

2007- 8

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GOTHENBURG, APPROVING A REDEVELOPMENT PLAN AS CONTAINED IN A REDEVELOPMENT CONTRACT; MAKING FINDINGS WITH REGARD TO SUCH PLAN AND APPROVING OTHER ACTION THEREON.

WHEREAS, the City of Gothenburg, Nebraska a municipal corporation has determined it to be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 1943, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, The City has previously declared an areas of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, The Community Redevelopment Authority of the City of Gothenburg, Nebraska (the Authority) has prepared a Redevelopment Plan as contained in a Redevelopment Contract pursuant to Section 18-2111 of the Act:

NOW, THEREFORE, be it resolved by the Mayor and City Council of the City of Gothenburg, Nebraska:

1. The Redevelopment Plan as contained in the Redevelopment Contract in the form attached to this Resolution as Exhibit A is hereby determined to be feasible and in conformity with the general plan for the development of the City of Gothenburg as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act;

2. The Mayor and City Council specifically find, as follows:

(a) The project described in the redevelopment contract and plan attached thereto, would not be economically feasible without the use of tax-increment financing;

(b) The project would not occur in the Redevelopment Area without the use of tax-increment financing; and

(c) The costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private

services have been analyzed by the governing body and have been found to be in the long term best interests of the community impacted by the project.

3. Approval of the Redevelopment Plan is hereby approved, ratified and affirmed and the Authority is hereby directed to execute the Redevelopment Contract and implement the Redevelopment Plan in accordance with the Act with such modifications and amendments as the Authority shall deem appropriate and expedient.

4. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property described herein, shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2008 as to the real estate designated by the Community Redevelopment Authority of the City of Gothenburg, pursuant to resolution adopted, and located within the following described real estate, to wit:

A tract of land being part of Block Two (2), Gothenburg Industrial Park First Addition, a part of the Southwest Quarter (SW1/4) of Section 15, Township 11 North, Range 25 West of the 6<sup>th</sup> P.M., Dawson County, Nebraska, and more particularly described as follows: Beginning at the southwest corner of said Block 2 and assuming the westerly line of said Block 2 as bearing N 29°45'29" E and all bearings contained herein are relative thereto; thence N 29°45'29" E on said westerly line a distance of 494.7 feet to the northwest corner of said Block 2; thence N 89°11'25" E and on the north line of said Block 2 a distance of 417.76 feet; thence S 29°44'54" W a distance of 710.9 feet to the southerly line of said Block 2 and on the northerly line of 4<sup>th</sup> Street; thence N 63°23'30" W on said southerly line a distance of 134.22 feet; thence N 57°25'21" W continuing on said southerly line a distance of 226.07 feet to the place of beginning. Containing 5.01 acres, more or less.

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

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

5. The Mayor and Clerk are authorized and directed to execute and deliver, from time to time, to the County Clerk, Treasurer and Assessor, the Notice of Allocation of Taxes with the appropriate description of real estate, as established pursuant to the Redevelopment Contract and Redevelopment Plan.

Passed and approved this 15th day of May, 2007.

CITY OF GOTHENBURG, DAWSON  
COUNTY, NEBRASKA

BY James E. Hudson  
Mayor

ATTEST:

Conrad L. Halliwell  
City Clerk

Exhibit A

(Attach a copy of Redevelopment Contract here)

## **REDEVELOPMENT CONTRACT**

This Redevelopment Contract is made and entered into as of the \_\_\_\_ day of May, 2007, by and between the Community Redevelopment Authority of the City of Gothenburg, Nebraska (Authority) and Pelstar Gothenburg, LLC, (Developer).

### WITNESSTH:

WHEREAS, the Authority 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 Contract;

WHEREAS, the City of Gothenburg, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 1943, as amended (collectively the Act), has designated an area described on the attached Exhibit A as a blighted and substandard area; and

WHEREAS, the Authority has completed all procedures necessary for adoption of a Redevelopment Plan and approval of a Redevelopment Contract; and

WHEREAS, pursuant to Section 18-2119 of the Act, Authority has solicited proposals for redevelopment of the redevelopment area, and Developer submitted a redevelopment contract proposal; and

WHEREAS, Authority and Developer desire to enter into this Redevelopment Contract for acquisition and redevelopment of the redevelopment area;

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

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

#### Section 1.01 Terms Defined in this Redevelopment Contract.

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

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 1943, as amended, and acts amendatory thereof and supplemental thereto.

"Bondholder" means the holders of Bonds issued by the Authority from time to time outstanding.

"Bonds" or "Series 2007 A Bonds" means the Authority's Community Redevelopment Revenue Bonds ( Pelstar Gothenburg, LLC Project) , Series 2007 A, and other Bonds issued from time to time, pursuant to Section 3.02 hereof.

"Governing Body" means the City Council of the City.

"Premises" or "Redevelopment Area" means all that certain real property situated in Gothenburg, Dawson County, Nebraska, more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

"Project" means the improvements to the Premises, as further described in Exhibit C attached hereto and incorporated herein by reference.

"Project Costs" means only costs or expenses incurred by Developer to acquire, construct and equip the Project pursuant to the Act.

"Redevelopment Contract" means this redevelopment contract between Authority and Developer dated May \_\_, 2007, with respect to the Project.

"Redevelopment Plan" means Exhibit C attached hereto as supplemented by this

Redevelopment Contract and the attachments hereto, adopted by the Authority and the City pursuant to the Act, as amended from time to time.

"Resolution" means the Resolution of the Authority dated May \_\_\_, 2007, as supplemented from time to time, approving this Redevelopment Contract and providing for the issuance of the Bonds.

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

"City" means the City of Gothenburg, Nebraska.

Section 1.02 Construction and Interpretation.

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

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

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

(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 Contract 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 Contract are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

## ARTICLE II

### REPRESENTATIONS

#### Section 2.01 Representations by Authority.

Authority makes the following representations and findings:

(a) Authority is a duly organized and validly existing community redevelopment authority under the Act;

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

(c) The Redevelopment Contract is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Act;

(d) Based on the representations of Developer and other information provided



to the Authority,

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

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

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

(e) This Redevelopment Contract (and attachments hereto) constitute a redevelopment plan and has been duly approved and adopted by the Community Redevelopment Authority of the City pursuant to Section 18-2116 and 18-2117 of the Act;

(f) The Authority has requested proposals for redevelopment of the Redevelopment Area pursuant to section 18-2119 of the Act, and deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Developer as specified herein; and

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

Section 2.02 Representations of Developer.

The Developer makes the following representations:

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

property or assets of the Developer contrary to the terms of any instrument or agreement.

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

(c) Developer has made a fiscal analysis of the project and specifically represents to the City and Authority that:

(i) the Project would not be economically feasible without the use of tax-increment financing, and Developer will not undertake the Project without tax-increment financing;

(ii) the Project would not occur in the Redevelopment Area and Developer will not construct the Project without the use of tax-increment financing;

### ARTICLE III

#### OBLIGATIONS OF THE AUTHORITY

##### Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby includes in the Redevelopment Plan of the Authority a provision that any ad valorem tax on real property in the that portion of the Project, described on Exhibit A, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act. The effective date of this provision shall be January 1, 2008, as to the project property in Redevelopment Plan One. Developer, will apply for and the Agency and City will approve amendments to the Redevelopment Plan, from time to time establishing additional effective dates for additional lots included in Future Project Plans,

##### Section 3.02 Issuance of Bonds.

(a) Authority on or about May 30, 2007, will issue its Series 2007 A Bonds in the

aggregate principal amount of approximately \$420,000.00, bearing interest at zero percent (0%) per annum (Series 2007 A Bonds, Pelstar Project) . The Bonds shall be limited obligations of the Authority, and shall be solely payable from and secured by TIF Revenues and other security specifically pledged therefor.

(b) Authority shall execute and deliver, from time to time, additional Bonds designated by the year issued, to the Developer, to be paid from TIF Revenues from Future Project Plans, provided that the Developer is not then in default under this contract, in an amount not to exceed \$300,000.00 when there shall be filed with the Secretary of the Authority the following:

(i.) A request executed by the Developer for the issuance of Bonds, specifying principal amount to be issued, maturities (with no maturity later than 15 years after the effective date of the Future Project Plan) and interest rate at zero percent; and

(ii) A certificate of a certified public accountant retained by the Developer setting forth:

a. The current assessed value of the Premises as certified by the Dawson County Assessor;

b. The current total mill levy of ad valorem taxes levied against the Premises;

c. A computation showing that the current levy, projected over the term of the Bonds to be issued, levied against the current assessed value, projected to remain constant over the term of the Bonds to be issued, and taking into account debt service on previously issued Bonds, would produce sufficient excess TIF Revenues to debt service the Bonds issued; and

d. A contract for the purchase of such Bonds.

Section 3.03 Pledge of TIF Revenues.

Pursuant to the Resolution, the Authority will pledge the TIF Revenues as Security for the Bonds.

Section 3.04 Grant of Proceeds of Bonds.

Authority will grant 100% the proceeds from the Bonds, to Developer for the purpose of paying Project Costs and Future Project Costs.

Section 3.05 Creation of Fund.

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

Section 3.06 Perform Obligations of Redevelopment Plan.

Authority will perform, or provide for the performance, in a timely manner, of all obligations to set forth in the Redevelopment Plan required to be performed by the Authority or City, as provided in this Redevelopment Contract, and attached Exhibit C.

Section 3.07 Purchase Bonds.

The Authority will have no obligation to purchase the Bonds or provide for the purchase of the Bonds. The Developer will have no obligation to purchase any bonds issued pursuant to this agreement.

ARTICLE IV

OBLIGATIONS OF DEVELOPER

Section 4.01 Construction of Project.

Developer will complete the Project and pay for the construction and equipping of a retail building, including the installation of all equipment necessary for its operation as shown on Exhibit C attached hereto.

Section 4.02 Non Discrimination .

Developer agrees and covenants for itself, its successors and assigns that as long as any Bonds are 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. Developer, for itself and its successors and assigns, agrees that during the construction of the Project, Developer will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Developer will comply with all applicable federal, state and local laws related to the Project.

Section 4.03 Pay Real Estate Taxes.

Developer intends to, but is not specifically obligated to, create a taxable real property base attributable to the Project of \$2,000,000.00, no later than January 1, 2008. During the period that any Bonds are outstanding, Developer will (1) not protest a real estate property valuation on the Premises of \$2,000,000.00, or less; (2) not convey the Premises 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; (3) and cause all real estate taxes and assessments levied on the Premises to be paid prior to the time such become delinquent during the term that any Bonds are outstanding.

Section 4.04 Payment in Lieu of Taxes.

Developer agrees to make payments in lieu of taxes to the extent that the total ad valorem taxes with respect to the project are insufficient to pay the Bonds when due. To the extent any annual tax payment is less than 1/14<sup>th</sup> of the principal of the Bonds, outstanding, beginning in 2008, Developer will pay an amount in lieu of such tax directly to the Authority, immediately upon receipt of notice from Authority.

Section 4.05 Acknowledgement of Tax Level.

Developer acknowledges that the payment of the Bonds is entirely contingent on factors over which the Authority has no control, including but not limited to the assessed valuation of the project, the variation of tax levies established in the future by taxing entities,

statutory, constitutional and court ruling changes.

Section 4.06 Payment of Costs.

Developer shall pay the firm of Bacon & Vinton the sum of \$20,000.00 from bond proceeds upon the issuance of the Bonds for all costs of issuance and documentation for this project. The Developer shall pay no costs of the City of Gothenburg regarding the blight study, or otherwise.

Section 4.07 Purchase of Bonds.

The Developer shall purchase all Bonds issued pursuant to this agreement at 100% of the par amounts thereof immediately upon issuance by the Authority.

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

Developer shall pay all Project Costs, if any, which are in excess of the amounts paid from the proceeds of the Bonds granted to Developer.

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Developer.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by 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 Contract shall be in default and the aggrieved

party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party, failing to perform or in breach of its obligations.

Section 6.02 Additional Remedies of Authority.

In the event that:

(a) Developer, or its successor in interest, shall fail to substantially complete the construction of Redevelopment Project One on or before January 1, 2008, or shall abandon construction work for any period of 90 days; or (b) Developer, or its successor in interest, shall fail to pay real estate taxes or assessments on the Premises or any part thereof or payments in lieu of taxes pursuant to Section 4.04 when due, and such taxes or assessments or payments in lieu of taxes shall not have been paid, or provisions satisfactory to the Authority made for such payment, such event shall be deemed a failure to perform under this Redevelopment Contract.

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

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

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

Section 6.03 Remedies in the Event of Other Developer Defaults.

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

Section 6.04 Enforced Delay Beyond Party's Control.

For the purposes of this Redevelopment Contract, neither party, as the case may be, nor any successor shall be in breach of or in default in its performance of obligations within its control, when and without its fault, a default in such obligation occurs caused by acts of God, or Government, or in the event of enforced delay in the project due to unforeseeable causes beyond the control of the parties or either of them, including fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Authority or of Developer with respect to construction of the Project, as the case may be, shall be extended for the period of the enforced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay.

Section 6.05 Limitation of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary neither Authority, City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. Specifically, but without limitation, neither City nor Authority shall



be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. The Developer releases the Authority and the City from, agrees that the Authority and the City shall not be liable for, and agrees to indemnify and hold the Authority and the City harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

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

ARTICLE VII  
MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract may be recorded with the County Register of Deeds in which the Premises is located.

Section 7.02 Governing Law.

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

Section 7.03 Binding Effect; Amendment.

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

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

COMMUNITY REDEVELOPMENT  
LLC  
AUTHORITY OF THE CITY OF  
GOTHENBURG, NEBRASKA

Pelstar Gothenburg,

\_\_\_\_\_  
Chairman  
Manager

Robert Pelshaw,

ATTEST:

\_\_\_\_\_  
Secretary





EXHIBIT A

DESCRIPTION OF PREMISES  
(REDEVELOPMENT AREA)

Legal Description of Redevelopment Project One:

Legal Description of Balance of Real Estate for Future Project Plans.

EXHIBIT B

This exhibit is intentionally left blank.

## EXHIBIT C

### DESCRIPTION OF PROJECT AND DEVELOPERS REDEVELOPMENT PLAN FOR PELSTAR PROJECT

#### OVERVIEW:

Developer will purchase the project real estate from the Authority and add fill to the site to raise the same out of the 100 year flood plain.

This plan is intended to redevelop an area within the City of Gothenburg, which has been declared blighted and substandard within the meaning of the Community Development Law of the State of Nebraska.

The Developer will acquire and rehabilitate the real estate shown on Exhibit A through 2 or more project plans by plan amendment to the Redevelopment Contract by constructing a series of retail commercial structures on the real estate.

The Developer will not develop the project in the redevelopment area or elsewhere without the benefit of tax increment financing. The costs of the project are simply too great to be absorbed by the Developer without the assistance of tax increment financing due to the substantial fill required to raise the site out of the 100 year flood plain and other acquisition costs. All financing for the project is entirely contingent on the grant set forth in the redevelopment contract to which this exhibit is attached. The Developers propose that the Community Redevelopment Authority issue Bonds to be repaid from the incremental tax revenues generated by the redevelopment project pursuant to §18-2147 of the Nebraska Revised Statutes, for a period of 15 years from an effective date of January 1, 2008 as to Redevelopment Plan One. The Developers will use the proceeds of the Bonds to assist in the construction and acquisition of the Project and Future Projects.

#### THE REDEVELOPMENT PLAN:

1. Relationship of Plan to Local objectives for appropriate land use: This plan contemplates no change in current land use. Reutilization of the existing real estate meets existing local objectives for appropriate land use for the area affected by this plan. This plan requires that the Authority provide for the rezoning of a portion of the property to provide for commercial retail activity.
2. Relationship of Plan to Local objectives for improved traffic flow and public utilities in plan area: This plan contemplates no relocation of the existing access roads. There will be a slight burden on traffic flow as employees and customers will access the facility from adjacent streets. However, current traffic signals and roadways are sufficient to handle the increased traffic.

3. Relationship of Plan to Local objectives for community facilities: This plan neither provides nor requires any additional community facilities. However, it will provide an attractive expanded commercial retail area.

4. Redevelopment project boundaries: Exhibit C 1 to the Redevelopment Contract shows the boundaries of the project. The property is improved by the Dawson Public Power building which will be demolished by the Developer upon acquisition.

5. Proposed land use plan: Exhibit C1 shows the proposed land use plan after redevelopment as a retail facility.

6. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment: Population density will remain unchanged for the area. An approximately 30,000 square foot building will be added to the real estate as part of Redevelopment Plan One, with additional commercial buildings to be added under Future Project Plans.

7. Statement regarding change in street layouts: This Plan proposes no changes in street layout. Developer shall construct the facility in such a manner so as to prevent rain water from ponding on the adjacent properties.

8. Site plan after redevelopment: Exhibit C 1 is an accurate site plan of the redevelopment project after redevelopment.

9. Statement as to the kind and number of additional public facilities or utilities required to support land use after redevelopment: No additional public utilities are required to support the proposed change.

10. Public cost/benefit analysis: This plan requires that the Developers will construct and own a seed warehouse and office facility. No public funds, other than the tax increment financing benefit, will be used on the structure. The Developers will provide all financing for the project. The Developer will obtain funds for the purchase of the Bonds issued by the Authority, or purchase such bonds outright. Such bonds shall not be backed by the City or the Authority, and will only be repaid from the increased ad valorem tax stream created by the project rehabilitation, over a 15 year period commencing January 1, 2008 as to Redevelopment Plan One. All ad valorem taxes currently being paid by the facility will continue to be paid to the normal taxing authorities, including the school district, the City of Gothenburg, and Dawson County, subject to current valuation adjustment. After the 15-year TIF period, the increased taxes will also be paid to the normal taxing authorities.

Tax benefit: Currently a large portion of the real estate is unimproved. The real estate taxes from the unimproved lot will continue to be paid to the taxing authorities.

The project will result in the addition of any employees but it is estimated that most employees will come from the surrounding area. Therefore, no provide undue stress on the school system,



police or fire protection is contemplated. Current housing in Gothenburg is adequate for the current employees.

11. Pledge of Incremental Taxes. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project One area specified in the plan, shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2008.

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

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

#### **REDEVELOPMENT PROJECT ONE PLAN**

The real estate on described on Exhibit A shall be subdivided into one or more lots. The initial construction will include a Pamida retail store, to be constructed in the spring 2007. The project is not financially feasible without Tax Increment Financing and would not occur in the area without Tax Increment Financing. Construction will begin prior to redevelopment plan adoption. However, in the event that the Redevelopment plan is not adopted and the Redevelopment Contract adopted, the Developer will abandon the project.

#### **FUTURE PROJECT PLANS**

The Redevelopment Plan will be implemented through a series of individual redevelopment project plans. As stated above, at least one additional commercial structure development is planned to occur during the ensuing 12 months. That portion of the real estate described on Exhibit A will be selected by the Developer for this Project, and each future project, does not need to be contiguous. The means and timing of such selection shall be set out in the redevelopment contract. Each lot selected will be deemed to be a distinct project. Each of these future redevelopment project plans shall establish an effective date for the division of ad valorem taxes for each respective project. Each redevelopment project plan shall require separate consideration and approval by the City Council. Such future projects, as described herein, are found and declared to be modifications that do not substantially change the Redevelopment Plan, and shall not require further public hearing or consideration by the Planning Board. The Bonds

shall be amortized by the excess ad valorem taxes generated from the Project and from future project plans within the redevelopment Plan Area.