

RESOLUTION NO. 2021-1

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, on April 7, 2020, the City approved by Resolution 2020-03 a Workforce Housing Incentive Plan; and

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

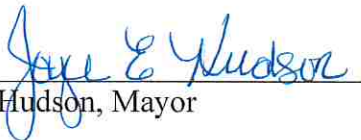
WHEREAS, the Application sets forth the Eligible Economic Activities, as such term is defined in the Plan, that are consistent with the Workforce Housing Incentive Plan; and

WHEREAS, the City desires to approve the Application and authorize the Authority to 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.

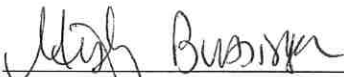
NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Gothenburg, Nebraska, as follows:

1. The Application is hereby determined to be in compliance with the Plan and is approved.
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 City hereby dedicates and transfers an amount equal to \$750,000.00 to the Program from its reserve of sales tax funds to be used for economic development and economic redevelopment collected prior to initiation of the Program.
4. 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.
5. All resolutions or parts of resolutions in conflict herewith are hereby repealed.
6. This resolution shall take effect from and after its passage and publication according to law.

PASSED AND ADOPTED this 4th day of January, 2021.




Joyce Hudson, Mayor

Attest: 

Misty Bussinger, City Clerk

APPROVED AS TO FORM:



Mike Bacon, City Attorney

Exhibit "A"

(Attach copy of Application)

CITY OF GOTHENBURG ECONOMIC DEVELOPMENT FUND (LB 840)

&

REDG REVOLVING LOAN FUND

APPLICATION

CITY OF GOTHENBURG, NEBRASKA

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 with clawback upon termination of the fund

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): _____

Other (explain): \$750,000 - per terms of GIC RWHF Investment Plan (attached)

TOTAL AMOUNT OF FUNDS REQUESTED: \$ 750,000

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 _____ (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:

NIFA - \$250,000 - application pending
 RWHF - \$1,000,000 - application pending

PARTICIPATING LENDER INFORMATION:

Name of Lending Institution: Participation from First State Bank and Flatwater Bank is expected

Address: throughout the duration of the implementation of the revolving loan fund

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:

Funds will be held and administered under the GIC Rural Workforce Housing Fund Investment Plan (attached). In order to qualify for funding under the Nebraska Rural Workforce Housing Investment Act, GIC is required to provide a minimum of 1:1 match for requested funds. This commitment is expected to leverage a commitment of \$250,000 from NIFA funds to obtain an additional \$1,000,000 from DED and form a \$2,000,000 revolving loan fund to address the immediate need for workforce housing within Gothenburg and its extraterritorial zoning jurisdiction.

EXISTING BUSINESS FINANCING OBLIGATIONS:

CREDITOR NAME	ORIGINAL AMOUNT/ DATE	PRESENT BALANCE	MATURITY DATE	INTEREST RATE	MONTHLY PAYMENT	PAYMENT STATUS
Flatwater Bank	7/31/2014	\$978,437.68	10/10/22	2.45%	\$49,835.26 quarterly	Current; Pinpoint loan payment with payments made by Pinpoint
Community Redevelopment Authority		\$99,916.41				
First State Bank	\$950,000 3/4/2020	\$950,000	10/31/2036	Floating COF	\$27,968.99	Current; int. pmts until 11/1/2021 then amortized over 15 yrs
Flatwater Bank	\$560,474 1/27/2020	\$275,474.74	7/26/2021	2.0%	\$458.33	Interest only demand note

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

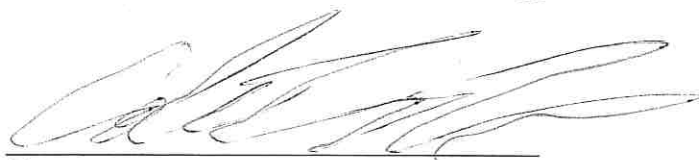
I declare that the information provided on this application and the accompanying exhibits is true and complete to the best of my knowledge. I understand that the City of Gothenburg has the right to verify this information and will be in contact with those individuals and institutions involved in the 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, Vice-President

Name/Title

12/28/2020

Date

REQUIRED ATTACHEMENTS/SUBMISSIONS

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

Submit completed application to: City of Gothenburg, Nebraska

Attention: Brandi Klopping

409 9th Street

Gothenburg, NE 69138

Phone Number: (308) 537-3668

Email: bklopping@cityofgothenburg.org

FOR OFFICIAL USE ONLY

Date Received: 1/4/2021 City Council Reviewed: 1/4/2021

Amount Requested: \$750,000 City Council Approved Yes / No

CARC/CRA Reviewed: 1/4/2021 Amount

Approved: \$750,000

CARC/CRA Recommended: Yes / No

GOTHENBURG IMPROVEMENT COMPANY
Balance Sheet

As of September 30, 2020

	Sep 30, 20	Sep 30, 19
ASSETS		
Current Assets		
Checking/Savings	94,524.11	101,369.04
CHECKING	2,796.87	2,793.06
MM LAND ACCT	833.27	831.89
MONEY MARKET		
Total Checking/Savings	<u>98,154.25</u>	<u>104,993.99</u>
Total Current Assets	98,154.25	104,993.99
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	<u>4,268,978.54</u>	<u>4,593,319.60</u>
TOTAL ASSETS	<u>4,367,132.79</u>	<u>4,698,313.59</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities	950,000.00	0.00
CURBTENDER LOAN	99,916.41	99,916.41
LOAN - RDA		
PROPERTY TAXES PAYABLE	0.00	8,736.00
Total Other Current Liabilities	<u>1,049,916.41</u>	<u>108,652.41</u>
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	<u>1,253,912.42</u>	<u>2,500,056.16</u>

2:10 PM

10/21/20

Cash Basis

GOTHENBURG IMPROVEMENT COMPANY
Balance Sheet

As of September 30, 2020

	<u>Sep 30, 20</u>	<u>Sep 30, 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	42,347.98	694.08
Total Equity	<u>2,063,303.96</u>	<u>2,089,605.02</u>
TOTAL LIABILITIES & EQUITY	<u>4,367,132.79</u>	<u>4,698,313.59</u>

GOTHENBURG IMPROVEMENT COMPANY
Profit & Loss Budget vs. Actual
 January through September 2020

	Jan - Sep 20	Budget
Ordinary Income/Expense		
Income		
ANNUAL ASSESSMENT INC	22,400.00	14,250.00
BANK INTEREST INC	3.61	
CITY DRAW-ECONOMIC DEVELOPMENT	0.00	19,500.00
CONTRIBUTION INC	500.00	
LB840 INCOME	179,515.55	
OTHER INCOME	2,527.68	
REDLG CITY INCOME	18,000.00	
RENT INC	2,500.00	10,500.00
STOCK PAYMENT INC	350.00	375.00
Total Income	225,796.84	44,625.00
Gross Profit	225,796.84	44,625.00
Expense		
ANNUAL BANQUET EXP	212.35	1,500.00
ANNUAL MEETING EXP	0.00	600.01
BANK CHARGE EXP	2,350.90	
CONTRACT LABOR	292.20	
INTEREST EXP	25,907.18	
MISC EXP	0.00	1,500.00
OFFICE EXP	197.90	750.00
OVERHEAD DUE	9,670.70	9,000.00
RECRUITMENT EXP	120,510.39	7,500.00
REDLG LOAN REPAYMENT	18,000.00	
TAX EXP	4,997.24	5,850.00
WEBSITE HOSTING	1,310.00	472.50
WEBSITE IMPROVEMENT	0.00	1,500.00
Total Expense	183,448.86	28,672.51
Net Ordinary Income	42,347.98	15,952.49
Net Income	42,347.98	15,952.49

Exhibit "B"

(Attach copy of Grant Agreement)

GIC RWHF LB 840 Grant Agreement

GRANT AGREEMENT

This Grant Agreement is made and entered into on January 4, 2021, 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, on April 7, 2020, the City approved a Workforce Housing Incentive Plan (the "Workforce Housing Incentive 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"); and

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, by a Qualifying Business, as such term is defined in the Plan; 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.

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

ARTICLE I
REPRESENTATIONS

Section 1.01 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 Authority has control over the Program Funds to be used for the grant provided herein. The five-year average of the annual receipts from the one-half percent (0.5%) sale and use tax for economic development and economic redevelopment for the past five years exceeds \$275,000.00.

Section 1.02 Representations of Grantee.

The Grantee makes the following representations:

(a) The Grantee will utilize the grant provided hereby to provide grants or loans to a Qualifying Business for the construction or rehabilitation for sale or lease of housing in a manner consistent with the Workforce Housing Incentive Plan.

ARTICLE II
OBLIGATIONS OF THE AUTHORITY

Section 2.01 Grant. Upon execution hereof by the Grantee, the Authority shall be obligated to pay to the Grantee an amount equal to \$750,000.00 from Program Funds.

ARTICLE III
OBLIGATIONS OF GRANTEE

Section 3.01 Use of Program Funds; Termination.

All Program Funds granted shall be utilized only for the Eligible Economic Activities stated herein. Upon termination of GIC Workforce Housing Program as such term is

defined in the application, or otherwise upon the cessation of the use of Program Funds for a Qualifying Business and the above stated Eligible Economic Activities, the grant of funds as set forth herein shall terminate, and the Grantee shall return any and all unused Program Funds to the Authority.

Section 3.02 Accounting.

Grantee shall provide the Authority with annual statements documenting actual expenditure of Program Funds. Grantee, upon request by the Authority, 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

MISCELLANEOUS

Section 5.01 RESERVED.

Section 5.02 Governing Law.

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

Section 5.03 Binding Effect; Amendment.

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

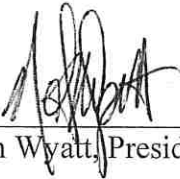
IN WITNESS WHEREOF, Authority and Grantee have signed this Grant Agreement as of the date and year first above written.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GOTHENBURG, NEBRASKA

GOTHENBURG IMPROVEMENT
COMPANY, A NEBRASKA
NONPROFIT CORPORATION:




John Kreuscher, Vice-Chairman



Nathan Wyatt, President

ATTEST:



Misty Businger
City Clerk