment contemplated hereunder, Redeveloper shall be obligated, on an annual basis, to remit the sum by which the anticipated Tax Increment exceeds the actual Tax Increment.

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event Redeveloper fails to perform any other provisions of this Redevelopment Agreement (other than those specific provisions contained in Section 6.02), and such failure has not been cured within 30 days following

written notice from the CRA, then Redeveloper shall be in default. In such an instance, the CRA may seek to enforce the terms of this Redevelopment Agreement or exercise any other remedies that may be provided in this Redevelopment Agreement or by applicable law; provided, however, that the default covered by this Section shall not give rise to a right or rescission or termination of this Redevelopment Agreement.

Section 6.04 Limitation of Liability; Indemnification.

(a) Notwithstanding anything in this Article VI or this Redevelopment Agreement to the contrary, neither the CRA, City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Agreement. The obligation of the CRA on any TIF Indebtedness shall be limited solely to the Tax Increment pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither City nor the CRA shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. Redeveloper releases the CRA and the City from and agrees that the CRA and the City shall not be liable 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 Private Improvements.

(b) Redeveloper agrees to indemnify, defend (at the CRA's and/or the City's option) and hold harmless the CRA, the City, their respective employees, officials, agents, representatives and volunteers from and against any and all liabilities, damages, injuries (including death), property damage (including loss of use), claims, liens, judgments, costs, expenses, suits, actions, or proceedings and reasonable attorney's fees, and actual damages of any kind or nature, arising out of or in connection with any aspect of the acts, omissions, negligence or willful misconduct of Redeveloper, its employees, agents, officers, contractors or subcontractors, or Redeveloper's performance or failure to perform under the terms and conditions of this Redevelopment Agreement. Such indemnification, hold harmless and defense obligation shall exclude only such liability actions as arise directly out of acts, omissions, or the sole negligence or willful misconduct of the CRA or the City. The indemnification and defense obligations set forth herein shall survive the termination of this Redevelopment Agreement.

**ARTICLE VII
MISCELLANEOUS**

Section 7.01 Memorandum.

A Memorandum of this Redevelopment Agreement shall be recorded with the County Register of Deeds. The form of the Memorandum is attached as Exhibit "E" and incorporated by this reference.

Section 7.02 Governing Law.

This Redevelopment Agreement shall be governed by the laws of the State of Nebraska, including the Act.

Section 7.03 Binding Effect; Amendment.

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

Section 7.04 No Agency or Partnership.

This Redevelopment Agreement is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between the CRA and the City, on the one hand, and Redeveloper, on the other hand, nor between the CRA and the City, on the one hand, and any officer, employee, contractor or representative of Redeveloper, on the other hand. No joint employment is intended or created by this Redevelopment Agreement for any purpose. Redeveloper agrees to so inform its employees, agents, contractors and subcontractors who are involved in the implementation of or construction under this Redevelopment Agreement.

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

[Signature and Notary Pages to Follow]

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
E. Thomas Spunaugle, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of May, 2015, by E. Thomas Spunaugle and Bonnie Otte, Chairman and Secretary respectively of the Community Redevelopment Authority of the City of Seward, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

“REDEVELOPER”

BOTTLE ROCKET BREWING, LLC, a
Nebraska limited liability company

By: _____
Gerald Homp, President

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of May, 2015, by Gerald Homp, President of Bottle Rocket Brewing, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

EXHIBIT “A”

DESCRIPTION OF PROJECT

The Project undertaken by Redeveloper on the Project Site, defined as the real estate legally described as:

Lot 7, Block 20, Original Town of Seward, Seward County,
Nebraska (the “Project Site”)

shall consist of the following:

- (a) **Private Improvements.** The construction of an approximately 6,680 square foot craft brewery and tap room, and the associated improvements within the Redevelopment Area.
- (b) **Public Improvements.** Site acquisition, site preparation, and other eligible public improvements on the Project Site and in the Redevelopment Area, which public improvements are eligible improvements under the Act pursuant to this Redevelopment Agreement; paid for, in part, by the Tax Increment created by the Private Improvements.

Exhibit “A”

EXHIBIT “B”

REDEVELOPER TIF INDEBTEDNESS

1. **Principal Amount.** The principal amount of the Redeveloper TIF Indebtedness shall be the amount, together with interest accruing thereon, which can be amortized by December 31, 2031, solely from the Tax Increment Revenues based upon the current aggregate ad valorem tax rate applicable to the Project Site multiplied by an assumed valuation of \$832,272, subject to required debt service coverage, required reserve, and cost of issuance.
2. **Anticipated Tax Increment:** \$13,320 annually. The ad valorem taxes shall be divided for a period not to exceed 15 years.
3. **Payments.** Semi-annually with interest only until real estate taxes are fully collected for the tax year 2106 in an amount sufficient to fully amortize the TIF Indebtedness on or before the Maturity Date.
4. **Maturity Date.** On or before December 31, 2031.

Exhibit “B”

EXHIBIT "C"

PROJECTED TIF SOURCES AND USES

1. TIF SOURCES

Assumptions:

Tax Levy	1.735900
Interest Rate	5.5%
Number of years	15

Property Value

Assumptions:

	Assessed Value	Estimated Taxes
Pre-Project	\$64,970	\$1,128
Completed Project	\$832,272	\$14,447
Difference	\$767,302	\$13,320

TIF Calculations:

Annual TIF Amount	\$13,320
Total TIF Amount	\$199,800
Loan Amount	\$134,850
less 3% Admin Fee	(\$4,045.50)
Total TIF Available	\$130,804.50

2. TIF USES

Cost of Issuance	TBD
Site Acquisition	\$130,000
Site Preparation	\$21,900
Total	\$151,900

Exhibit "C"

1

EXHIBIT “D”

**CERTIFICATE OF COMPLETION OF IMPROVEMENTS
(Bottle Rocket Brewing Project)**

The undersigned certifies, represents and warrants to the City of Seward, Nebraska, and the Community Redevelopment Authority of the City of Seward, Nebraska (“CRA”) with regard to the following real property situated in the City of Seward, Seward County, Nebraska, to wit:

Lot 7, Block 20, Original Town of Seward, Seward County, Nebraska,

that the Private Improvements required to be constructed by the Redeveloper upon the above described property have been satisfactorily completed in accordance with the requirements of the Redevelopment Agreement dated _____, 2015, as referenced in the Memorandum of Redevelopment Agreement recorded as Instrument No. _____ in the office of the Register of Deeds for Seward County, Nebraska.

“REDEVELOPER”

BOTTLE ROCKET BREWING, LLC, a
Nebraska limited liability company

By: _____
Gerald Homp, President

Exhibit “D”

1

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by Gerald Homp, President of Bottle Rocket Brewing, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

ACCEPTED by the Community Redevelopment Authority of the City of Seward, Nebraska this ____ day of _____, 2015.

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
E. Thomas Spunaugle, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by E. Thomas Spunaugle and Bonnie Otte, Chairman and Secretary respectively of the Community Redevelopment Authority of the City of Seward, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

Exhibit “D”

2

EXHIBIT “E”

MEMORANDUM OF REDEVELOPMENT AGREEMENT (Bottle Rocket Brewing Project)

This Memorandum of Redevelopment Agreement (“Memorandum”) is made this ____ day of May, 2015 by and between the Community Redevelopment Authority of the City of Seward, Nebraska (“CRA”) and Bottle Rocket Brewing, LLC, a Nebraska limited liability company (“Redeveloper”).

1. **Redevelopment Agreement.** CRA and Redeveloper have entered into that certain Redevelopment Agreement dated as of this even date, describing the public improvements being made by the CRA in the Redevelopment Area and the private improvements being made to real property owned by Redeveloper and legally described as:

Lot 7, Block 20, Original Town of Seward, Seward County,
Nebraska (the “Project Site”).

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the CRA of the private improvements to be made by the Redeveloper for a period not to exceed fifteen (15) years after the Project Effective Date of January 1, 2016. The Tax Increment so captured by the CRA shall be used to make the public improvements as described in the Redevelopment Agreement.

3. **Remaining Terms.** The rest and remaining terms of the Redevelopment Agreement are hereby incorporated into this Memorandum as if they were set forth in full. A full and correct copy of the Redevelopment Agreement may be inspected at the CRA offices in Seward, Nebraska.

[SIGNATURE PAGES TO FOLLOW]

Exhibit “E”

1

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
E. Thomas Spunaugle, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of May, 2015, by E. Thomas Spunaugle and Bonnie Otte, Chairman and Secretary respectively of the Community Redevelopment Authority of the City of Seward, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

Exhibit “E”

2

“REDEVELOPER”

BOTTLE ROCKET BREWING, LLC, a
Nebraska limited liability company

By: _____
Gerald Homp, President

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of May, 2015, by Gerald Homp, President of Bottle Rocket Brewing, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

4845-6265-7827, v. 1

Exhibit “E”

3

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

Registered

Registered

No. 1

\$_____

UNITED STATES OF AMERICA
STATE OF NEBRASKA
THE COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF SEWARD

COMMUNITY REDEVELOPMENT REVENUE NOTE
(BOTTLE ROCKET BREWING PROJECT)
SERIES 2015A

Maturity Date	Original Issuance Date
December 15, 2031	_____, 2015

Registered Holder	Principal Amount
	[\$TBD]

Interest Rate:
[TBD]

THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA (the “Issuer”), a body politic and corporate organized and existing under the laws of the State of Nebraska, for value received hereby promises to pay, solely from the source and as hereinafter provided, to the Registered Holder identified above, or registered assigns, the Principal Amount identified above at the office of the Seward City Treasurer, as Paying Agent and Registrar, and in like manner to pay solely from said source interest on said principal sum at the Interest Rate identified above from the Original Issuance Date identified above or from the most recent date to which interest has not been paid. Accrued Interest shall be payable in three (3) installments due December 15, 2015, June 15, 2016, and December 15, 2016. Thereafter principal and accrued interest shall be payable in thirty (30) semi-annual installments due June 15, 2017, December 15, 2017, and each June 15 and December 15 thereafter through December 15, 2031, when all principal and accrued interest shall be due and

payable. Except with respect to interest not punctually paid, the principal and interest on this Note will be paid by check or draft mailed to the Registered Holder in whose name this Note is registered at the close of business on the fifteenth calendar day next preceding the applicable maturity date at his address as it appears on such note registration books. The principal and interest of this Note is payable in any coin or currency of the United States of America which on the respective dates of payment is legal tender for the payment of public and private debts.

This Note is designated The Community Redevelopment Authority of the City of Seward, Nebraska Redevelopment Revenue Note (Bottle Rocket Brewing Project), Series 2015A, aggregating _____ and No/100 Dollars (\$_____) (the "Note") in principal amount which have been issued pursuant to the Section 12 of Article VIII of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended and supplemented (the "Act") and under and pursuant to a Redevelopment Agreement between Issuer the Redeveloper on the above-referenced project, to aid in the financing of a redevelopment project pursuant to the Act. This Note does not represent a debt or pledge of the faith or credit of the Issuer or grant to the Registered Holder of this Note any right to have the Issuer levy any taxes or appropriate any funds for the payment of the principal hereof or the interest hereon nor is this Note a general obligation of the Issuer, or the individual officials, officers or agents thereof. This Note is payable solely and only out of the Tax Increment Revenues generated by the above-referenced Project. All such revenue has been duly pledged for that purpose.

THIS NOTE AND THE INTEREST HEREON DOES NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR SHALL THIS NOTE AND THE INTEREST HEREON EVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA, A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or upon any obligation, covenant or agreement contained in the Redevelopment Agreement for the Project against any past, present or future employee, member or elected official of the Issuer, or any incorporator, officer, director, member or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such is hereby expressly waived and released as a condition of and in consideration of the issuance of this Note.

It is hereby certified and recited and the Issuer has found: that the Project is an eligible "redevelopment project" as defined in the Act; that the issuance of this Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act by, among other things, contributing to the development of a blighted and substandard area of the City of Seward, Nebraska, pursuant to a Redevelopment Plan adopted by the City; that all acts,

conditions and things required to be done precedent to and in the issuance of this Note have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and, that this Note does not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitations.

This Note is transferable only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person, or by the Registered Holder's duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder, together with a Purchase Letter from the transferee that is satisfactory to Issuer in Issuer's sole discretion, and thereupon a new registered Note or Notes in the same aggregate principal amounts shall be issued to the transferee in exchange therefor, and upon payment of the charges therein prescribed. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and premium, if any, and interest due hereon and for all other purposes.

The Note is issuable in the form of a registered Note without coupons. Subject to such conditions and upon the payment of such charges reasonably set by Issuer, the owner of any registered Note or Notes may surrender the same (together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of registered Notes of any other authorized denominations.

The Note is redeemable at the option of the Issuer at any time, in whole or in part, upon notice mailed to the owner of each Note not less than 30 days prior to the date fixed for redemption at a redemption price equal to par plus accrued interest to the redemption date.

The Note is prepayable at any time in whole or in part, at a prepayment price of par plus accrued interest to the prepayment date, to the extent there are any funds in the Debt Service Fund in excess of amounts necessary to pay scheduled debt service or in the event the Redeveloper directs the Issuer that it wishes to prepay the Note. Prepayments shall reduce the number, but not the amount, of scheduled debt service payments on the Note, in inverse order of maturity.

It is hereby certified and recited that all conditions, acts and things required by law and the Redevelopment Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issue of this Note, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the laws of the State of Nebraska.

This Note shall not be entitled to any benefit or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Registrar of the Certificate of Authentication hereon.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA has caused this Note to be signed in its name and on its behalf by the signature of its Chairman and attested by the signature of its Secretary, as of the Original Issuance Date identified above.

THE COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

Bonnie Otte, Secretary

By: _____
E. Thomas Spunaugle, Chairman

CERTIFICATE OF AUTHENTICATION

This Note is delivered pursuant to the Redevelopment Agreement and the CRA's authorizing resolution.

Seward City Treasurer,
as Paying Agent and Registrar

By: _____
Authorized Signature

4831-3908-6883, v. 1

CITY OF SEWARD, NEBRASKA
RESOLUTION #2015-__

(Amendment to Redevelopment Plan – Bottle Rocket Brewing Project)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SEWARD, NEBRASKA, APPROVING AN AMENDMENT OF THE
REDEVELOPMENT PLAN FOR THE CITY OF SEWARD, NEBRASKA,
INCLUDING A SPECIFIC REDEVELOPMENT PROJECT.**

RECITALS

A. The Community Redevelopment Authority of the City of Seward (“CRA”) has recommended that the Redevelopment Plan for Redevelopment Area #1, a copy of which is on file and available for public inspection with the City Clerk, (the “Redevelopment Plan”) should be amended to include a project for the redevelopment of certain real property within the Redevelopment Area identified and legally defined in said amendment (the “Project Site”).

B. The proposed amendment to the Redevelopment Plan (“Redevelopment Plan Amendment”) is on file and available for public inspection with the Seward City Clerk.

C. The Redevelopment Plan Amendment includes a redevelopment project, (the “Project”) that will utilize tax increment financing pursuant to Neb. Rev. Stat. § 18-2147.

D. The CRA submitted the question of whether the Redevelopment Plan Amendment should be recommended to the City Council to the Planning Commission of the City of Seward.

E. The Planning Commission recommended the approval of the Redevelopment Plan Amendment.

F. Notice of public hearing regarding the adoption and approval of the Redevelopment Plan Amendment by the City Council was provided in conformity with the Open Meetings Act, Neb. Rev. Stat. § 84-1407 et seq., the Community Development Law, Neb. Rev. Stat. § 18-2115, and Nebraska law.

G. On May 19, 2015, the City Council held a public hearing relating to the question of whether the Redevelopment Plan should be adopted and approved by the City. All interested parties were afforded at such public hearing a reasonable opportunity to express their views respecting the submitted question.

H. The City Council has reviewed the Redevelopment Plan Amendment, the cost benefit analysis prepared by the CRA, and the recommendations of the Planning Commission, and has duly considered all statements made and material submitted related to the submitted question.

NOW THEREFORE, it is found by the City Council of the City of Seward, Nebraska, in accordance with the Community Development Law, Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the “Act”), as follows:

1. The Project Site is in need of redevelopment to remove blight and substandard conditions identified pursuant to Section 18-2109 of the Act.
2. The Redevelopment Plan Amendment will, in accordance with the present and future needs of the City of Seward, promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community in conformance with the legislative declarations and determinations set forth in the Act.
3. The Redevelopment Plan Amendment is in conformance with the general plan for development of the City of Seward as a whole, as set forth in the City of Seward Comprehensive Plan, as amended.
4. The cost and benefits set forth in the Project cost benefit analysis are found to be in the long-term best interest of the City of Seward.
5. The Project would not be economically feasible without the use of tax increment financing.
6. The Project would not occur on the Redevelopment Area without the use of tax increment financing.

BE IT RESOLVED, that pursuant to the provisions of the Act and in light of the foregoing findings and determinations, the Redevelopment Plan Amendment is hereby approved and adopted by the City Council as the governing body for the City of Seward.

[SIGNATURE PAGE TO FOLLOW]

Dated this 19th day of May, 2015.

CITY OF SEWARD, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

4851-2469-8147, v. 1

CITY OF SEWARD, NEBRASKA
RESOLUTION NO. 2105-_____

(Approval of Redevelopment Agreement- Bottle Rocket Brewing Project)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,
SEWARD COUNTY, NEBRASKA, APPROVING THE FORM OF THE
REDEVELOPMENT AGREEMENT AND AUTHORIZING THE COMMUNITY
REDEVELOPMENT AUTHORITY TO ENTER INTO SAID AGREEMENT.**

RECITALS

A. Pursuant to the Nebraska Community Development Law, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended (the “Act”), the City of Seward, Nebraska (“City”), has adopted a redevelopment plan (“Redevelopment Plan”) for the area of the City identified as Redevelopment Area #1. A copy of the Redevelopment Plan is on file with the City Clerk for inspection.

B. The Redevelopment Plan, as amended, includes a specific redevelopment project identified as the Bottle Rocket Brewing Project that will include the use of tax increment financing (the “Project”).

C. On April 29, 2105, the CRA approved the Redevelopment Agreement for the Project.

D. The City has reviewed the Redevelopment Agreement and has found it to be in conformity with the Act and the General Comprehensive Development Plan of the City, and in the best interests of the City.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Seward, Nebraska, that the Redevelopment Agreement between the Community Redevelopment Authority of the City of Seward, Nebraska, and Bottle Rocket Brewing, LLC, which is attached hereto as Exhibit “A” and incorporated here by this reference, is hereby approved;

BE IT FURTHER RESOLVED, the CRA is hereby authorized to execute and deliver the Redevelopment Agreement, with such changes, modifications, additions, and deletions therein and shall they seem necessary, desirable or appropriate, for and on behalf of the CRA;

BE IT FURTHER RESOLVED, the CRA is hereby authorized to take all actions contemplated and required in the Redevelopment Agreement including, without limitation, the issuance of such TIF Indebtedness not to exceed the amount of TIF Indebtedness set forth in the Redevelopment Agreement. Such TIF Indebtedness shall be repaid solely from the Tax Increment created by the Project and does not represent the general obligation of the CRA of the City;

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict with the provisions of this Resolution or to the extent of such conflicts, are hereby repealed.

DATED THIS 19th day of May, 2015.

CITY OF SEWARD, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

EXHIBIT “A”

(Redevelopment Agreement)

4847-4845-5971, v. 1

Exhibit “A”