

RESOLUTION NO. 2021-25

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 Dawson Area Development, 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 growth within the community, as such term is defined in the Plan; and

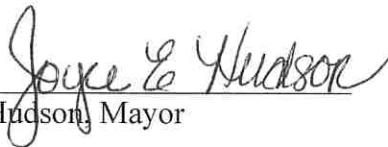
WHEREAS, the Authority has recommended approval of the Application by the Mayor and Council of the City; and

WHEREAS, the City desires to approve the Application as amended herein 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.

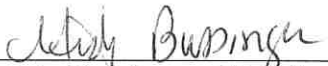
NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Gothenburg, Nebraska, as follows:

1. The Application is hereby determined to be in compliance with the Plan and is approved; provided, however that the Grant Agreement shall provide for a grant of Program Funds of up to \$26,000 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 16th day of November, 2021.



Joyce Hudson, Mayor

Attest: 

Misty Bussinger, City Clerk

APPROVED AS TO FORM:



Mike Bacon, City Attorney

PROJECT NAME: Dawson Area Development 2021

**CITY OF GOTHENBURG ECONOMIC DEVELOPMENT FUND (LB 840)
&
REDG REVOLVING LOAN FUND
APPLICATION
CITY OF GOTHENBURG, NEBRASKA**

APPLICATION TYPE: X Economic Development Fund (LB 840) REDG revolving fund

BUSINESS INFORMATION:

Name of Business or Individual (Legal Name): Dawson Area Development

Address: 1501 Plum Creek Parkway, Ste 5

City, State, Zip Code: Lexington, NE 68850

Business Phone: 308-217-0004

Fax: _____

Federal Tax ID #: 47-0726051

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

General Partnership _____ Limited Partnership _____ LLC _____ Other X

Date Established: 1987

Classification: Manufacturing _____ Tourism _____ Transportation _____ Research & Dev. X

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) DAD provides economic development leadership and assistance to the communities of Dawson County, Elwood and Eustis.

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

Name: NA - 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 for annual dues

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

Project Cost Funds Requested: \$26,000

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:

X Within the City Limits of Gothenburg, Nebraska

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

X Outside the Zoning Jurisdiction of Gothenburg, Nebraska, in Dawson County Area (Name of County) Zoning Action required? Yes ___ No X

Project located in the floodway or flood fringe? Yes ___ No X

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

City of Lexington \$28,000/annually + all facility costs
 City of Cozad \$26,000/annually
 Village of Farnam \$500/annually
 Village of Eustis \$500/annually
 Village of Sumner \$500/annually
 Village of Overton \$500/annually
 Village of Elwood \$5,000/annually
 Dawson County \$70,000/annually

PARTICIPATING LENDER INFORMATION:

Name of Lending Institution:

NA _____

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: DAD is a nonprofit economic development council with the mission "To support our partner communities' growth and prosperity." The working capital granted annually will go to continual support to achieve DAD's mission.

EXISTING BUSINESS FINANCING OBLIGATIONS:

CREDITOR NAME	ORIGINAL AMOUNT/ DATE	PRESENT BALANCE	MATURITY DATE	INTEREST RATE	MONTHLY PAYMENT	PAYMENT STATUS

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

Existing Number of Full-Time Positions: 2

Estimated Number of Full-Time Positions to be created within 18 months of Application: possibly 1 PT
or FT position

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

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

 X Yes Are all Payroll, Federal, State, Municipal, Sales, and Real Estate taxes current?
 No (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.

Andrea McClintic
Signature

Andrea McClintic, Executive Director
Name/Title

10/21/21
Date

REQUIRED ATTACHEMENTS/SUBMISSIONS

- a. Entity formation and governing documents; Attached
- b. Business plan that includes employment and financial projections, financing requirements for the project, and total project costs; NA
- c. Current balance sheet; Attached
- d. Tax documents for previous years for the entity and owners, where applicable; 990 Forms Attached
- 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: _____ City Council Reviewed: _____

Amount Requested: _____ City Council Approved: Yes / No

CARC/CRA Reviewed: _____ Amount

Approved: _____

CARC/CRA Recommended: Yes / No

DAWSON AREA DEVELOPMENT

Balance Sheet

As of September 30, 2021

Sep 30, 21

ASSETS

Current Assets

Checking/Savings

Checking-Homestead Bank 73,789.12
Z.Cert. of Deposit--\$75,000 75,018.55

Total Checking/Savings 148,807.67

Accounts Receivable

Accounts Receivable -22,000.00
Total Accounts Receivable -22,000.00

Total Current Assets 126,807.67

Fixed Assets

Accumulated depreciation -99,424.00
Office Equipment 61,381.95
Orthman Building - 1502 Walnut 742,991.00

Total Fixed Assets 704,948.95

TOTAL ASSETS 831,756.62

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable -29.50
Total Accounts Payable -29.50

Other Current Liabilities

Direct Deposit Liabilities -33,014.91
Payroll Liabilities 3,283.15

Total Other Current Liabilities -29,731.76

Total Current Liabilities -29,761.26

Long Term Liabilities

Note Pay #1--City of Lexington 315,000.00
Note Pay #2-City of Lexington 232,000.00

Total Long Term Liabilities 547,000.00

Total Liabilities 517,238.74

Equity

Opening Bal Equity 1,028.00
Retained Earnings 349,199.23
Net Income -35,709.35

Total Equity 314,517.88

TOTAL LIABILITIES & EQUITY 831,756.62

GRANT AGREEMENT

This Grant Agreement is made and entered into on the date all parties have signed, by and between the Community Redevelopment Authority of the City of Gothenburg, Nebraska ("Authority"), and Dawson Area Development, 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 recruitment of a Qualifying Business, as such term is defined in the Plan (hereinafter referred to as the "Qualifying Business"); 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 annual receipts from the one-half percent (0.5%) sale and use tax for economic development and economic redevelopment exceeds \$275,000.

Section 1.02 Representations of Grantee. The Grantee makes the following representations:

(a) The Grantee will utilize the grant provided hereby for expenses related to the facilitating business growth within the community.

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 the following on a monthly basis, or upon such other terms as herein provided or as the Authority and the Bank shall agree, conditioned upon the obligations set forth herein:

(a) an amount not to exceed \$26,000

ARTICLE III
OBLIGATIONS OF GRANTEE

Section 3.01 RESERVED.

Section 3.02 Accounting.

Grantee shall provide the Authority with quarterly 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

DAWSON AREA DEVELOPMENT,
A NEBRASKA NONPROFIT
CORPORATION:

Nathan Wyatt, Chairman

Andrea McClintic, Executive Director

ATTEST:

Secretary

STATE OF NEBRASKA)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Nathan Wyatt Chairman of the Community Redevelopment Authority of the City of Gothenburg, Nebraska, on behalf of the Authority.

Notary Public

STATE OF NEBRASKA)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Andrea McClintic, Executive Director of Dawson Area Development, a Nebraska nonprofit corporation.

Notary Public