

RESOLUTION NO. 2021-6

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 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.

GIC PROJECT FIDDLER LB 840 Resolution


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 an amount equal to \$500,000.00 to the Program for use consistent with the Grant Agreement. The Mayor and Clerk are hereby authorized to withdraw or transfer funds from the City's accounts containing sales tax funds for economic development and economic redevelopment also known as the "old sales tax" fund and from the City's Program funds account, also known as "LB 840," for purposes of .
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 16th day of March, 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

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): \$500,000

Other (explain): _____

TOTAL AMOUNT OF FUNDS REQUESTED: \$ 500,000

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:

N/A

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:

Funds will be utilized by GIC for the purpose of providing a forgivable loan to a qualifying business for fixed assets, personal property, including inventory and equipment, or working capital.

EXISTING BUSINESS FINANCING OBLIGATIONS:

CREDITOR NAME	ORIGINAL AMOUNT/ DATE	PRESENT BALANCE	MATURITY DATE	INTEREST RATE	MONTHLY PAYMENT	PAYMENT STATUS
Flatwater Bank	7/31/2014	\$890,463.97	10/10/22	2.45%	\$49,835.26 quarterly	Current; Pinpoint loan payment with payments made by Pinpoint
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	\$557,545.17 2/1/2021	\$557,545.17	1/31/2021	2.0%		Interest only annual pmt

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

Existing Number of Full-Time Positions: N/A

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) N/A

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

March 9, 2021

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: Misty Bussinger

409 9th Street

Gothenburg, NE 69138

Phone Number: (308) 537-3668

Email: mbussinger@cityofgothenburg.org

FOR OFFICIAL USE ONLY

Date Received: 3/15/21 City Council Reviewed: 3/14/21

Amount Requested: 500,000 City Council Approved: Yes / No

CARC/CRA Reviewed: ~~2/10/21~~ 3/10/21 ^{\$} 500,000.00 Amount

Approved: 3/10/21

CARC/CRA Recommended: Yes / No

GIC PROJECT FIDDLER LB 840 Resolution

Exhibit "B"

(Attach copy of Grant Agreement)

GRANT AGREEMENT

This Grant Agreement is made and entered into on March 16, 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, 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 fixed assets, personal property, including inventory and equipment, or working capital.

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 \$500,000.00 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. In the event such funds are provided in the form of a loan, upon repayment, such funds repaid shall be returned by Grantee to the Authority for return to the Program. This provision shall not be construed to inhibit Grantee's ability to forgive all or any

portion of a loan made using Program Funds.

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

GIC PROJECT FIDDLER LB 840 Grant Agreement

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:

City Clerk