

**Redevelopment Plan
Sandhill Road II Redevelopment Area
2018**

Timber Ridge Enterprises, Inc., a Nebraska corporation (the “Redeveloper”) intends to redevelop and improve the area, described in this Plan, pursuant to the Nebraska Community Development Law (Sections 18-2101 to 18-2144 and 18-2147 to 18-2153, R.S.S. Neb. 2012, as amended, the “Act”) by the development in phases of a mixed use residential and commercial site.

A. General Project Description:

THE REDEVELOPMENT CONSISTING OF THE REDEVELOPMENT OF THE EXISTING PROPERTY FOR THE CONSTRUCTION OF COMMERCIAL BUILDINGS AND MULTI-FAMILY UNITS (APARTMENTS), WITHIN AN AREA CONSISTING OF APPROXIMATELY 10 ACRES.

Described on Exhibit “1” attached to this Plan is the legal description of the real estate (the “Project Area”) which the Redeveloper intends to redevelop. Exhibit “2” shows the proposed layout of the Project Area.

The redevelopment of the Project Area is not economically feasible to implement without assistance from tax increment financing because the current layout of the ground requires significant expenditures for site acquisition, site preparation particularly because of dirt balancing expenses, street and utility extensions. The Redeveloper believes that the redevelopment of the Project Area will provide the City and its surrounding area with additional multi-family residential units without burdening the school district or any other taxing entity since the residential component will consist of one or two bedroom apartments which currently have limited availability in the area.

B. Boundaries of Project Area and Existing Conditions and Uses

Exhibit 1 shows the outer boundaries of the Project Area. Exhibit “1” shows the condition and existing uses of the property within the Project Area which consists of vacant ground that will be redeveloped with two commercial buildings and two residential apartment buildings and the remaining unimproved area. Each commercial building and each apartment building for the purpose of the TIF will be on its own platted lot or tax lot for a total of 4 platted lots or tax lots.

The Project Area has significant topographical challenges. This topography makes development difficult and adds a large expense for redevelopment of the Project Area, particularly in light of the size of the area and the limited development opportunities. Substantial excavation and fill will be required to prepare the Project Area for redevelopment.

No water or sanitary or storm sewer facilities are currently located within the Project Area. No street improvements have been installed. It will be necessary to provide for appropriate easements for water and sewer service to serve the City connections.

C. Land Use Plan Showing Proposed Uses With No Change in Zoning Required

Exhibit “2” shows the use for the Project Area. Exhibit “2” shows the proposed configuration for the development and the remaining area. These uses are consistent with the zoning adopted by the City of Louisville, Nebraska and consistent with the City’s Comprehensive Plan.

D. Information Concerning Population Densities, Land Coverage and Building Intensities

Under this Plan, the Property shall be redeveloped into two commercial buildings and two apartment structures consisting of 20 units per building for a total of 40 units and 32 garages for the apartments in 4 phases. Each commercial building will be a phase and each of the apartment buildings will be a phase. Infrastructure consisting of paving and utilities along with the necessary site improvements shall be developed within the undeveloped area which will support the construction of the two commercial buildings and two apartment buildings of 20 units each for a total of 40 units and 32 garages as shown on Exhibit “2” attached hereto. Building densities will not exceed such densities as are permitted under local regulations. The development of the project area into commercial buildings and apartments consisting of two apartment buildings and 32 garages will provide benefits to the community outside of the project area by stimulating development and providing housing for the adjoining area. The residential component will not result in burden on the school district because the units planned are one or two bedroom based on a shortage of such housing in the area.

E. Statement as to Street Layout, Street Levels or Grades

The legal description is the approximately east 10 acres within the SW1/4 SE1/4 of 22-12-11 in the City of Louisville, Cass County, Nebraska. All construction will be subject to applicable building codes and ordinances. The street layout and street levels will depend upon the finalized construction development plans. Streets interior to the project are intended to be private.

F. Site Plan for the Project Area

Exhibit “2” shows the proposed site plan for the area.

G. Statement as to Kind and Number of Additional Public Facilities

Water, sanitary and storm sewer main extensions throughout the Project Area will be provided in accordance with specifications and requirements of the City. The Redeveloper will be

responsible for all on site utility infrastructure installation. The Redeveloper will be responsible for obtaining appropriate gas and electric service.

Implementation of Plan

No project redevelopment contract or agreement between the Agency and the Redeveloper will be entered into until the Redeveloper has provided evidence of a financing commitment from a recognized financial institution acceptable to the Agency for financing of the Redeveloper's costs.

Description of Redevelopment Project

The Redeveloper intends to develop the commercial and multi-family development in four Phases. There will remain additional ground within the Project Area for future development. The overall scale of the full development is expected by the Redeveloper to approach \$5,600,000.00 in assessed valuation. The complete project is expected to take 10 years to complete with the 2 commercial building and 2 apartment structures and garages. Each of the 4 structures shall constitute a phase for a total of 4 phases. The incremental ad valorem tax revenues for a period up to 15 years after a designated effective date for each phase based upon the January 1 after the improvements are constructed and their subsequent valuation and revenue increases would be pledged to pay debt on the indebtedness. If the construction of one or more of the structures which constitutes a phase is not commenced within 10 years after the date of the Redevelopment Contract, then the ad valorem tax revenues to be received by the Redeveloper for such phase shall be reduced by the number of years after the 10 year period that the structure is completed and the effective date established, so that if construction of one of the 4 structures is completed in the 12th year from the date of the Redevelopment Contract, then the incremental ad valorem tax revenues would be for a period of 13 years.

Site preparation for the initial phase(s) would begin upon City authorization. Construction could be expected to begin in the summer of 2018.

The Redeveloper seeks assistance from the Community Development Agency of the City of Louisville (the "Agency") to overcome the site development, infrastructure and construction expense. The level of assistance requested is a grant in the total amount of \$650,110.00, based on engineering estimates, with such amount being allocated and made available to the various phases of the Project under the terms of the redevelopment contract.

Plan of Finance

The total estimated assessed value of the project, after full development of all four phases within the three sections is \$5,600,000.00. The Redeveloper is expected to request grant assistance from the Agency in the estimated amount of \$650,110.00 with such grant to be provided for from the issuance of community development debt instruments allowed by law to be issued by the

Agency in the amount of \$650,110.00 (the "Indebtedness"). The incremental ad valorem tax revenues (the increase in real property taxes based upon the resulting increase in taxable valuation) for a period of up to fifteen years after a designated effective date for each phase based upon the January 1 after the improvements are constructed and their subsequent valuation and revenue increases would be pledged to pay debt service on the Indebtedness. Such grant funding and application of incremental ad valorem tax revenues is expected to occur in four phases based upon the valuation on January 1 in the year that the improvements are constructed as provided in the redevelopment contract. The Redeveloper is to have full responsibility for (i) the purchasing of the Indebtedness from the Agency or (ii) arranging for the purchase of the Indebtedness from the Agency. Any issuance of the Indebtedness is to be upon the basis of a private placement with the purchaser signing and delivering an investment letter satisfactory in form to the Agency.

Description of Project Area

TAX INCREMENT REVENUES TO PAY THE INDEBTEDNESS IS TO COME FROM THE FOLLOWING REAL PROPERTY:

The east approximately 10 acres in the SW1/4 SE1/4 of Section 22 Township 12 Range 11 within the City of Louisville, Cass County, Nebraska.

The property will be divided into four separate tax lots or four platted lots as development occurs. Each phase of the redevelopment will occur on one or more tax lots or lots, the increment tax revenues from which will be dedicated to that portion of the Indebtedness associated with such phase. The tax increment revenues are to be paid under the terms of Section 18-2147(1)(b) of the Act for those tax years for which the payments become delinquent within fifteen (15) years from the effective date as set forth in the redevelopment contract.

The effective date for the phases shall be determined as set forth in the redevelopment contract, but it is anticipated that such effective dates shall be as follows:

a. The effective date of the first phase shall be the January 1 following the installation of the improvements for the development of the applicable tax lot or platted lot (the "Lot Improvements");

b. The effective date for the second phase shall be the January 1 following the first year after the installation of the improvements for such tax lot or platted lot;

c. The effective date for the third phase shall be the January 1 following the first year after the installation of the improvements for such tax lot or platted lot.

d. The effective date for the fourth phase shall be the January 1 following the first year after the installation of the improvements for such tax lot or platted lot.

The tax increment revenues are to be allocated under the terms of Section 18-2147(b) of the Act for those tax years for which the payments become delinquent within 15 years from the effective dates as set forth above and in the redevelopment contract. If taxes are received by the Cass County Treasurer on or before December 31 of the 15th year after such effective date, those taxes due on December 31st shall also be allocated and applied to the payment of principal and interest on the Indebtedness, but only to the extent to pay the full amount of the indebtedness.

The effective date for such allocations shall be set forth in or determined pursuant to the project redevelopment contract and/or the bond resolution authorizing the issuance of the Indebtedness and noticed to the County Assessor of Cass County in accordance with the terms of Section 18-2147 of the Act as amended.

The real property ad valorem taxes on the current taxable valuation of the tax lot(s) or platted lot(s) associated with each phase of the Project for the year prior to redevelopment of such phase in accordance with this Plan and the Act will continue to be paid to the applicable taxing bodies in accordance with the terms of Section 18-2147 of the Act.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the tax lots within the Project Area for each phase shall be divided, for the period not to exceed 15 years after the effective date as determined pursuant to the redevelopment contract. *The effective date(s) may be confirmed and restated in the resolution authorizing the Indebtedness and/or in the project redevelopment contract to be entered into between the Agency and the Redeveloper.*

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is to be pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed or otherwise, by the Agency to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances or indebtedness.

The Indebtedness shall be payable solely from the tax increment revenues available under Section 18-2147 and shall not otherwise constitute indebtedness of the Agency or the City.

Redevelopment Plan Complies with the Act:

The Community Development Law requires that a redevelopment plan and project consider and comply with a number of requirements. This Plan meets the statutory qualifications as set forth below.

- 1. The project must be in an area declared blighted and substandard. [Section 18-2109]**

The Project Area has been declared blighted and substandard by action of the Mayor and Council of the City prior to the adoption and approval of this Plan. [Section 18-2109] Such declaration is required to be made after a public hearing with full compliance with the public notice requirements of Section 18-2115 of the Act. Approval occurred at a meeting of the Mayor and Council of the City held on August 8, 2012.

2. Conformance to the general plan for the municipality as a whole. [Section 18-2103(13)(a) and Section 18-2110]

The City of Louisville has adopted a Comprehensive Plan dated December 11, 2013, (the "Comprehensive Plan"). This Plan and the project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended or required.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [Section 18-2103(13)(b) and Section 18-2111]

a. Land Acquisition: The Project Area will be or has been acquired by the Redeveloper, by private purchase. Page 4 of the Blight and Substandard Study prepared by JEO Planning dated May 2012 and on file in the office of the City Clerk at 210 Main Street, Louisville, Nebraska, shows the existing uses and condition of the real property located in the Project Area.

b. Demolition and Removal of Structures: The project to be implemented under this Plan does not require removal of any structures. Substantial dirt removal and relocation, including infill placement will be required to make the site useful for the planned development. Elevations and street and sewer plans will be provided to the City Planning Department for approval prior to commencement of construction.

c. Future Land Use Plan: See the attached map (Exhibit #2) for the proposed development land use. [Section 18-2103(b) and Section 18-2111 of the Act] The attached maps also show an accurate site plan of the area after redevelopment, showing the proposed uses projected for the Redevelopment Project. [Section 18-2111(3) and (5) of the Act].

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes. The area is zoned Transitional Agricultural (TA). The proposed street layouts are shown on Exhibit #2. No changes are anticipated in building codes or ordinances. [Section 18-2103(b) and Section 18-2111 of the Act].

e. Site Coverage and Intensity of Use. The project as fully developed will provide for 2 commercial buildings and 2 apartment buildings consisting of 40

one and two bedroom apartments with detached garages. [Section 18-2103(b) and §18-2111 of the Act]. Proposed building coverages are shown on Exhibit “2”.

f. Additional Public Facilities or Utilities. Water, storm and sanitary sewer connections to the city mains will be required. [Section 18-2103(b) and Section 18-2111 of the Act]. Tax increment revenues are necessary to make the cost of the installation of these improvements feasible.

4. The Act requires that a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. There are no residents or operating businesses currently located in the Project Area that will need to be relocated and no relocation requirements apply or are contemplated. [Section 18-2103.02 of the Act].

5. Conflicts of interest by an Agency member must be disclosed. No member of the governing body of the Agency nor any employee of the City or the Agency holds any interest in any property located in the Project Area. [Section 18-2106 of the Act].

6. The Act requires that the Agency consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The Redeveloper has or will acquire the property located in the Project Area using its own resources. There will be no acquiring of property by the Agency and therefore Section 18-2119 of the Act requiring publication of notice for contract proposals. The Agency may enter into a project redevelopment contract with the Redeveloper having such undertakings as the Agency determines appropriate [Section 18-2119(2) of the Act]. Because all of the real property within the Project Area will be privately owned the requirements of Section 18-2118 of the Act relating to transfers of property by the Agency do not apply. The Redeveloper intends to redevelop the Project Area with an investment of up to \$5,600,000.00 of funds from grant proceeds and private resources as described in this Plan.

b. Statement of proposed method of financing the redevelopment project.

This plan contemplates that the Agency may issue its Indebtedness (development revenue bond or bonds) in an amount sufficient to provide a grant from the Agency (after payment of the Agency’s incurred costs) to the Redeveloper to bear interest at a rate to be determined by the Redeveloper. The Indebtedness shall be privately placed to obtain the proceeds needed to make the grant. The Redeveloper will purchase or cause the Indebtedness to be purchased. Application of the proceeds of the Indebtedness will be supervised by or on behalf

of the Agency. It is anticipated that the Indebtedness shall be repaid from the tax increment revenues generated from the Project Area from and after January 1, 2019 through that December 31 of the fifteenth anniversary of the effective date as to each phase of development as set forth in the project redevelopment contract.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan [Section 18-2114 of the Act].

7. Statutory considerations prior to recommending a redevelopment plan. Section 18-2113 of the Act requires that the governing body of an Agency observe certain considerations prior to recommending a Plan: In connection with the adoption of this Plan and prior to recommending it to the Mayor and Council, the governing body of the Agency shall consider whether the proposed land uses and building requirements in the redevelopment project area (as to this Plan, the Project Area) are designed with the general purpose of accomplishing, in conformance with the general plan (the City's Comprehensive Plan), a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight. The Agency shall undertake to make such considerations and findings prior to its recommending of this Plan by a resolution separate from this Plan. Public transportation is not offered in the City, and none is planned for this project. Little impact is expected, with one and two bedroom apartments, on the City's recreational facilities, nor on the City's water and sanitary sewer systems.

8. Cost Benefit Analysis. This Plan when presented for recommendation and approval shall be accompanied by a cost benefit analysis. Such analysis is as follows:

(a) Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147:

There will be no tax shifts resulting from the approval of the use of funds pursuant to section 18-2147. All property taxes being paid on the current base valuation of the property will be paid to and remain with the political subdivisions. None of the property taxes from the base valuation will be paid to the Redeveloper under this TIF Note.

(b) Public infrastructure and public service needs:

The plan requires the redeveloper to pay for and install all infrastructure. The public will not incur any cost for the public infrastructure and public service provided to the project. These costs will be paid by the Redeveloper. The City will benefit from the Redeveloper installing and paying for the infrastructure for the project by the infill development into the project area and by the utilization of existing public facilities abutting the project area with the corresponding development fees being paid by the Redeveloper to extend such public services into the project area.

(c) Impacts on employers and employees within the project area:

There will be no negative impacts on the employers and employees within the project area. Impacts on employers and employees within the project area will be positive as a result of the redevelopment of the project area with commercial buildings which will provide space for businesses which will provide employment and services to the project area and apartments which will provide for housing within the project area and will benefit and support the commercial activity within the project area.

(d) Impacts on employers and employees in the city, but not in the project area:

The construction of the commercial and multi-family structures will increase temporarily employment through the construction process. The additional residential and commercial resulting from the project will have the effect of providing additional employment by the businesses within the commercial area. The additional residential units will provide needed housing for people who seek employment within the project area and the adjoining area which includes school teachers who need residential units within the community to reside which this project will provide. The project will provide commercial activity and residential units which will create additional business activity, residential activity and development within the adjoining area.

(e) With one and two bedroom apartments for residential improvements, there will be no material impact on the student population of the school districts within the city. There will be few, if any, children of an age which will reside within the apartments and attend local schools. The apartments will provide needed housing for teachers who seek teaching assignments within the local school district since presently there are few residential units for them to rent. This will address that problem. Further, the commercial development will provide additional tax valuation for the school district without generating any students for the school district.

Field

(f) Other impacts:

No significant negative additional impacts are anticipated. However the project will invite population growth, without burden on the school district, with its attendant spending and

investment in the community. The project will also spur additional development and redevelopment projects within the adjoining area [Section 18-2113 (2) of the Act].

9. Time Frame for Development. Development of the Project Area is anticipated to begin during the summer of 2018 with initial occupancy of the redeveloped commercial structures to be 2019. The second commercial building and apartments will follow based upon market conditions. The base tax year for Phase One will be determined as set forth in the redevelopment contract but is expected to be calculated on the value of the property as of January 1, 2019. The base tax year for Phase Two is expected to be calculated on the value of the property as of the January 1 following the year in which the Lot Improvements are constructed/installed. The base tax year for Phase Three is expected to be calculated on the value of the property as of the January 1 following in which the Lot Improvements are constructed/installed. The base tax year for Phase Four is expected to be calculated on the value of the property as of the January 1 following in which the Lot Improvements are constructed/installed.

Exhibit #1

Project Area

The approximately east 10 acres located in the SW1/4 SE1/4 of 22-12-11 within the City of Louisville, Cass County, Nebraska

Exhibit #2
Site Plan Showing Project

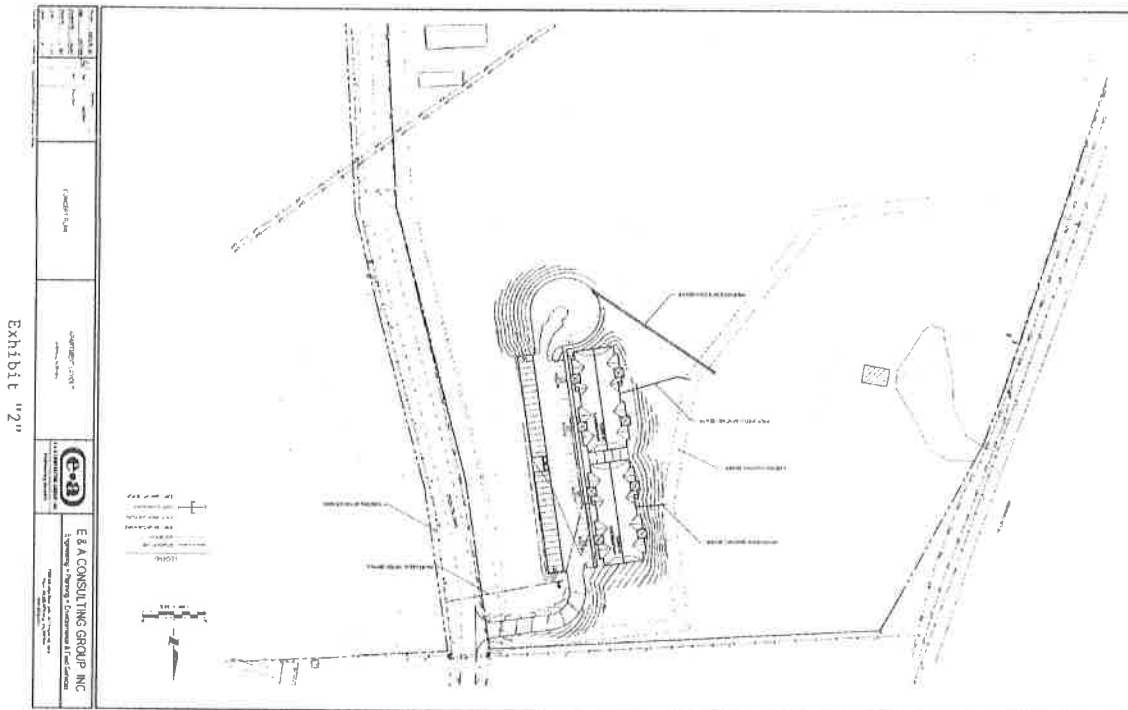
Exhibit #3

Approximate Redevelopment Project Costs:

Site acquisition	\$200,000.00
Site improvements	<u>\$450,110.00</u>
Total eligible costs	\$650,110.00

NOTICE OF PUBLIC HEARING
PLANNING COMMISSION
LOUISVILLE, NEBRASKA

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Planning Commission of the City of Louisville, Nebraska on October 1, 2018 at 7:00 p.m. at City Hall, 210 Main Street, Louisville, Nebraska, to consider whether the proposed redevelopment plan for real estate consisting of approximately 10 acres located in the SW1/4 SE1/4 of 22-12-11, within the City of Louisville, Cass County, Nebraska and as depicted on this map, is in conformity with the general plan of the City of Louisville, Nebraska. The cost-benefit analysis for this proposed redevelopment plan is found within the plan and the plan is on file at City Hall and can be found at: <https://www.louisvillenebraska.com/index.php/city-office>.



Dee Arias, City Clerk

Please publish for two consecutive weeks: September 13 and 20, 2018.

RESOLUTION NO. 18- 11

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF LOUISVILLE, NEBRASKA AS FOLLOWS AS IT RELATES TO THE FORMAT OF ANY COST BENEFIT ANALYSIS RELATED TO TAX INCREMENT FINANCING PURSUANT TO THE COMMUNITY DEVELOPMENT LAWS OF THE STATE OF NEBRASKA:

WHEREAS, the Agency finds and determines that it is necessary to establish an outline for factors to be addressed in any cost benefit analysis for any Redevelopment Project pursuant to the Community Development laws of the State of Nebraska.

NOW, THEREFORE, be it resolved by the Community Development Agency of the City of Louisville, Nebraska that the following shall constitute the outline for any cost benefit analysis related to any redevelopment plan proposed within the City of Louisville, Nebraska pursuant to the Community Development laws of the State of Nebraska:

- (a) Tax shifts resulting from the approval of the use of tax increment financing

Will there be a shift in current taxes or will the taxes as currently assessed remain with each political subdivision based on the current base valuation of the property. Expressly identify whether any current property taxes from the base valuation will be paid to the Redeveloper instead of the political subdivision.

- (b) Public infrastructure and public service needs

Who will pay for the installation of any infrastructure such as water, sanitary sewer and streets. Will the public participate in any of

the cost of any public infrastructure and public service improvements. How will the City benefit from the redeveloper installing and paying for the infrastructure for the project. Will the project result in the infill of property or infrastructure in an area which is absent? Will the addition of infrastructure aid the City in completing a phase of necessary and beneficial infrastructure?

(c) Impacts on employers and employees locating or expanding in the project area

What if any is the projected impact on employers and employees in the project area. How are they benefitted or negatively impacted? Will needed commercial or living space be added and fill a need or gap? Will any housing fill a void for developing businesses in the project area?

(d) Impacts on employers and employees in the city, but not in the project area

Will the project involve construction which will temporarily increase employment? Will employment opportunities with other employers in the city increase? Is there a housing shortage if residential construction is included and if so, does that construction fill a housing void?

(e) Impacts on the student populations of school district

Will the project add students to the school districts within the

city? If residential development is involved, what size residences will be constructed and what needs will it fill and will it be suitable for family housing to increase student populations for the school districts? When completed and the TIF time expires, will the project increase the property valuation for the school districts?

(f) Any other impacts determined relevant

For example:

Will the project result in young residents returning to the city?

Will the project provide job opportunities for returning young folks and if so, is there adequate housing available to accommodate their return?

PASSED AND APPROVED this 12TH day of September 2018.

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF LOUISVILLE, NEBRASKA

By:


Chairperson

ATTEST:


Dee Arias, City Clerk