

**RESOLUTION NO. 2023-25**

**A RESOLUTION OF THE CITY OF GOTHENBURG, DAWSON COUNTY, NEBRASKA, APPROVING AN APPLICATION TO THE ECONOMIC DEVELOPMENT PROGRAM OF THE CITY; AUTHORIZING AN LB 840 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 of the City of Gothenburg (“AUTHORITY”) serves as the Administrator of the Program in accordance with the Plan; and

WHEREAS, the Authority has received application from RT Ace, LLC, a Nebraska limited liability company (“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 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 an LB 840 Agreement with the Applicant setting forth the terms and conditions of the use of Program Funds (“LB 840 Agreement”). A true and correct copy of the LB 840 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:

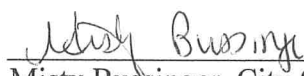
1. The Application is hereby determined to be in compliance with the Plan and is approved.

2. The LB 840 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 LB 840 Agreement with Applicant, to expend the Program Funds as set forth therein, and to make such administrative changes to the LB 840 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 17<sup>th</sup> day of October, 2023.



\_\_\_\_\_  
Will Rahjes, Mayor

Attest:   
\_\_\_\_\_  
Misty Bussinger, City Clerk

APPROVED AS TO FORM:



\_\_\_\_\_  
Mike Bacon, City Attorney

Exhibit "A"

(Attach copy of Application)

PROJECT NAME: Ace Hardware

**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): RT ACE LLC

Address: 747 S C ST

City, State, Zip Code: Broken Bow, NE, 68822

Business Phone: 308-872-2449

Fax: \_\_\_\_\_

Federal Tax ID #:                     

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

General Partnership \_\_\_\_\_ Limited Partnership \_\_\_\_\_ LLC  Other \_\_\_\_\_

Date Established: 10/06/2021

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)

General Hardware, Paint, grills, chain saws, lawn and garden, power and hand tools

Other Owner Elizabeth C Franssen 50% owner phone 308-520-2377

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

Name: Joseph Franssen

Home Address: 244 N 14th ave Broken Bow NE, 68822

Employer/Business: RT ACE LLC

% Ownership: 50,

Home Telephone #: 308-870-3225 Business Telephone #: 308-872-2449

Date of Birth: [REDACTED] SSN: [REDACTED]

Resident Status: U.S. Citizen -- Yes  No

**PROJECT COSTS/EXPENSES:**

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

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

**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): \_\_\_\_\_

**TOTAL AMOUNT OF FUNDS REQUESTED: \$**200,000

**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

Exhibit "B"

(Attach copy of LB 840 Agreement)

**LB 840 AGREEMENT**

This LB 840 Agreement is made and entered into on \_\_\_\_\_, 20 \_\_, by and between the Community Redevelopment Authority of the City of Gothenburg (“Authority”), and RT Ace, LLC, a Nebraska limited liability company (“Borrower”).

**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 LB 840 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, Borrower 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 LB 840 Agreement; and

WHEREAS, Authority and Borrower desire to enter into this LB 840 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 Borrower 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 Borrower.

The Borrower makes the following representations:

(a) The Borrower is a Qualifying Business that will utilize the grant provided hereby to provide grants or loans for Eligible Economic Activities.

ARTICLE II

OBLIGATIONS OF THE AUTHORITY

Section 2.01    Loan.

The Authority agrees to extend to Borrower funds in the amount of \$200,000.00 to be evidenced by a promissory note in the principal amount of \$200,000.00 in such form as Grantor may require.

Section 2.02    Loan Terms.

The parties mutually agree that such loan shall be payable in equal monthly installments of \$2,381, with interest thereon from the date of advancement of loan principal, at the rate of 0% per annum, with the first such payment due 45 days following the commencement



of operations as set forth in the Application, and with subsequent payments due on the first day of each month thereafter, until paid in full.

Section 2.03 Collateral.

The loan will be continuously secured to the Authority by the following described collateral:

All Assets:

All present and future right, title and interest in and to any and all personal property of the Debtor, whether such property is now existing or hereafter created, acquired or arising and wherever located from time to time, including without limitation, the following categories of property: goods (including inventory, equipment, fixtures, farm products and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter-of-credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), all supporting obligations and all proceeds, products, additions, accessions, substitutions and replacements of the foregoing property. Any term used herein is as defined by the Uniform Commercial Code and further as modified or amended by the laws of the jurisdiction which governs this transaction. This financing statement covers, and is intended to cover, all personal property of the Debtor.

ARTICLE III

OBLIGATIONS OF BORROWER

Section 3.01 Use of Program Funds; Termination.

All Program Funds loaned shall be utilized only for the Eligible Economic Activities stated herein. This provision shall not be construed to inhibit Borrower's ability to forgive all or any portion of a loan made using Program Funds.

Section 3.02 Accounting.

Borrower shall provide the Authority with annual statements documenting actual expenditure of Program Funds. Borrower, 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 LB 840 Agreement or any of its terms or conditions, by the Borrower, Borrower 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 LB 840 Agreement shall be in default and the Borrower shall immediately pay the sum granted to the Borrower hereby to the Authority. The Authority may institute such proceedings as may be necessary or desirable to enforce its rights under this LB 840 Agreement.

ARTICLE V

MISCELLANEOUS

Section 5.01            RESERVED.

Section 5.02            Governing Law.

This LB 840 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 LB 840 Agreement shall be binding on the parties hereto and their respective successors and assigns. This LB 840 Agreement shall not be amended except by a writing signed by all parties hereto.

IN WITNESS WHEREOF, Authority and Borrower have signed this LB 840

Agreement as of the date and year first above written.

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GOTHENBURG:

RT ACE, LLC, A NEBRASKA  
LIMITED LIABILITY COMPANY:

\_\_\_\_\_  
Joyce Hudson, Chairperson

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_