

RESOLUTION NO. 2020-18

A RESOLUTION OF THE CITY OF GOTHENBURG, DAWSON COUNTY, NEBRASKA, APPROVING AN APPLICATION TO THE ECONOMIC DEVELOPMENT PROGRAM OF THE CITY; AUTHORIZATING A GRANT AGREEMENT; AND RELATED MATTERS.

WHEREAS, pursuant to Local Option Municipal Economic Development Act, Chapter 18, Article 27, Reissue Revised Statutes of Nebraska, as amended (“Act”), cities have the authority to adopt economic development programs and fund such programs with local option sales tax revenues; and

WHEREAS, the voters of the City of Gothenburg (“City”) approved the question of the imposition of a one-half percent (0.5%) sales and use tax to be used for economic development and redevelopment at a special election on February 12, 1991; and

WHEREAS, the voters of the City approved the question of implementing the City’s Economic Development Program (“Program”), in accordance with the Economic Development Program Plan (“Plan”), at a special election on February 13, 2018;

WHEREAS, the Program is funded from local sources of revenue, including said tax for economic development and redevelopment, and additional funds from non-City sources (“Program Funds”); and

WHEREAS, the Community Redevelopment Authority (“Authority”) serves as the Administrator of the Program in accordance with the Plan; and

WHEREAS, the Authority has received application from the Gothenburg Improvement Company, a Nebraska nonprofit corporation (“Applicant”), for use of Program Funds in accordance with the Plan (“Application”). A true and correct copy of the Application is attached hereto, marked Exhibit “A” and incorporated by this reference; and

WHEREAS, the Application sets forth the Eligible Economic Activities, as such term is defined in the Plan, for expenses related to facilitating business recruitment, promotional activities, and related administrative expenses, including, but not limited to costs of salaries, travel, office expenses, advertising, marketing, legal, and related costs; and

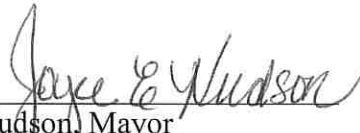
WHEREAS, the Authority has recommended approval of the Application by the Mayor and Council of the City; and

WHEREAS, the City desires to approve the Application and authorize the Authority to enter into a Grant Agreement with the Applicant setting forth the terms and conditions of the use of Program Funds (“Grant Agreement”). A true and correct copy of the Grant Agreement is attached hereto, marked Exhibit “B” and incorporated by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Gothenburg, Nebraska, as follows:

1. The Application is hereby determined to be in compliance with the Plan and is approved. The Grant Agreement shall provide for a grant of Program Funds of up to \$26,000 annually as further set forth in the Grant Agreement.
2. The Grant Agreement is hereby determined to adequately set forth the terms and conditions of the use of Program Funds for the Eligible Economic Activities.
3. The Authority is hereby authorized by the City to enter into the Grant Agreement with Applicant, to expend the Program Funds as set forth therein, and to make such administrative changes to the Grant Agreement prior to execution, and to make any amendments thereafter, as the Authority deems necessary and appropriate.
4. All resolutions or parts of resolutions in conflict herewith are hereby repealed.
5. This resolution shall take effect from and after its passage and publication according to law.

PASSED AND ADOPTED this 6th day of October, 2020.



Joyce Hudson, Mayor

Attest: 

Misty Bussinger, City Clerk

APPROVED AS TO FORM:



Mike Bacon, City Attorney

CITY OF GOTHENBURG ECONOMIC DEVELOPMENT FUND (LB 840)

&

REDG REVOLVING LOAN FUND APPLICATION

CITY OF GOTHENBURG, NEBRASKA

GIC Annual Support

APPLICATION TYPE:

- Economic Development Fund (LB 840)
- REDG revolving fund

BUSINESS INFORMATION:

Name of Business or Individual (Legal Name): Gothenburg Improvement Company

Address: 1001 Lake Avenue

City, State, Zip Code: Gothenburg, NE 69138

Business Phone: 308-537-7161

Fax: 308-537-7162

Federal Tax ID #: 47-0662728

Organization: Sole Proprietorship "S" Corporation "C" Corporation

General Partnership Limited Partnership LLC Other

Date Established: November 9, 1961

Classification: Manufacturing Tourism Transportation Research & Dev.

Service Warehouse/Distribution Administrative Retail

Mgmt. Headquarters Telecommunications Home Construction/Rehabilitation

Brief Description of the Business (products, services, customer base, etc.): (A more complete description must be provided in the business plan)

GIC is a nonprofit corporation with the purpose of encouraging and facilitating business growth within the community of Gothenburg.

OWNER(S)/MEMBER(S): (Attach additional sheet if necessary)

Name: N/A - Nonprofit

Home Address: _____

Employer/Business: _____

% Ownership: _____

Home Telephone #: _____ Business Telephone #: _____

Date of Birth: _____ SSN: _____

Resident Status: U.S. Citizen – Yes No

PROJECT COSTS/EXPENSES:

Type of request (grant, loan, or other-explain):
Grant

If seeking a Loan, what is the expected term: _____

Project Cost Funds Requested:

Land Acquisition: _____

Building Acquisition: _____

New Facility Construction: _____

Acquisition of Machinery/Equip: _____

Acquisition of Furniture/Fixtures: _____

Working Capital (includes inventory): \$26,000

Other (explain): _____

TOTAL AMOUNT OF FUNDS REQUESTED: \$26,000 annually

PROJECT LOCATION:

Within the City Limits of Gothenburg, Nebraska

Outside the City Limits of Gothenburg, Nebraska, but within the Zoning Jurisdiction of
Gothenburg, Nebraska

Outside the Zoning Jurisdiction of Gothenburg, Nebraska, in TBD (Name of County)

Zoning Action required? Yes No

Project located in the floodway or flood fringe? Yes No

List additional funding sources and funding amounts the business has secured for this project:

\$26,000 annually in order to fund expenses related to business recruitment, promotional activities, and related administrative expenses, and may include, but shall not be limited to, such costs as salaries, travel, office expenses, advertising, marketing, legal, and related costs

PARTICIPATING LENDER INFORMATION:

Name of Lending Institution: _____

Address: _____

Contact Person: _____ Phone: (____) _____

Loan Amount: \$ _____ Loan Term: (Yrs) _____

Interest Rate: ____% Fixed _____ Variable _____

Collateral Requested: _____ Equity Requested: _____

Equity Information: _____

Amount available by business or owners for Investment: \$ _____

Describe project for which applicant is seeking LB840 or REDG RLF funds:

GIC is the nonprofit economic development corporation with the Mission Statement "To encourage business growth and entrepreneurship by promoting Gothenburg as a World Class community resulting in job creation and an outstanding quality of life for its residents." The working capital granted annually will go to continual support to achieve GIC's mission.

EXISTING BUSINESS FINANCING OBLIGATIONS:

| CREDITOR NAME | ORIGINAL AMOUNT/ DATE | PRESENT BALANCE | MATURITY DATE | INTEREST RATE | MONTHLY PAYMENT | PAYMENT STATUS |
|-----------------------------------|-----------------------|-----------------|---------------|---------------|-----------------------|---|
| Flatwater Bank | 7/31/2014 | \$1,107,578 | 10/10/22 | 2.45% | \$49,835.26 quarterly | Current; Pinpoint loan payment with payments made by Pinpoint |
| Community Redevelopment Authority | | \$99,916.41 | | | | |
| Flatwater Bank | January 2020 | \$275,474.74 | | | \$0 | Interest only demand note |
| First State Bank | June 2020 | \$950,000 | 9/30/2036 | floating COF | \$1,583 | Current - GIC Curbtender LB 840 |

PERSONNEL: (Full-time equivalent, based on 2,080 hrs per year)

Existing Number of Full-Time Positions: _____

Estimated Number of Full-Time Positions to be created within 18 months of Application

Approval: _____

Estimated Number of Seasonal Full-time jobs created: (i.e. Jobs available for at least 3 continuous months and recur annually) _____

Please complete the following additional information:

Yes No Has the business ever filed bankruptcy protection?
(If yes, give details.)

Yes No Have any of the Owners/Members of the business ever filed for Bankruptcy?
(If yes, give details.)

Yes No Are all Payroll, Federal, State, Municipal, Sales, and Real Estate taxes current?
(If no, give details.)

RELEASE OF INFORMATION AND CERTIFICATION

I declare that the information provided on this application and the accompanying exhibits is true and complete to the best of my knowledge. I understand that the City of Gothenburg has the right to verify this information and will be in contact with those individuals and institutions involved in the proposed project. I also understand that if this loan is approved it may be sold to the secondary marketplace. I authorize the City of Gothenburg to share information contained in this application process with prospective purchasers in order to evaluate the feasibility of selling this loan.

I further certify the following (check if applicable):

This business has filed or intends to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act for the same project for which this business is seeking financial assistance under the Local Option Municipal Economic Development Act;

This application includes or will include, as one of the tax incentives, a refund of the city's local option sales tax revenue; and

This application has been approved under the Nebraska Advantage Act.



Signature

Colten Venteicher, VP

Name/Title

9/23/2020

Date

REQUIRED ATTACHEMENTS/SUBMISSIONS

- a. Entity formation and governing documents; *previously provided*
- b. Business plan that includes employment and financial projections, financing requirements for the project, and total project costs;
- c. Current balance sheet; *Attached*
- d. Tax documents for previous years for the entity and owners, where applicable; *previously provided*
- e. Other information as requested by the Program Administrator

Submit completed application to: City of Gothenburg, Nebraska

Attention: Brandi Kloeping

409 9th Street

Gothenburg, NE 69138

Phone Number: (308) 537-3668

Email: bkloeping@cityofgothenburg.org

FOR OFFICIAL USE ONLY

Date Received: _____ City Council Reviewed: _____

Amount Requested: _____ City Council Approved: Yes / No

CARC/CRA Reviewed: _____ Amount

Approved: _____

CARC/CRA Recommended: Yes / No

GOTHENBURG IMPROVEMENT COMPANY
Balance Sheet
As of August 31, 2020

| | Aug 31, 20 | Aug 31, 19 |
|---------------------------------|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | 96,301.19 | 41,455.99 |
| CHECKING | 2,796.66 | 2,792.74 |
| MM LAND ACCT | 833.21 | 831.89 |
| MONEY MARKET | | |
| Total Checking/Savings | 99,931.06 | 45,080.62 |
| Total Current Assets | 99,931.06 | 45,080.62 |
| Fixed Assets | | |
| BALDWIN FACILITY | 0.00 | 1,350,000.00 |
| CURBTENDER PROPERTY | 950,000.00 | 0.00 |
| FARM REAL ESTATE | 275,000.00 | 0.00 |
| INDUSTRIAL TRACT | 2,042,951.80 | 2,042,951.80 |
| NOTES RECEIVABLE - PINPOINT | 1,001,026.74 | 1,200,367.80 |
| Total Fixed Assets | 4,268,978.54 | 4,593,319.60 |
| TOTAL ASSETS | 4,368,909.60 | 4,638,400.22 |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Other Current Liabilities | | |
| CURBTENDER LOAN | 950,000.00 | 0.00 |
| LOAN - RDA | 99,916.41 | 99,916.41 |
| PROPERTY TAXES PAYABLE | 0.00 | 8,736.00 |
| Total Other Current Liabilities | 1,049,916.41 | 108,652.41 |
| Total Current Liabilities | 1,049,916.41 | 108,652.41 |
| Long Term Liabilities | | |
| FLATWATER LOAN - REAL ESTATE | 275,474.74 | 0.00 |
| LOAN - FSB (BALDWIN) | 0.00 | 1,350,000.00 |
| PINPOINT FIBER INFRASTRUCTURE | 978,437.68 | 1,150,056.16 |
| Total Long Term Liabilities | 1,253,912.42 | 2,500,056.16 |

GOTHENBURG IMPROVEMENT COMPANY
Balance Sheet

As of August 31, 2020

| | <u>Aug 31, 20</u> | <u>Aug 31, 19</u> |
|---------------------------------------|----------------------------|----------------------------|
| Total Liabilities | 2,303,828.83 | 2,608,708.57 |
| Equity | | |
| OPENING BALANCE EQUITY | 2,228,217.07 | 2,228,217.07 |
| RETAINED EARNING | -207,261.09 | -139,306.13 |
| Net Income | 44,124.79 | -59,219.29 |
| Total Equity | <u>2,065,080.77</u> | <u>2,029,691.65</u> |
| TOTAL LIABILITIES & EQUITY | <u>4,368,909.60</u> | <u>4,638,400.22</u> |

GRANT AGREEMENT

This Grant Agreement is made and entered into on October 6, 2020, by and between the Community Redevelopment Authority of the City of Gothenburg, Nebraska ("Authority"), and Gothenburg Improvement Company, a Nebraska nonprofit corporation ("Grantee").

WITNESSETH:

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 Grant Agreement; and

WHEREAS, the City of Gothenburg, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of the Local Option Municipal Economic Development Act, Chapter 18, Article 27, Reissue Revised Statutes of Nebraska (the "Act"), has implemented an Economic Development Program ("Program") pursuant to the Economic Development Program Plan ("Plan"); and

WHEREAS, the Program is funded from local sources of revenue, including a one-half percent (0.5%) sales and use tax to be used for economic development and economic redevelopment, and additional funds from non-City sources ("Program Funds").

WHEREAS, Grantee has submitted an application to the Authority, as administrator of the Program, for use of Program Funds for Eligible Economic Activities, as such term is defined in the Plan, for expenses related to facilitating business recruitment, promotional activities, and related administrative expenses, including, but not limited to costs of salaries, travel, office expenses, advertising, marketing, legal, and related costs; and

WHEREAS, the City has approved the application and authorized the Authority to enter into this Grant Agreement; and

WHEREAS, Authority and Grantee desire to enter into this Grant Agreement for the Eligible Economic Activities in furtherance of the Program's purposes.

ARTICLE III

OBLIGATIONS OF GRANTEE

Section 3.01 Eligible Economic Activities; Accounting. All Program Funds granted to shall be utilized only for the Eligible Economic Activities state herein. Grantee shall provide written documentation to support any stated expenditure of Program Funds.

ARTICLE IV

DEFAULT, REMEDIES; INDEMNIFICATION

Section 4.01 General Remedies of Authority.

In the event of any failure to perform or breach of this Grant Agreement or any of its terms or conditions, by the Grantee, Grantee shall, upon written notice from the Authority 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 Grant Agreement shall be in default and the Grantee shall immediately pay the sum granted to the Grantee hereby to the Authority. The Authority may institute such proceedings as may be necessary or desirable to enforce its rights under this Grant Agreement.

ARTICLE V

TERMINATION

Section 5.01 Either party may terminate this Grant Agreement at any time without further notice to the other party.

ARTICLE VI

MISCELLANEOUS

Section 6.01 RESERVED.

Section 6.02 Governing Law.

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

Section 6.03 Binding Effect; Amendment.

This Grant Agreement shall be binding on the parties hereto and their respective successors and assigns. This Grant Agreement shall not be amended except by a writing signed by all parties hereto.


IN WITNESS WHEREOF, Authority and Grantee have signed this Grant Agreement as of the date and year first above written.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GOTHENBURG, NEBRASKA

GOTHENBURG IMPROVEMENT
COMPANY, A NEBRASKA
NONPROFIT CORPORATION:



John Kreuzscher, Vice-Chairman



Nathan Wyatt, President

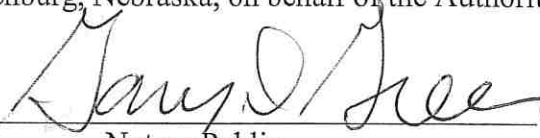
ATTEST:



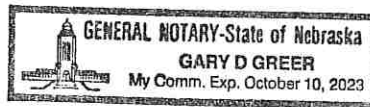
Secretary

STATE OF NEBRASKA)
)
COUNTY OF DAWSON)

The foregoing instrument was acknowledged before me this 16th day of October, 2020, by John Kreuzscher Vice-Chairman of the Community Redevelopment Authority of the City of Gothenburg, Nebraska, on behalf of the Authority.

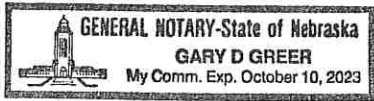


Notary Public



STATE OF NEBRASKA)
)
COUNTY OF Dawson)

The foregoing instrument was acknowledged before me this 16th day of October, 2020, by Nathan Wyatt, President of Gothenburg Improvement Company, a Nebraska nonprofit corporation.



Gary D Greer
Notary Public