

MCCOOK CITY COUNCIL

REGULAR MEETING

**Monday, April 6, 2020
5:30 PM - City Council Chambers**

Call to Order and Roll Call.

Statement from Mayor and Open Meetings Act Announcement.

Pledge of Allegiance.

Items.

1. Announcements & Recognitions.

2. Proclamations.

A. Proclaim the week of April 12 - 18, 2020 "National Public Safety Telecommunicators Week" and authorize the Mayor to sign said proclamation.

B. Approve the proclamation designating each Tuesday from April 7, 2020 through April 28, 2020 as "Takeout Tuesday" throughout the City and authorize the Mayor to sign.

3. Public Hearings.

A. Public Hearing - Regarding the Redevelopment Plan for the Blackwood Enterprises Redevelopment Project as to its conformity with the general plan for the development of the City as a whole.

1. Adjourn the Public Hearing.

B. Meeting of the Community Development Agency.

1. Call to Order and Roll Call.

2. Open Meetings Act Announcement.
 3. Adopt Resolution No. CDA 2020-01 approving an amendment to the Redevelopment Plan for the City of McCook, to the City Council, and adopting a Cost Benefit Analysis for the Blackwood Enterprises Redevelopment Project.
 4. Recess as a Community Development Agency.
- C. Adopt Resolution No. 2020-03 approving an amendment of the Redevelopment Plan of the City of McCook, Nebraska, including the Blackwood Enterprises Redevelopment Project.
1. Recess as a City Council.
- D. Approve Resolution No. CDA 2020-02 authorizing and approving a Redevelopment Agreement including the use of Tax Increment Financing for the Blackwood Enterprises Redevelopment Project, and taking other actions required or permitted under the Community Development Law.
1. Adjourn the McCook Community Development Agency.
- E. Adopt Resolution No. 2020-04 approving the form of the Redevelopment Agreement for the Blackwood Enterprises Redevelopment Project and authorizing the Community Development Agency to enter into said agreement.
4. Consent Agenda.
- A. Approve the minutes of the March 16, 2020 regular City Council meeting.
 - B. Recommend approval to the Nebraska Liquor Control Commission the Application for Addition to Liquor License submitted by Fraternal Order of Eagles 2769 - License #I-03700, located at 805 East "B" Street, McCook, Nebraska.
 - C. Receive and file the minutes of the January 8, 2020 Library Advisory Board meeting.
 - D. Approve and authorize the Mayor to sign a Professional Engineering Agreement with Miller & Associates, Consulting Engineers, P.C., for the design and construction inspection of the improvements to the West Golf Course Life Station.
 - E. Approve and authorize the Mayor to sign Change Order No. 1 for the West 5th and East 14th Water Main Project extending the Substantial Completion date to October 15, 2020 and Final Completion to November 1, 2020.
 - F. Authorize the McCook Evangelical Free Church to construct a concrete alleyway that meets city standards on city right of way adjacent to their properties, between

East "H" Street and East "F" Street, contingent upon the owners transferring their property interest to the City in fee at completion of the project.

G. Approve the Insurance Services Agreement between Hays Companies, Inc., and the City of McCook for medical insurance brokerage services.

5. Regular Agenda.

A. Approve the LB840 Economic Development Revolving Loan Fund Program loan for Young Bison Childcare in the amount of \$56,500 to assist with the necessary financing to purchase Kingdom Kids Daycare.

B. Receive and file a presentation from Andy Long regarding the LB840 Economic Development Revolving Loan Fund Program and the potential restructuring of current loan terms to allow qualifying LB840 Revolving Loan Fund Program borrowers to defer principal payments for 3 months as a result of Covid-19.

C. Receive and file a request from the Southwest Nebraska Community Theater Association to lease the southwest portion of the City of McCook Municipal Auditorium for storage purposes.

D. Adopt Resolution No. 2020-06 authorizing and designating the City Manager to declare that a local emergency exists; temporarily delegating the City Council's and Mayor's responsibility and authority under the City of McCook's Local Emergency Operation Plan to the City Manager to coordinate and manage the prevention preparations and the disaster and recovery operations during the current COVID-19 pandemic; and temporarily designating Nancy Pick to serve as the Public Information Officer under the City of McCook's Local Emergency Operation Plan with Jennifer Doucet to serve as the alternate.

E. Consider on its third and final reading Ordinance No. 2020-3002 amending 95.03 and 95.35, and repealing 95.05 to the City of McCook Code of Ordinances, Chapter 95: Nuisance; Health and Sanitation.

1. Chairperson asks Clerk to read Ordinance by title.

2. Consider approval of Ordinance No. 2020-3002 upon its third and final reading.

3. Chairperson declaration after vote and passage, if approved.

1. Ordinance No. 2020-3002 is declared lawfully passed and adopted upon publication as required by law.

F. Consider on its third and final reading Ordinance No. 2020-3003 amending Section 130.32: Abandoned Automobiles, to the City of McCook Code of Ordinances.

1. Chairperson asks Clerk to read Ordinance by title.
2. Consider approval of Ordinance No. 2020-3003 upon its third and final reading.
3. Chairperson declaration after vote and passage, if approved.

1. Ordinance No. 2020-3003 is declared lawfully passed and adopted upon publication as required by law.

G. Consider on its third and final reading Ordinance No. 2020-3004 amending Section 33.03: Proposed Budget Statement; Hearing; Adoption; Certification of Tax Amount, of the City of McCook Code of Ordinances.

1. Chairperson asks Clerk to read Ordinance by title.
2. Consider approval of Ordinance No. 2020-3004 upon its third and final reading.
3. Chairperson declaration after vote and passage, if approved.

1. Ordinance No. 2020-3004 is declared lawfully passed and adopted upon publication as required by law.

H. Introduce and approve on its first reading Ordinance No. 2020-3005 amending Chapter 31: City of McCook Policies, of the City of McCook Code of Ordinances, Section 31.56 - Sale or Conveyance of Property.

1. Chairperson asks Clerk to read Ordinance by title.
2. Consider approval of Ordinance No. 2020-3005 upon its first reading.

I. Introduce and approve on its first reading Ordinance No. 2020-3006 amending Chapter 30: Government Officials, of the City of McCook Code of Ordinances, Section 30.002 - Bonds Required and Section 30.040 - City Clerk.

1. Chairperson asks Clerk to read Ordinance by title.
2. Consider approval of Ordinance No. 2020-3006 upon its first reading.

J. Introduce and consider Ordinance No. 2020-3007 providing for the repeal of Ordinance No. 2020-3000 in its entirety; providing for the amendment of Chapter 130: General Offenses, of the City of McCook Code of Ordinances; adding Section 130.34 - Obstructing/Harassing a Peace Officer; amending Section 130.99 - Penalty; to provide that Obstruction/Harassment of a Police Animal is an Offense; to Clarify the definition of "Police Animal".

1. Chairperson asks Clerk to read Ordinance by title.
2. Consider statutory rule requiring reading on three separate occasions be suspended. Motion to suspend the rule must be adopted by three-fourths of the Council.
3. Final passage of Ordinance No. 2020-3007.
4. Chairperson declaration after vote and passage, if approved under suspension of the rule.
 1. Ordinance No. 2020-3007 is declared lawfully passed and adopted upon publication as required by law.

K. Council Comments.

Adjournment.

CITY MANAGERS REPORT
APRIL 6, 2020 CITY COUNCIL MEETING

ITEM: 2.A.

RECOMMENDATION:

PROCLAIM THE WEEK OF APRIL 12-18, 2020 AS NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK AND AUTHORIZE THE MAYOR TO SIGN THE PROCLAMATION

BACKGROUND:

Across the nation in times of intense personal crisis and community wide disasters, the first access point for those seeking all classes of emergency services and homeland security information is 9-1-1. The local and county public safety communications centers that receive these calls have emerged as the first and single point of contact for persons seeking immediate relief during an emergency.

In October, 1991 Congress passed H. J. Resolution 284 designating the Second week of April of each year as National Public Safety Telecommunication's Week.

The McCook Police Department is celebrating the second full week of April (12-18, 2020) as National Public Safety Telecommunication's Week. This week honors the thousands of men and women who respond to calls, dispatch emergency professionals and equipment, and render life saving assistance to citizens in the United States. We are enlisting the support of the City Council of McCook in the form of a proclamation to honor these men and women in the City of McCook for the work that they do everyday to protect the citizens of McCook and Red Willow County.

FISCAL IMPACT:

NONE.

RECOMMENDATION:

PROCLAIM THE WEEK OF APRIL 12-18, 2020 NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK AND AUTHORIZE THE MAYOR TO SIGN THE PROCLAMATION

APPROVALS:



Isaac S. Brown, Chief of Police

3-4-2020
Date



Nathan Schneider, City Manager

3/31/2020
Date

*Office of the Mayor
McCook, Nebraska*

Proclamation

"NATIONAL PUBLIC SAFETY TELECOMMUNICATOR'S WEEK"

- WHEREAS, emergencies can occur at anytime that require police, fire or emergency medical services; and
- WHEREAS, when an emergency occurs the prompt response of police officers, firefighters and paramedics is critical to the protection of life and preservation of property; and
- WHEREAS, the safety of our police officers and firefighters is dependant upon the quality and accuracy of information obtained from citizens who telephone the McCook Public Safety Communications Center; and
- WHEREAS, Public Safety Dispatchers are the first and most critical contact our citizens have with emergency services; and
- WHEREAS, Public Safety Dispatchers are the single vital link for our police officers and firefighters by monitoring their activities by radio, providing them information and insuring their safety; and
- WHEREAS, Public Safety Dispatchers of the City of McCook Police Department have contributed substantially to the apprehension of criminals, suppression of fires and treatment of patients; and
- WHEREAS, each dispatcher has exhibited compassion, understanding and professionalism during the performance of their job in the past year;

NOW, THEREFORE, Be It Resolved that the City Council of City of McCook declares the week of April 12 through 18, 2020 to be National Public Safety Telecommunicator's Week in McCook, in honor of the men and women whose diligence and professionalism keep our city and citizens safe.

Dated this 6th day of April, 2020.

*In witness whereof I have hereunto set by
hand and caused this seal to be affixed.*

Michael D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: **2.B.**

Approve the proclamation designating each Tuesday from April 7, 2020 through April 28, 2020 as "Takeout Tuesday" throughout the City and authorize the Mayor to sign.

BACKGROUND:

This proclamation is being presented at the request of Dawson Brunswick, McCook Chamber of Commerce, President/CEO. He will be present Monday night to address their request.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

April 1, 2020



Nathan A. Schneider, City Manager

April 1, 2020

*Office of the Mayor
McCook, Nebraska*

Proclamation

"TAKEOUT TUESDAY"

WHEREAS, McCook is home to 28 eating and drinking establishments, which creates jobs for hundreds of McCook area residents;

WHEREAS, McCook's restaurants source their menus from the premium crops and livestock produced by our area's farmers and ranchers whose hard work helps to feed the world; and

WHEREAS, McCook's dining establishments provide essential nourishment to our city's residents; and

WHEREAS, The coronavirus 2019 (COVID-19) pandemic has required restaurants and bars to limit or close their seating areas in the interest of the public health; and

WHEREAS, Restaurants and bars have creatively found ways to continue to serve Nebraskans through takeout, curbside, and delivery services; and

WHEREAS, Nebraskans are grateful to restaurateurs and teammates working in our city's dining and drinking establishments and wish to show our support throughout the duration of the COVID-19 pandemic.

THEREFORE, I Michael D. Gonzales, Mayor of the City of McCook do hereby proclaim each Tuesday from April 7, 2020 through April 28, 2020 as Takeout Tuesday throughout this city, and I urge all the people of McCook to be aware of and support the local eating and drinking establishments that contribute back to our local community, schools, and economy.

Dated this 6th day of April, 2020.

*In witness whereof I have hereunto set by
hand and caused this seal to be affixed.*



Michael D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk

**CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING**

3.A.

ITEM NO. ___ Public Hearing - Regarding a Redevelopment Plan for the Blackwood Enterprises Redevelopment Project.

BACKGROUND:

For reference, please review the City Manager's Report for the March 16, 2020 McCook City Council meeting. The original Public Hearing scheduled for that date was postponed to April 6, 2020 to allow the Redeveloper time to address potential parking concerns on the Redevelopment Site. The Redeveloper and City Staff met to discuss parking on March 27, 2020. Based on our discussion, and after reviewing the McCook Zoning Ordinance, it was determined the Redeveloper must provide 1 parking space per 500 square feet of building. The building is just under 10,000 square feet in size. Accordingly, the Redeveloper needs 20 parking spaces. Attached to this report is a proposed layout of the building and corresponding parking stalls. The plan includes 20 parking stalls, which satisfies the City's parking requirements. Based on the drawing, Staff and the Redeveloper will need to discuss the location of the proposed stalls located on the west side of the building, as well as the possibility of the need for a right-of-way permit to occupy a portion of the City's right-of-way. That issue would be brought to Council at a future meeting. In addition to the stalls identified on the overlay drawing, the Redeveloper will have additional space available on the east side of the lot for parking. Finally, the old public safety center has some space available for a few parking stalls for overflow parking. Staff is confident that an additional 10 spaces could be made available for parking, which would be open to the Redeveloper and other businesses in the area if needed.

One thing of note. Due to the fact that parking was the only concern Staff wanted to address prior to approval of the Redevelopment Plan or Redevelopment Agreement, Staff is not changing the March 16, 2010 Staff Reports for the Redevelopment Plan and Redevelopment Agreement. The fact that parking has been addressed satisfies the Staff's concerns and all other elements of those documents meet Staff's approval.

APPROVALS:



Nathan A. Schneider, City Manager

March 31, 2020



Lea Ann Doak, City Clerk

March 31, 2020

EXHIBIT #1

PAGE - 1

NOTICE OF PUBLIC HEARING

Public notice is hereby given by the Planning Commission that a public hearing will be held at 5:15 p.m. on Monday, March 9, 2020, in the City Council Chambers at the McCook Municipal Center, 505 W C Street, McCook, Nebraska. An agenda for such meeting, kept continuously current, is available for public inspection at the office of the City Clerk, 505 West C Street, McCook, NE 69001.

The purpose of the hearing is to obtain public comment prior to the review and consideration of a proposed redevelopment plan for the City of McCook, including a specific redevelopment project.

The property that is the subject of this notice and of the public hearings is located in 520 West B Street, in the City of McCook, Nebraska and legally described as follows:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999.

All interested parties shall be afforded at the public hearing a reasonable opportunity to express their views regarding the proposed redevelopment plan. A map of the redevelopment area and a copy of the cost-benefit analysis shall be maintained at the office of the City Clerk.

-s- Lea Ann Doak, City Clerk

Publish: February 21, 2020 and February 28, 2020

EXHIBIT #2

PAGE(S) - 1

**REDEVELOPMENT PLAN FOR THE
BLACKWOOD ENTERPRISES REDEVELOPMENT PROJECT
IN THE CITY OF MCCOOK, NEBRASKA**

Introduction

The City of McCook, Nebraska ("City") has undertaken a plan of redevelopment within a certain redevelopment area in the City identified as Redevelopment Area #3 (the "Redevelopment Area"). The Redevelopment Area was declared blighted and substandard in January, 2013. A Blight and Substandard Study and General Redevelopment Plan for the Redevelopment Area was prepared in January, 2013 by Hanna:Keelan Associates, P.C., and adopted by the City in January, 2013. The General Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City. This Redevelopment Plan is a project-specific amendment to the General Redevelopment Plan and shall serve as the guide for the implementation of redevelopment activities on the Project Site, as defined herein, which is located in the Redevelopment Area.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the "Act"), the City created the Community Development Authority of the City of McCook ("CDA"), which has administered the General Redevelopment Plan for the City.

The purpose of this Redevelopment Plan is to identify specific property within the redevelopment area that is in need of redevelopment to cause the removal of blight and substandard conditions identified as the site located at 520 West B Street, in the City of McCook, Nebraska, and legally described on the attached and incorporated Exhibit "A" (the "Project Site").

The Project Site

The Project Site located within the Redevelopment Area and has been declared blighted and substandard. The Project Site is in need of redevelopment. The CDA has considered whether redevelopment of the Project Site will conform to the general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that such a redevelopment of the Project Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight. The blighted condition of the Project Site and the Redevelopment Area has contributed to its inability to attract businesses and/or development. In order to support private development, the Project Site and the Redevelopment Area are in need of renovation and redevelopment.

Description of the Project

The project under consideration will consist of the renovation, rehabilitation, and exterior enhancements of the commercial building on the Project Site and associated

improvements on the Project Site to create retail/commercial space (the “Project”). The existing building on the Project Site was built in 1950 and is no longer suitable for modern business due to its age and obsolescence. A recent photograph of the Project Site is set forth below:



This existing building on the Project Site is currently vacant and requires substantial upgrades and improvements to attract tenants. The building has a concrete block exterior, so a substantial portion of the Project will consist of façade enhancements to the building to give it a modern appearance. This Project is intended to create retail/commercial space for multiple small businesses to occupy and provide them an opportunity to grow their businesses.

Blackwood Enterprises, L.L.C., a Nebraska limited liability company (the “Redeveloper”), has submitted a proposal for the Project and the redevelopment of the Project Site. The redevelopment of the Project Site pursuant to this Redevelopment Plan will eliminate the current blight and substandard conditions of the Project Site and will further the purposes of the Act in conformity with the General Redevelopment Plan.

As part of the Project, the CDA shall capture available tax increment from the Project Site to assist in payment for the public improvements listed as eligible expenditures under the Act in the Redevelopment Area. Such public improvements may include, but are not limited to: land acquisition, demolition, architectural fees, utility improvements, landscaping, façade enhancements, and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act. Redeveloper shall be responsible for all other costs and expenses associated with the Project.

Preliminary site plans are attached hereto as Exhibit “B” and incorporated herein by this reference. The CDA acknowledges that these plans are preliminary in nature and subject to change, but has included the current information submitted by Redeveloper. Redeveloper intends to commence construction in 2020 (as soon as the Project is approved) and complete construction in 2020. The base year for the Project is anticipated to be 2020 and the effective date for the division of taxes shall be January 1, 2021.

Tax Increment Financing

The CDA contemplates the use of TIF for the Redevelopment Project. Section 18-2147 of the Act authorizes the use of TIF. It provides that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date as identified in the redevelopment contract, or amendment thereof, or in the resolution(s) of the authority authorizing the issuance of TIF Indebtedness pursuant to the Act, as follows:

- (a) That portion of the ad valorem tax the levy produces at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body ("Base Tax Amount"); and
- (b) That portion of the ad valorem tax on real property, as provided in the redevelopment contract or bond resolution, in the redevelopment project in excess of the Base Tax Amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project.

With respect to the Redevelopment Project, the actual base tax year and Base Tax Amount for Project Site will be set forth in the redevelopment agreement. It is anticipated that the CDA will issue one TIF note for the entire Project. Notwithstanding any provision herein to the contrary, all incremental tax revenues resulting from the Project shall only be divided and allocated for no more than the applicable 15-year increment period provided by the Act.

The base value is of the Project Site is \$135,000. Pursuant to the Red Willow County Assessor's preliminary appraisal of the proposed project on January 9, 2020, the projected completed valuation of the Project is \$1,139,857. The preliminary appraisal is not binding and is based upon the information and assumptions provided to the Assessor. The CDA does not make any representations to the final value of any Project, but has used the value of the preliminary appraisal as the estimated completed valuation of the Project.

Based upon the anticipated completed valuation of \$1,139,857 and a 5.0% interest rate for the TIF Note, the Project will yield TIF Indebtedness in the amount of approximately \$200,000. Redeveloper estimates that the total Project costs shall be approximately \$647,875. Redeveloper shall also be responsible for the CDA's administrative fee and the City's cost of issuance related to the Project and the TIF Indebtedness, which costs are TIF-eligible expenses. Redeveloper has identified approximately \$493,900 TIF-eligible expenditures. The estimated TIF uses is set forth below:

CDA Administrative Fee	\$6,000
Cost of Issuance	TBD
Land Acquisition	\$250,000
Demolition	\$11,500
Architectural Fees	\$5,000
Water Main Improvements	\$2,500
Sanitary Sewer Improvements	\$4,800
Electrical Improvements	\$8,900
Natural Gas Improvements	\$4,700
Street Improvements	\$3,100
Landscaping	\$4,200
Façade Enhancements	\$193,200
<hr/> Total estimated TIF uses:	<hr/> \$493,900

Statutory Elements

As described above, the Project envisions the capture of the incremental taxes created by the Project on the Project Site to pay for those eligible expenditures as set forth in the Act. Attached hereto as Exhibit “C” and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law.

Cost-Benefit Analysis

Pursuant to Section 18-2113 of the Act, the CDA must conduct a cost-benefit analysis for any redevelopment project that will utilize TIF. The Cost-Benefit Analysis for the Project is attached hereto as Exhibit “D” and incorporated by this reference.

Comprehensive Plan

Several goals of the McCook, Nebraska Comprehensive Plan 2013–2023 (the “McCook Comprehensive Plan”) will be furthered by this Project, including but not limited to:

EDUCATION AND COMMUNITY/ECONOMIC DEVELOPMENT

Goal 2: Economic Development. Utilize the McCook Comprehensive Plan as an economic development resource and guide to maximize economic opportunities for all residents. Foster an increase in diversified employment and business types in McCook.

Action Step 3: Focus efforts of diversified businesses and employment opportunities to expand existing and attract new companies. Expand the availability of retail commerce development sites and available storefronts for rent or purchase to attract non-local businesses. . . .

GOAL 3: Community Development. Community development practices should strive to both stabilize and improve the local McCook economy and quality of life. Proper renovation, adaptive reuse and additions of existing buildings, as well as new

construction activities should be components of locally available incentives to attract residents, businesses and industries.

Action Step 1: Encourage local reinvestment in McCook by both the public and private sectors. Provide infrastructure and needed amenities to support future growth of commercial, industrial and residential areas. Remove dilapidated buildings and promote building rehabilitation on structures that are considered cost-effective for such activity. Commercial building rehabilitation projects could include façade restoration, window and awning replacement, improved accessibility and signage. . . .

Action Step 3: Utilize all available public programs of financing in funding development and redevelopment programs. . . .

Action Step 4: Provide public improvements to older residential neighborhoods, as well as Downtown McCook, in need of street and sidewalk resurfacing, landscaping, street trees and improved utility mains. Downtown façade improvements, a public gathering/festival square and additional public parking are needed to support the development of additional specialty retail businesses.

Action Step 7: Promote community sustainability and quality of life in McCook as being a great place to live, work, raise a family and retire

Goal 4: Community Redevelopment Planning and Implementation. Focus on improving structures, utility mains and public facilities throughout McCook. Utilize various funding local, State and Federal funding sources to achieve various redevelopment goals in McCook.

Action Step 1: Utilize Tax Increment Financing (TIF) in designated “Redevelopment Areas” as a method of funding structural rehabilitation activities for commercial buildings. These activities could include façade renovation, utility and street improvements and mixed use developments.
. . . .

Additionally, the following elements are identified in the McCook Comprehensive Plan as priority redevelopment activities associated with commercial development:

- Update and enforce minimum building codes to prevent vacant buildings from deteriorating.
- Encourage property and business owners to utilize the provisions of Tax Increment Financing as both a development and redevelopment tool in Downtown McCook and along the commercial highway corridors.
- Maintain and improve the aesthetic appearance of Community

- Encourage the development of additional specialty retail businesses, especially those catering to the needs of residents of McCook, as well as those of visitors and travelers to the Community.
- Encourage residents to start their own businesses through entrepreneur programs supported in incubator malls or building spaces that have large areas for multiple, individual businesses.
- Support successful home based businesses that have outgrown the “home,” and/or incubator mall, and are in need of permanent commercial or industrial locations.

The existing land use map and future land use map from the McCook Comprehensive Plan are included for reference in this Redevelopment Plan. The future land use of the site is designated for commercial use, so the Project conforms to the future land use designation of the Project Site.

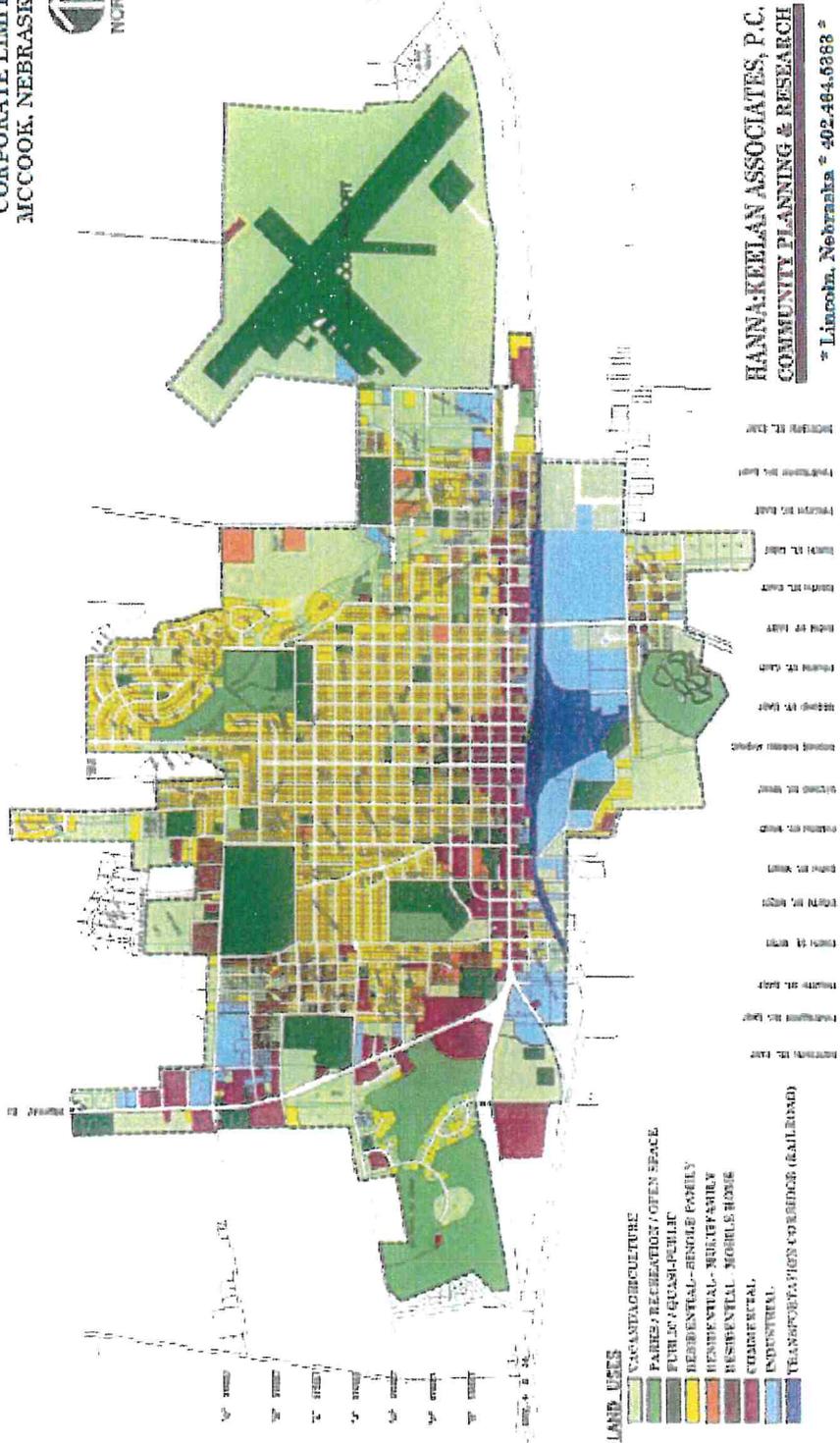
Note: This section is not a comprehensive analysis of the Project's conformance with the McCook Comprehensive Plan, but is meant to highlight and summarize the key points on this topic.

Additional Project Information from Redeveloper

Redeveloper has represented that without the use of TIF, this Project would not be feasible and Redeveloper could not develop this Project on the Project Site. Redeveloper has further represented that it does not intend to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act.

EXISTING LAND USE MAP

CORPORATE LIMITS
MCCOOK, NEBRASKA

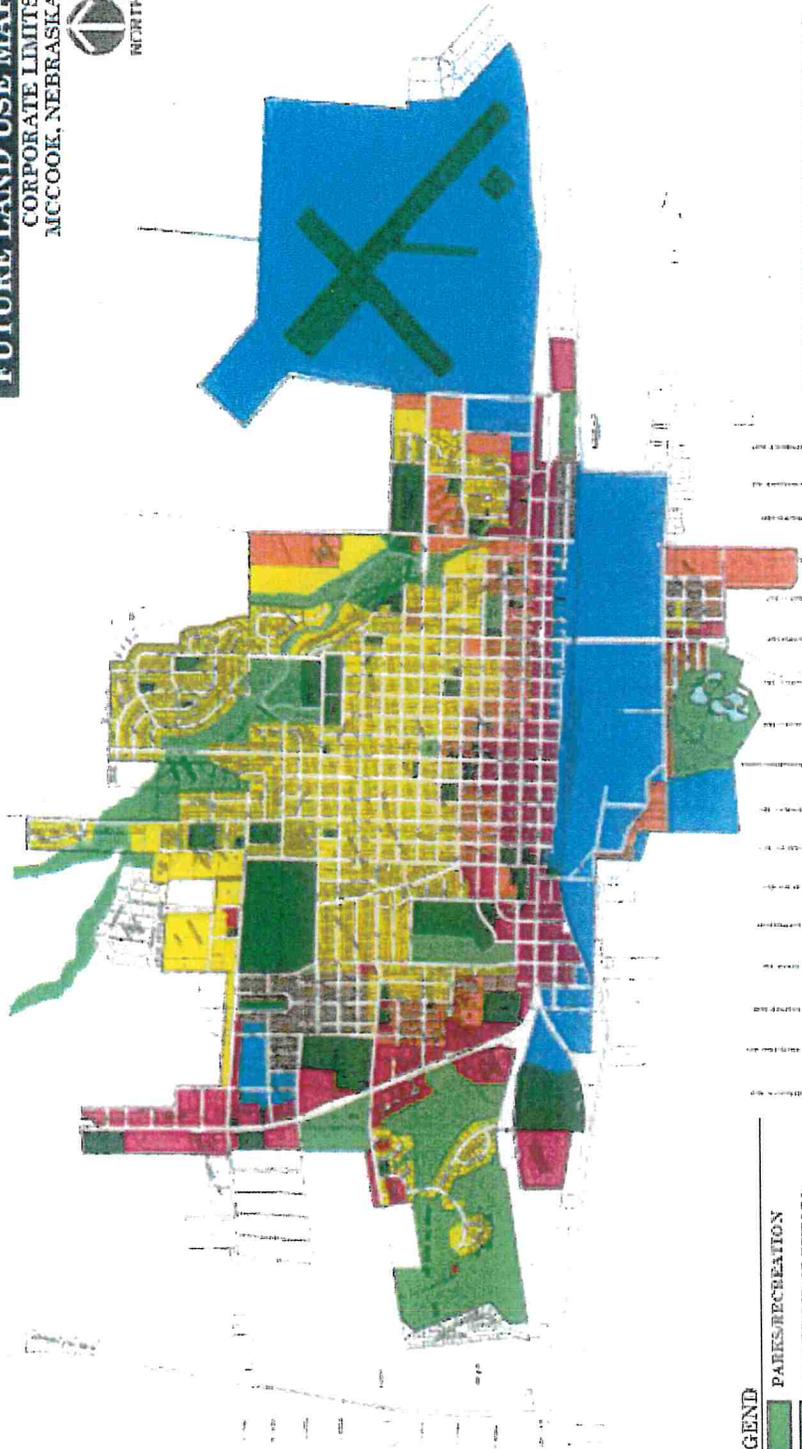


- LAND USES**
- VACANT/AGRICULTURE
 - PARKS/RECREATION/OPEN SPACE
 - PUBLIC/GOVERNMENT
 - RESIDENTIAL-SINGLE FAMILY
 - RESIDENTIAL-MULTI-FAMILY
 - RESIDENTIAL-MOBILE HOME
 - COMMERCIAL
 - INDUSTRIAL
 - TRANSPORTATION CORRIDOR (RAILROAD)

HANNA-KEELAN ASSOCIATES, P.C.
COMMUNITY PLANNING & RESEARCH
* Lincoln, Nebraska * 402.484.6888 *

ILLUSTRATION 4.2

FUTURE LAND USE MAP
CORPORATE LIMITS
MCCOOK, NEBRASKA



- LEGEND**
- PARKS/RECREATION
 - PUBLIC/QUASI-PUBLIC
 - SINGLE FAMILY RESIDENTIAL
 - MULTIFAMILY RESIDENTIAL
 - MOBILE HOME RESIDENTIAL
 - COMMERCIAL
 - INDUSTRIAL
 - RAILROAD CORRIDOR
 - CORPORATE LIMIT LINE

HANNAKEEIAN ASSOCIATES, P.C.
COMMUNITY PLANNING & RESEARCH

* Lincoln, Nebraska * 402.464.5283 *

ILLUSTRATION 4.4

EXHIBIT "A"
Legal Description of the Project Site

The property is legally described as follows:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999.

The general location of the Project Site is depicted below:



EXHIBIT "B"

Preliminary Site Plans

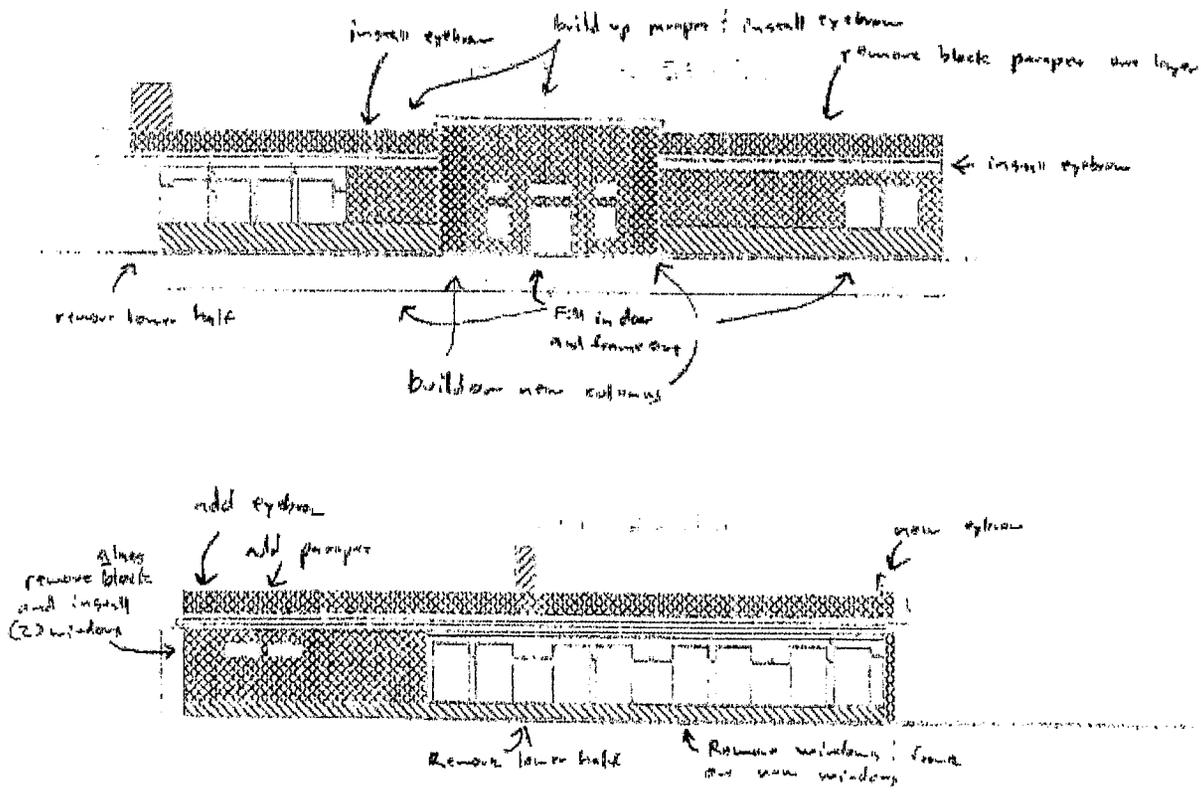
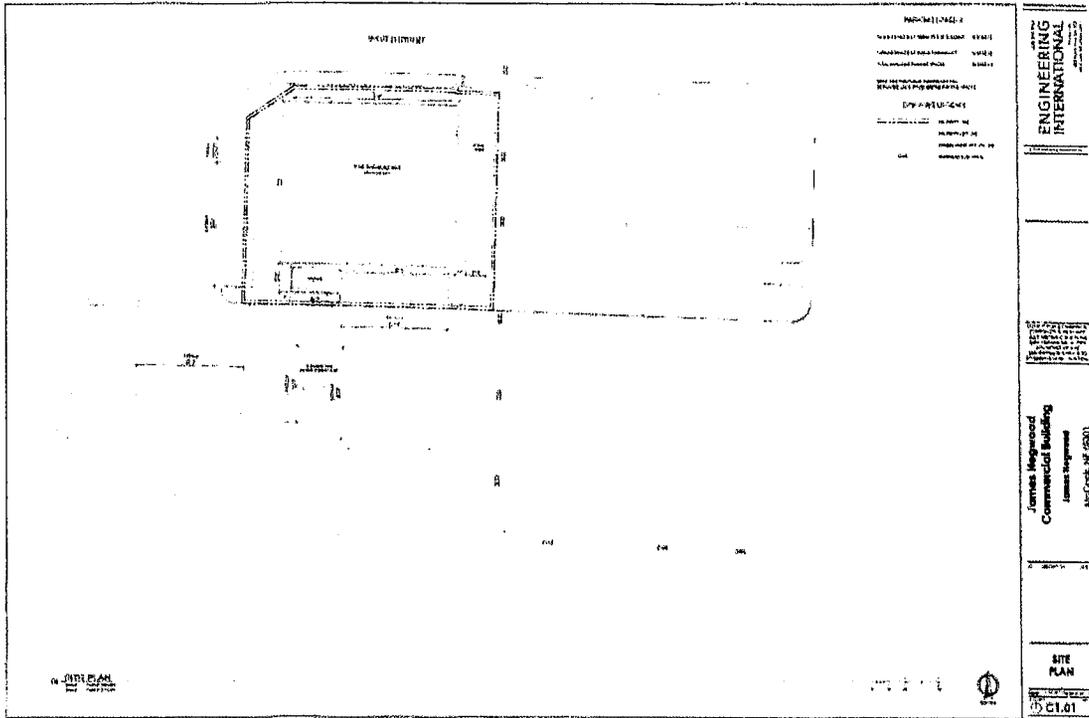


Exhibit "B"

Exhibit "C"
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. Redeveloper owns the Project Site.

B. Population Density

The proposed Project on the Project Site is a commercial project, involving the renovation and rehabilitation of the commercial building on the Project Site. The Project will not significantly affect population density in the project area.

C. Land Coverage

The Project will consist of the renovation and rehabilitation of the existing building on the Project Site. The building is 9,820 square feet and the footprint of the building will not change. The Project will meet the applicable land-coverage ratios and zoning requirements as required by the City of McCook.

D. Traffic Flow, Street Layouts, and Street Grades

No adverse impacts are anticipated with respect to traffic flow, street layouts, and street grades. The existing infrastructure is anticipated to be sufficient for the intended uses of the Project Site upon completion of the Project.

E. Parking

Redeveloper acknowledges the need for additional parking. However, the exact parking requirements cannot be determined because the final mix of businesses has yet to be determined. The exact parking requirements will be determined based on actual use of the building, and Redeveloper shall be responsible for obtaining any permits and meeting all zoning requirements.

F. Zoning, Building Code, and Ordinances

The Project Site is currently zoned in the Business Commercial zoning district. The Project is a permitted use in the existing zoning district for the Project Site. No additional zoning, building code, or ordinance changes will be necessary for the Project.

Exhibit "D"
Cost-Benefit Analysis
(Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the Blackwood Enterprises Redevelopment Project, as described in the Redevelopment Plan to which this cost-benefit analysis is attached, is presented below. The above-referenced project will utilize Tax Increment Financing ("TIF") funds authorized by Neb. Rev. Stat. §18-2147.

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

The taxes generated by the current value of the property shall continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Only the incremental taxes created by the Project will be captured to pay eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of this Project is a positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the 15 year tax shift is as follows:

a.	Redevelopment Project Valuation:	\$135,000
b.	Projected Completed Project Assessed Valuation:	\$1,139,857
c.	Projected Tax Increment Base:	\$1,004,857
d.	Estimated Tax Levy:	1.911555
e.	Annual Projected Tax Shift:	\$19,200

Note: The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2019 levy rate. There has been no accounting for incremental growth or change in the tax levy over the 15 year TIF period.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

No substantial effects are anticipated on the public infrastructure and community public service needs. The Project anticipates expenditures of up to \$28,200 on public infrastructure improvements, including approximately \$24,000 for utility improvements. Redeveloper acknowledges that off-street parking on the Project Site is scarce, and Redeveloper may be required to acquire, lease or construct additional public parking. No other public infrastructure improvements are anticipated to be necessary based on this Project, and the Project will not have a material adverse effect on any community public services.

Redeveloper anticipates expenditures of approximately \$647,875 for the Project. It is anticipated that approximately \$200,000 of the public improvements will be financed with the proceeds of the TIF generated by the private improvements on the

Project Site. The projected uses of the TIF Indebtedness, which will be refined in the Redevelopment Agreement for this Project, are set forth in the Redevelopment Plan for the Project. All expenditures financed by the TIF Indebtedness shall be eligible under the Community Redevelopment Law.

b. Local Tax impacts (in addition to impacts of tax shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, the Project should generate immediate tax growth for the City. The Project will be a commercial space, and the businesses leasing and operating on the Project Site should generate immediate sales tax and personal property tax revenue that would otherwise not be produced. The Project will also require and pay for City services. It is not anticipated that the Project will have any material adverse impact on such City services, but will generate revenue providing support for those services.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project will create new retail/commercial space, which should expand existing and attract new businesses. The Project should have a material positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project because the Project is intended to ameliorate conditions of blight that might otherwise deter businesses from locating or expanding in the area.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

The Project should have a material positive impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers. The Project should encourage business owners to locate and/or relocate along the "B" Street (Highway 6/34) Corridor, which will allow for further growth of the community. There should also be additional consumer traffic to the City, which should benefit other businesses.

5. Impacts on the student populations of school districts within the City:

It is not anticipated that the Project will have a material adverse impact on the student populations of the school district within the City.

6. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

It is anticipated that the Project will create and/or retain jobs in the City by expanding existing and attracting new businesses. There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project. Redeveloper has identified a need for small retail spaces in the City and this Project shall fill that need, but the lease rates will not be feasible for small businesses without the use of TIF to help finance some of the public improvements.

7. Summary of Findings:

The Project will facilitate the redevelopment of a blighted and substandard area of the City without the incurrence of significant public cost. Additionally, the Project will increase property tax revenue in the long-term. The benefits outweigh the costs of the proposed Project.

4850-8884-0116, v. 3



P.O. BOX 1059 · 505 West C Street · McCook, NE 69001 · PHONE (308) 345-2022 · FAX (308) 345-1461

February 28, 2020

CERTIFIED MAIL

McCook Community College
President
1205 East 3rd
McCook, NE 69001

NOTICE OF PUBLIC HEARINGS

Public notice is hereby given by the Planning Commission that a public hearing will be held at 5:15 p.m. on Monday, March 9, 2020, in the City Council Chambers at the McCook Municipal Center, 505 W C Street, McCook, Nebraska. An agenda for such meeting, kept continuously current, is available for public inspection at the office of the City Clerk, 505 West C Street, McCook NE 69001.

The purpose of the hearing is to obtain public comment prior to the review and consideration of a proposed redevelopment plan for the City of McCook, including a specific redevelopment project.

The property that is the subject of this notice and of the public hearings is located in 520 West B Street, in the City of McCook, Nebraska and legally described as follows:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999.

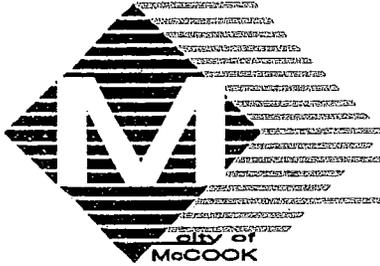
All interested parties shall be afforded at the public hearing a reasonable opportunity to express their views regarding the proposed redevelopment plan. A map of the redevelopment area and a copy of the cost-benefit analysis shall be maintained at the office of the City Clerk.

Respectfully,

Lea Ann Doak
City Clerk

EXHIBIT #4

PAGE(S) - 5



P.O. BOX 1059 · 505 West C Street · McCOOK, NE 69001 · PHONE (308) 345-2022 · FAX (308) 345-1461



February 28, 2020

CERTIFIED MAIL

Board President
McCook School District
600 West 7th
McCook, NE 69001

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Respectfully,

Lea Ann Doak
City Clerk



P.O. BOX 1059 · 505 West C Street · McCOOK, NE 69001 · PHONE (308) 345-2022 · FAX (308) 345-1461

February 28, 2020

CERTIFIED MAIL

Chairman of the Board
Red Willow County Commissioners
502 Norris Avenue
McCook, NE 69001

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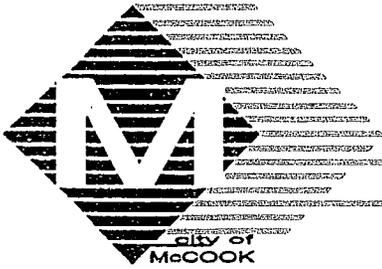
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All interested parties shall be afforded at the public hearing a reasonable opportunity to express their views regarding the proposed redevelopment plan. A map of the redevelopment area and a copy of the cost-benefit analysis shall be maintained at the office of the City Clerk.

Respectfully,

Lea Ann Doak
City Clerk



P.O. BOX 1059 · 505 West C Street · McCOOK, NE 69001 · PHONE (308) 345-2022 · FAX (308) 345-1461

February 28, 2020

CERTIFIED MAIL

Chairman of the Board
Middle Republican NRD
222 Center Ave
PO Box 47
Curtis, NE 690025-0047

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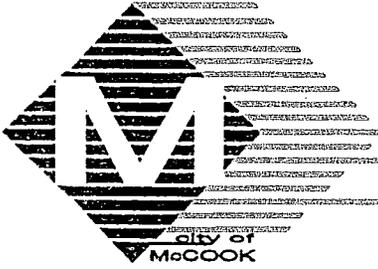
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All interested parties shall be afforded at the public hearing a reasonable opportunity to express their views regarding the proposed redevelopment plan. A map of the redevelopment area and a copy of the cost-benefit analysis shall be maintained at the office of the City Clerk.

Respectfully,

Lea Ann Doak
City Clerk



P.O. BOX 1059 • 505 West C Street • McCook, NE 69001 • PHONE (308) 345-2022 • FAX (308) 345-1461



February 28, 2020

CERTIFIED MAIL

Chairman of the Board
Educational Service Unit No 15
344 Main
PO Box 398
Trenton, NE 69044

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All interested parties shall be afforded at the public hearing a reasonable opportunity to express their views regarding the proposed redevelopment plan. A map of the redevelopment area and a copy of the cost-benefit analysis shall be maintained at the office of the City Clerk.

Respectfully,

Lea Ann Doak
City Clerk

McCook Planning Commission
March 9, 2020
5:15 PM Central

A MEETING OF THE PLANNING COMMISSION OF THE CITY OF MCCOOK, NEBRASKA convened in open, regular, and public session at 5:15 o'clock P.M. in the City Council Chambers.

Present: Chair Vosburg; Vice Chair Hilker; Commissioners Bradley (arrived 5:18 P.M.), Davidson, Dueland, Lyons, McDowell, Stevens, Graham.

Absent: Commissioner Friehe.

City Officials present: City Manager Schneider, City Attorney Mustion, City Clerk Doak.

Notice of the meeting was given in advance thereof by publication in the McCook Daily Gazette on March 5, 2020, the designated method of giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to all members of the Planning Commission. Availability of the agenda was communicated in the advance notice. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

Chair Vosburg announced that a copy of the Open Meetings Act was posted by the entrance to the Council Chambers and available for public review.

1. Approve the minutes of the February 10, 2020 regular Planning Commission meeting.

Motion to approve the minutes of the February 10, 2020 regular Planning Commission meeting. This motion, made by McDowell and seconded by Dueland, passed.

Vosburg: YEA, Hilker: YEA, Bradley: ABSENT, Davidson: YEA, Dueland: YEA, Friehe: ABSENT, Lyons: YEA, McDowell: YEA, Stevens: YEA, Graham: YEA
YEA: 8, NAY: 0, ABSENT: 2

2. Public Hearings and Regular Agenda.

- 2.A. Public Hearing - Regarding the Redevelopment Plan for the Blackwood Enterprises Redevelopment Project as to its conformity with the general plan for the development of the City as a whole.

Motion to recess as a Planning Commission and convene a public hearing for the purpose of receiving public comment with respect to the proposed Redevelopment Plan for the Blackwood Enterprises Redevelopment Project as to its conformity with the general plan for the development of the City as a whole, with the City Attorney to act as hearing officer. This motion, made by Vosburg and seconded by Stevens, passed.

Vosburg: YEA, Hilker: YEA, Bradley: ABSENT, Davidson: YEA, Dueland: YEA, Friehe: ABSENT, Lyons: YEA, McDowell: YEA, Stevens: YEA, Graham: YEA
YEA: 8, NAY: 0, ABSENT: 2

The City Attorney received into evidence Exhibit #1 - City Manager's Report prepared for the March 9,

EXHIBIT #5

PAGE(S) - 2

2020 Planning Commission meeting (2 pages), Exhibit #2 - Notice of Hearing published (1 page); Exhibit #3 - proposed Resolution No. PC2020-01 (3 pages); Exhibit #4 - Redevelopment Plan for the Blackwood Enterprises Redevelopment Project (14 pages); and Exhibit #5 - copies of notice of public hearing mailed by certified mail to the required taxing jurisdictions (5 pages).

City Manager Schneider reviewed the information presented in Exhibit #1 and the proposed Redevelopment Plan in Exhibit #4. He stressed that the developer must address the parking requirements before a building permit could be issued. He needs to identify what use the building will be used for, so that staff can determine the number of parking spaces.

Commissioner discussion included what percentage of this project will be used for TIF, noting that it seems higher than previous projects; whose responsibility is it to determine if the required but - for test is met; how the Annual Projected Tax Shift of \$19,200 was calculated; the need to be consistent in the process so that we can say yes to future projects; why the hurry?, proceeding before the developer knows what the development will be; concerns regarding lack of parking; overall, the commissioners were in support of the project.

Andy Long, McCook Economic Development Director, spoke in support of the request.

Motion to adjourn the public hearing and to reconvene as a Planning Commission. This motion, made by Vosburg and seconded by McDowell, passed.

Vosburg: YEA, Hilker: YEA, Bradley: YEA, Davidson: YEA, Dueland: YEA, Friehe: ABSENT, Lyons: YEA, McDowell: YEA, Stevens: YEA, Graham: YEA

YEA: 9, NAY: 0, ABSENT: 1

2.B. Approve Resolution No. PC2020-01 recommending approval of a Redevelopment Plan of the City of McCook, Nebraska, approving a Redevelopment Project of the City of McCook, Nebraska; and approval of related actions for the purpose of the development of the Blackwood Enterprises Redevelopment Project.

Motion to approve Resolution No. PC2020-01 recommending approval of a Redevelopment Plan of the City of McCook, Nebraska, approving a Redevelopment Project of the City of McCook, Nebraska; and approval of related actions for the purpose of the development of the Blackwood Enterprises Redevelopment Project. This motion, made by Kurt and seconded by McDowell, passed.

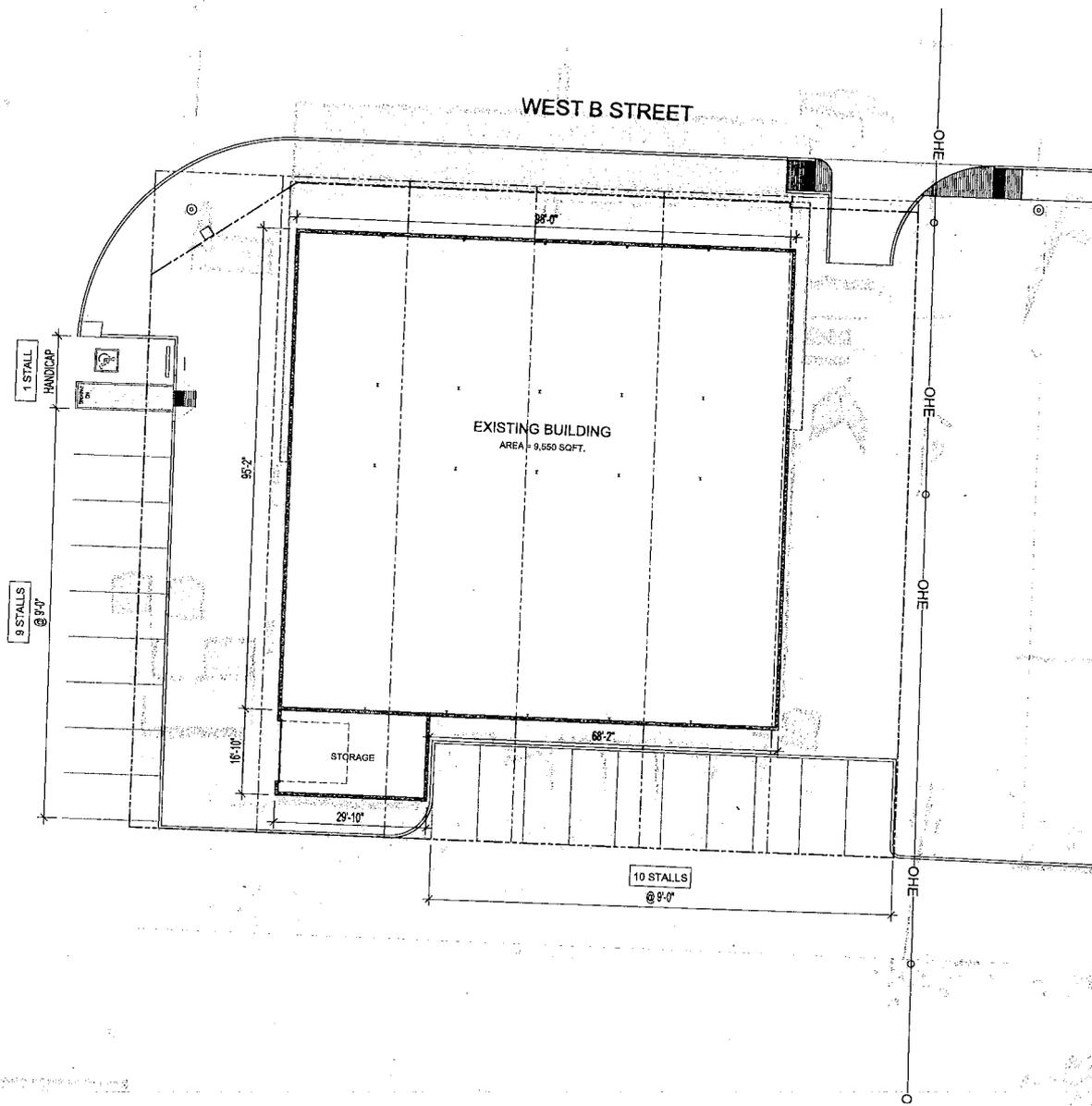
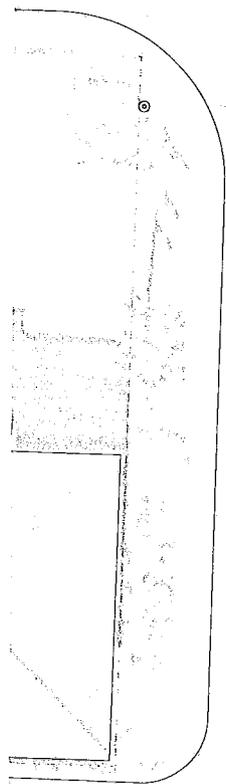
Vosburg: YEA, Hilker: YEA, Bradley: ABSENT, Davidson: YEA, Dueland: YEA, Friehe: ABSENT, Lyons: YEA, McDowell: YEA, Stevens: YEA, Graham: YEA

YEA: 8, NAY: 0, ABSENT: 2

Adjournment.

With no further business, Chair Vosburg declared the Planning Commission meeting adjourned at 6:10 P.M.

Lea Ann Doak, Recording Secretary



PARKING SPACES	
PARKING SPACES AT PERIMETER OF BUILDING	23 SPACES

DRAWING LEGEND:	
---	PROPERTY LINE
---	PROPERTY LOT LINE
---	OTHERS PROPERTY LOT LINE
---	OHE OVERHEAD ELECTRICAL

01 SITE PLAN
 SCALE: 1/8" = 1'-0"
 SCALE: 1/4" = 1'-0"

EXHIBIT #6



0309-06-040
ENGINEERING INTERNATIONAL
 427 North 40th Street
 McCook, NE 68001-0401

NOT FOR CONSTRUCTION
 GRAPHIC SET

DO NOT SCALE DRAWINGS.
 CONTRACTOR TO VERIFY ALL EXISTING CONDITIONS AND DIMENSIONS. NOTIFY ARCHITECT OF ANY DISCREPANCIES PRIOR TO BEGINNING CONSTRUCTION.

520 COMMERCIAL BUILDING
 James Hegwood
 520 West B Street
 McCook, NE 69001

NO.	DESCRIPTION	DATE

SITE PLAN
 Date: 10/29/2009 Project: 201019
 1/1/2010
C1.01

CITY MANAGER'S REPORT

MARCH 16, 2020 MCCOOK COMMUNITY DEVELOPMENT AGENCY MEETING

3.B.

ITEM NO. ___ Recommend approval of Resolution No. CDA 2020-01 to the McCook City Council which approves a Redevelopment Plan of the City of McCook, Nebraska; approves a Redevelopment Project of the City of McCook, Nebraska; and approves the related actions for the purpose of the development of the 2020 Blackwood Enterprises Redevelopment Project.

BACKGROUND:

This item is required by the State of Nebraska for Tax Increment Financed (TIF) projects per the Nebraska Community Development Law. The CDA must approve a resolution approving a Redevelopment Plan to the City Council for the Blackwood Enterprises Redevelopment Project.

The proposed project calls for the renovation, rehabilitation, and exterior enhancements of a commercial building located at 520 West B Street. The developer wants to improve the site to create retail/commercial space. The existing building on the project site was built in 1950 and is no longer suitable for modern business due to its age and obsolescence. The existing building is currently vacant and requires substantial upgrades and improvements to attract tenants. The developer estimates the total project costs will be \$647,875. The developer is requesting the use of TIF to assist with the project.

In a nutshell, if the project site were to be improved, the estimated assessed valuation would be \$1,139,857. The current base value is \$135,000, which said sum would continue to be utilized as the valuation for tax allotments to the local taxing entities. The estimated difference between the two values (ie. \$1,004,857), would be available for TIF indebtedness repayment. At an estimated tax levy of 1.911555, the annual projected taxes available for TIF eligible debt repayment would be \$19,200. With a 5% interest rate for the TIF note, the project would yield TIF indebtedness in the amount of approximately \$200,000. A promissory note in the principal amount of \$200,000 would be issued to denote Blackwood Enterprises obligations.

TIF can only be used for eligible expenses. Examples of eligible expenses can be found on page 4 of the Redevelopment Plan. Blackwood Enterprises estimates that the project will include \$493,900 of TIF eligible expenses, which will more than cover the \$200,000 promissory note. In addition to the TIF note, the developer estimates private investment in the amount of \$447,875. This means that for every \$1 of tax increment financing, the developer will privately spend \$3.24.

As with every redevelopment project, the project site must meet the community goals established in McCook's Comprehensive Plan, as well as meeting State statutory requirements. With respect to McCook's Comprehensive Plan, Blackwood Enterprises' proposed project would promote economic development, improve the quality of our community, and affirm our pledge to utilize TIF as a method of funding structural rehabilitation activities. With respect to State considerations, the project would not adversely impact population density, would meet our zoning regulations, and would comply with the City's zoning requirements. The only concern at this time is parking. The developer acknowledges the need for additional parking. However, the exact parking requirements cannot be determined because the final mix of businesses hasn't been determined. The exact parking requirements will be determined

based on actual use of the building, and the developer will be responsible for meeting the City's requirements. It is our intent for the developer to be present at the meeting to discuss his plans.

At the Planning Commission meeting, the primary concern was parking. The project site itself consists of the building, with little area for parking development. The developer is attempting to address the parking issue by purchasing or leasing adjacent land. Parking is an instrumental part of the project. It is incumbent on the developer to address the issue. If the Council desires, the Redevelopment Plan can be postponed until the developer comes up with a parking plan. On the flip side, the Council can proceed with approving the Redevelopment Plan as it is the responsibility of the developer to address the parking issues.

APPROVALS:



March 12, 2020

Nathan A. Schneider, City Manager



March 12, 2020

Lea Ann Doak, City Clerk

**COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK, NEBRASKA**

RESOLUTION NO. CDA 2020-01

(Redevelopment Plan Amendment – Blackwood Enterprises Redevelopment Project)

A RESOLUTION RECOMMENDING APPROVAL OF AN AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE CITY OF MCCOOK, NEBRASKA, TO THE CITY COUNCIL OF THE CITY OF MCCOOK, NEBRASKA AND ADOPTING A COST BENEFIT ANALYSIS FOR THE REDEVELOPMENT PROJECT IN THE REDEVELOPMENT PLAN.

RECITALS

- A. The City of McCook, Nebraska (“City”) adopted a redevelopment plan for certain portions of the City (the “Redevelopment Plan”).
- B. The Community Development Agency of the City of McCook (“CDA”) in furtherance of the purposes and pursuant to the provisions of the Community Development Law, Neb. Rev. Stat. §§ 18-2101 to 18-2154, as amended, (the “Act”), has prepared an amendment to the Redevelopment Plan in the form attached as Exhibit “A” (“Redevelopment Plan Amendment”).
- C. The Redevelopment Plan Amendment would create a redevelopment project in the redevelopment area on property described in the Redevelopment Plan Amendment identified as the Blackwood Enterprises Redevelopment Project (the “Project”).
- D. The Project would use Tax Increment Financing pursuant to Section 18-2747 of the Act to assist in paying for the costs of certain eligible public improvements authorized by the Act and more particularly set forth in the Redevelopment Plan Amendment.
- E. The CDA is required under Section 18-2113(2) of the Act to conduct a cost benefit analysis for a redevelopment project which will use Tax Increment Financing.
- F. The CDA has conducted a cost benefit analysis for the Project, and said cost benefit analysis is attached to the Redevelopment Plan Amendment as Exhibit “D” (the “Project Cost Benefit Analysis”).
- G. The CDA has determined that the Project would not occur in the Redevelopment Area and could not be financed or constructed but for the use of Tax Increment Financing.
- H. Statements of the proposed method and estimated cost of the acquisition and preparation for redevelopment of the redevelopment project area and the estimated proceeds or revenue from its disposal to redevelopers, the proposed method of financing the redevelopment project, and a feasible method proposed for the relocation of families to be displaced from the redevelopment project area, if applicable, are set forth in the Redevelopment Plan Amendment and the Project Cost Benefit Analysis.

NOW THEREFORE, BE IT RESOLVED, by the CDA, as follows:

1. The cost and benefits set forth in the Project Cost Benefit Analysis have been found to be in the long-term best interest of the City.
2. The CDA hereby approves the Project Cost Benefit Analysis as the cost benefit analysis of the Project.

BE IT FURTHER RESOLVED, by the CDA, as follows:

1. The Redevelopment Plan Amendment is in conformance with the general Comprehensive Plan of the City of McCook.
2. The Redevelopment Plan Amendment 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, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations or conditions of blight, in the City of McCook.
3. The Redevelopment Plan Amendment is in conformance with the Act.
4. The Project would not be economically feasible and would not occur in the Redevelopment Area without the use of Tax Increment Financing.
5. The CDA hereby approves the Redevelopment Plan Amendment and recommends approval and adoption by the City Council of the City of McCook.

IN WITNESS WHEREOF, the CDA hereby passes and adopts this Resolution as of this 16th day of March 2020.

COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF
MCCOOK, NEBRASKA

Michael D. Gonzales, Chairman

ATTEST:

Lea Ann Doak, Secretary

EXHIBIT "A"
Redevelopment Plan Amendment

Exhibit "A"

**REDEVELOPMENT PLAN FOR THE
BLACKWOOD ENTERPRISES REDEVELOPMENT PROJECT
IN THE CITY OF MCCOOK, NEBRASKA**

Introduction

The City of McCook, Nebraska ("City") has undertaken a plan of redevelopment within a certain redevelopment area in the City identified as Redevelopment Area #3 (the "Redevelopment Area"). The Redevelopment Area was declared blighted and substandard in January, 2013. A Blight and Substandard Study and General Redevelopment Plan for the Redevelopment Area was prepared in January, 2013 by Hanna:Keelan Associates, P.C., and adopted by the City in January, 2013. The General Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City. This Redevelopment Plan is a project-specific amendment to the General Redevelopment Plan and shall serve as the guide for the implementation of redevelopment activities on the Project Site, as defined herein, which is located in the Redevelopment Area.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the "Act"), the City created the Community Development Authority of the City of McCook ("CDA"), which has administered the General Redevelopment Plan for the City.

The purpose of this Redevelopment Plan is to identify specific property within the redevelopment area that is in need of redevelopment to cause the removal of blight and substandard conditions identified as the site located at 520 West B Street, in the City of McCook, Nebraska, and legally described on the attached and incorporated Exhibit "A" (the "Project Site").

The Project Site

The Project Site located within the Redevelopment Area and has been declared blighted and substandard. The Project Site is in need of redevelopment. The CDA has considered whether redevelopment of the Project Site will conform to the general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that such a redevelopment of the Project Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight. The blighted condition of the Project Site and the Redevelopment Area has contributed to its inability to attract businesses and/or development. In order to support private development, the Project Site and the Redevelopment Area are in need of renovation and redevelopment.

Description of the Project

The project under consideration will consist of the renovation, rehabilitation, and exterior enhancements of the commercial building on the Project Site and associated

improvements on the Project Site to create retail/commercial space (the “Project”). The existing building on the Project Site was built in 1950 and is no longer suitable for modern business due to its age and obsolescence. A recent photograph of the Project Site is set forth below:



This existing building on the Project Site is currently vacant and requires substantial upgrades and improvements to attract tenants. The building has a concrete block exterior, so a substantial portion of the Project will consist of façade enhancements to the building to give it a modern appearance. This Project is intended to create retail/commercial space for multiple small businesses to occupy and provide them an opportunity to grow their businesses.

Blackwood Enterprises, L.L.C., a Nebraska limited liability company (the “Redeveloper”), has submitted a proposal for the Project and the redevelopment of the Project Site. The redevelopment of the Project Site pursuant to this Redevelopment Plan will eliminate the current blight and substandard conditions of the Project Site and will further the purposes of the Act in conformity with the General Redevelopment Plan.

As part of the Project, the CDA shall capture available tax increment from the Project Site to assist in payment for the public improvements listed as eligible expenditures under the Act in the Redevelopment Area. Such public improvements may include, but are not limited to: land acquisition, demolition, architectural fees, utility improvements, landscaping, façade enhancements, and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act. Redeveloper shall be responsible for all other costs and expenses associated with the Project.

Preliminary site plans are attached hereto as Exhibit “B” and incorporated herein by this reference. The CDA acknowledges that these plans are preliminary in nature and subject to change, but has included the current information submitted by Redeveloper. Redeveloper intends to commence construction in 2020 (as soon as the Project is approved) and complete construction in 2020. The base year for the Project is anticipated to be 2020 and the effective date for the division of taxes shall be January 1, 2021.

Tax Increment Financing

The CDA contemplates the use of TIF for the Redevelopment Project. Section 18-2147 of the Act authorizes the use of TIF. It provides that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date as identified in the redevelopment contract, or amendment thereof, or in the resolution(s) of the authority authorizing the issuance of TIF Indebtedness pursuant to the Act, as follows:

- (a) That portion of the ad valorem tax the levy produces at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body ("Base Tax Amount"); and
- (b) That portion of the ad valorem tax on real property, as provided in the redevelopment contract or bond resolution, in the redevelopment project in excess of the Base Tax Amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project.

With respect to the Redevelopment Project, the actual base tax year and Base Tax Amount for Project Site will be set forth in the redevelopment agreement. It is anticipated that the CDA will issue one TIF note for the entire Project. Notwithstanding any provision herein to the contrary, all incremental tax revenues resulting from the Project shall only be divided and allocated for no more than the applicable 15-year increment period provided by the Act.

The base value is of the Project Site is \$135,000. Pursuant to the Red Willow County Assessor's preliminary appraisal of the proposed project on January 9, 2020, the projected completed valuation of the Project is \$1,139,857. The preliminary appraisal is not binding and is based upon the information and assumptions provided to the Assessor. The CDA does not make any representations to the final value of any Project, but has used the value of the preliminary appraisal as the estimated completed valuation of the Project.

Based upon the anticipated completed valuation of \$1,139,857 and a 5.0% interest rate for the TIF Note, the Project will yield TIF Indebtedness in the amount of approximately \$200,000. Redeveloper estimates that the total Project costs shall be approximately \$647,875. Redeveloper shall also be responsible for the CDA's administrative fee and the City's cost of issuance related to the Project and the TIF Indebtedness, which costs are TIF-eligible expenses. Redeveloper has identified approximately \$493,900 TIF-eligible expenditures. The estimated TIF uses is set forth below:

CDA Administrative Fee	\$6,000
Cost of Issuance	TBD
Land Acquisition	\$250,000
Demolition	\$11,500
Architectural Fees	\$5,000
Water Main Improvements	\$2,500
Sanitary Sewer Improvements	\$4,800
Electrical Improvements	\$8,900
Natural Gas Improvements	\$4,700
Street Improvements	\$3,100
Landscaping	\$4,200
Façade Enhancements	\$193,200
<hr/>	
Total estimated TIF uses:	\$493,900

Statutory Elements

As described above, the Project envisions the capture of the incremental taxes created by the Project on the Project Site to pay for those eligible expenditures as set forth in the Act. Attached hereto as Exhibit “C” and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law.

Cost-Benefit Analysis

Pursuant to Section 18-2113 of the Act, the CDA must conduct a cost-benefit analysis for any redevelopment project that will utilize TIF. The Cost-Benefit Analysis for the Project is attached hereto as Exhibit “D” and incorporated by this reference.

Comprehensive Plan

Several goals of the McCook, Nebraska Comprehensive Plan 2013–2023 (the “McCook Comprehensive Plan”) will be furthered by this Project, including but not limited to:

EDUCATION AND COMMUNITY/ECONOMIC DEVELOPMENT

Goal 2: Economic Development. Utilize the McCook Comprehensive Plan as an economic development resource and guide to maximize economic opportunities for all residents. Foster an increase in diversified employment and business types in McCook.

Action Step 3: Focus efforts of diversified businesses and employment opportunities to expand existing and attract new companies. Expand the availability of retail commerce development sites and available storefronts for rent or purchase to attract non-local businesses. . . .

GOAL 3: Community Development. Community development practices should strive to both stabilize and improve the local McCook economy and quality of life. Proper renovation, adaptive reuse and additions of existing buildings, as well as new

construction activities should be components of locally available incentives to attract residents, businesses and industries.

Action Step 1: Encourage local reinvestment in McCook by both the public and private sectors. Provide infrastructure and needed amenities to support future growth of commercial, industrial and residential areas. Remove dilapidated buildings and promote building rehabilitation on structures that are considered cost-effective for such activity. Commercial building rehabilitation projects could include façade restoration, window and awning replacement, improved accessibility and signage. . . .

Action Step 3: Utilize all available public programs of financing in funding development and redevelopment programs. . . .

Action Step 4: Provide public improvements to older residential neighborhoods, as well as Downtown McCook, in need of street and sidewalk resurfacing, landscaping, street trees and improved utility mains. Downtown façade improvements, a public gathering/festival square and additional public parking are needed to support the development of additional specialty retail businesses.

Action Step 7: Promote community sustainability and quality of life in McCook as being a great place to live, work, raise a family and retire

Goal 4: Community Redevelopment Planning and Implementation. Focus on improving structures, utility mains and public facilities throughout McCook. Utilize various funding local, State and Federal funding sources to achieve various redevelopment goals in McCook.

Action Step 1: Utilize Tax Increment Financing (TIF) in designated “Redevelopment Areas” as a method of funding structural rehabilitation activities for commercial buildings. These activities could include façade renovation, utility and street improvements and mixed use developments. . . .

Additionally, the following elements are identified in the McCook Comprehensive Plan as priority redevelopment activities associated with commercial development:

- Update and enforce minimum building codes to prevent vacant buildings from deteriorating.
- Encourage property and business owners to utilize the provisions of Tax Increment Financing as both a development and redevelopment tool in Downtown McCook and along the commercial highway corridors.
- Maintain and improve the aesthetic appearance of Community

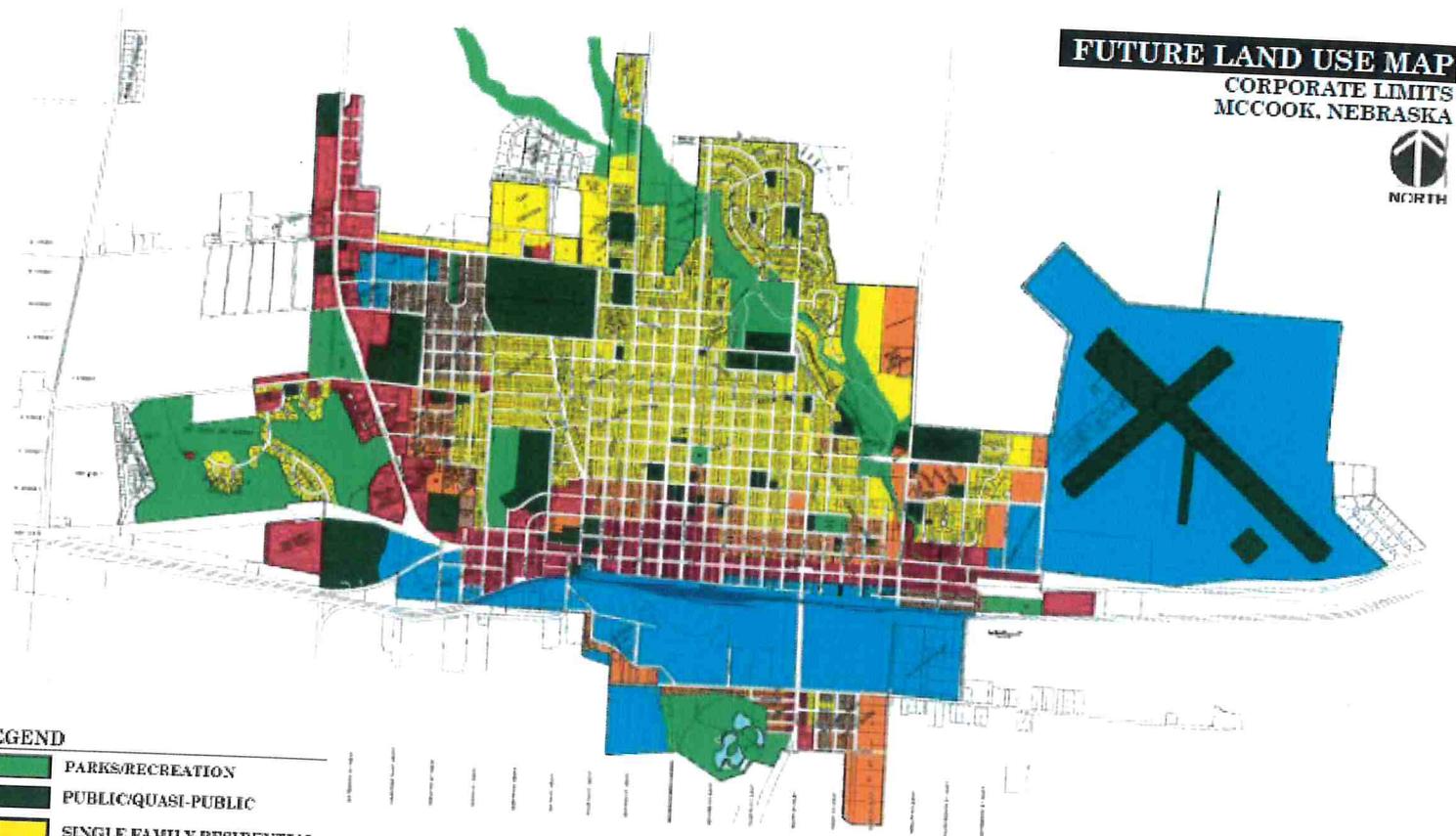
- Encourage the development of additional specialty retail businesses, especially those catering to the needs of residents of McCook, as well as those of visitors and travelers to the Community.
- Encourage residents to start their own businesses through entrepreneur programs supported in incubator malls or building spaces that have large areas for multiple, individual businesses.
- Support successful home based businesses that have outgrown the “home,” and/or incubator mall, and are in need of permanent commercial or industrial locations.

The existing land use map and future land use map from the McCook Comprehensive Plan are included for reference in this Redevelopment Plan. The future land use of the site is designated for commercial use, so the Project conforms to the future land use designation of the Project Site.

Note: This section is not a comprehensive analysis of the Project’s conformance with the McCook Comprehensive Plan, but is meant to highlight and summarize the key points on this topic.

Additional Project Information from Redeveloper

Redeveloper has represented that without the use of TIF, this Project would not be feasible and Redeveloper could not develop this Project on the Project Site. Redeveloper has further represented that it does not intend to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act.



HANNA:KEELAN ASSOCIATES, P.C.
COMMUNITY PLANNING & RESEARCH
* Lincoln, Nebraska * 402.464.5353 *

ILLUSTRATION 4.4

EXHIBIT "A"
Legal Description of the Project Site

The property is legally described as follows:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999.

The general location of the Project Site is depicted below:

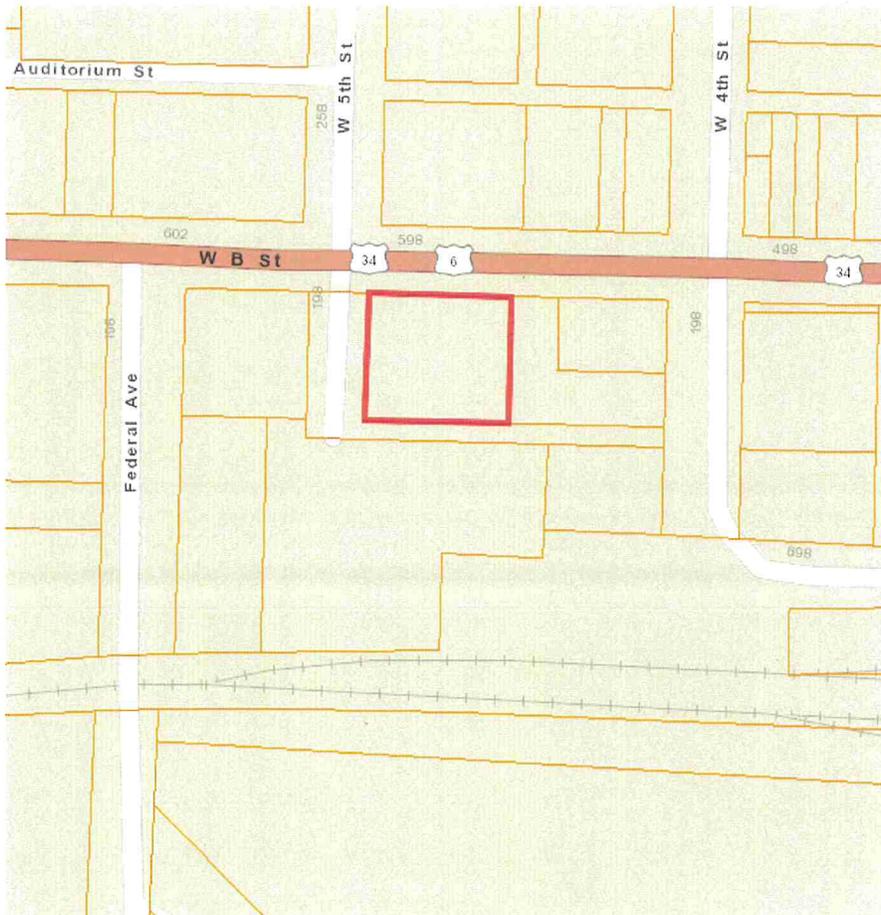


EXHIBIT "B"

Preliminary Site Plans

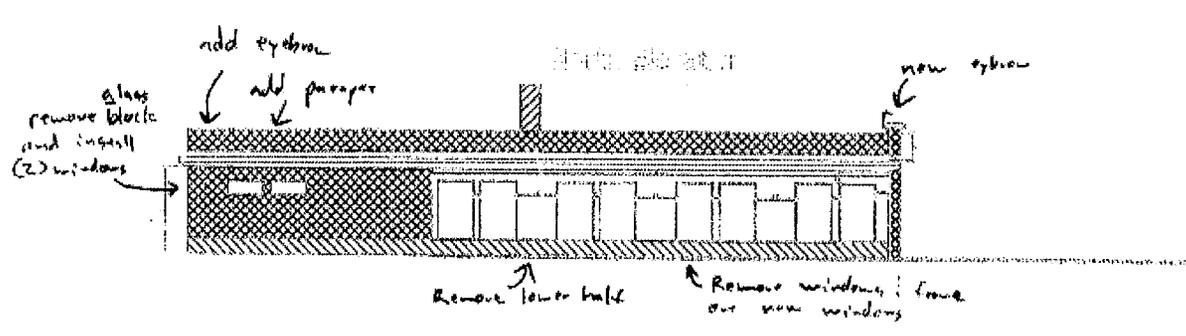
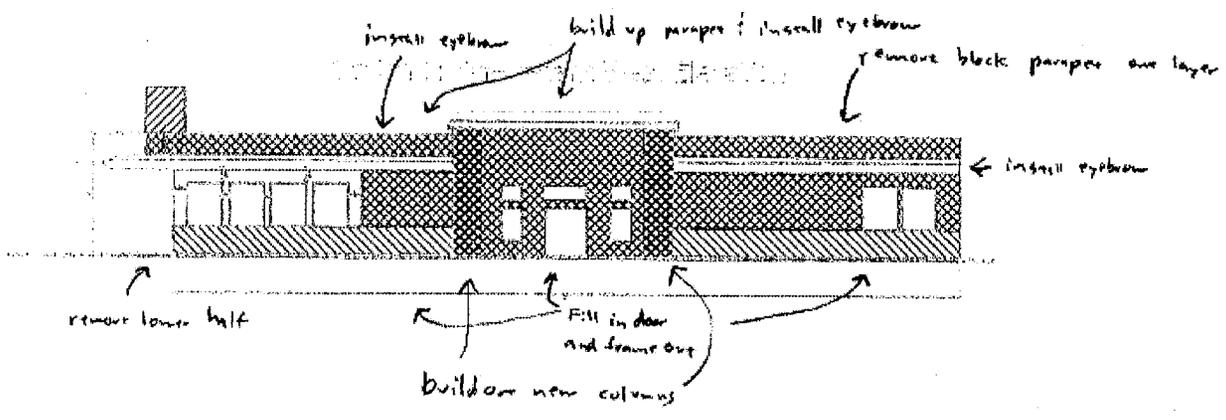
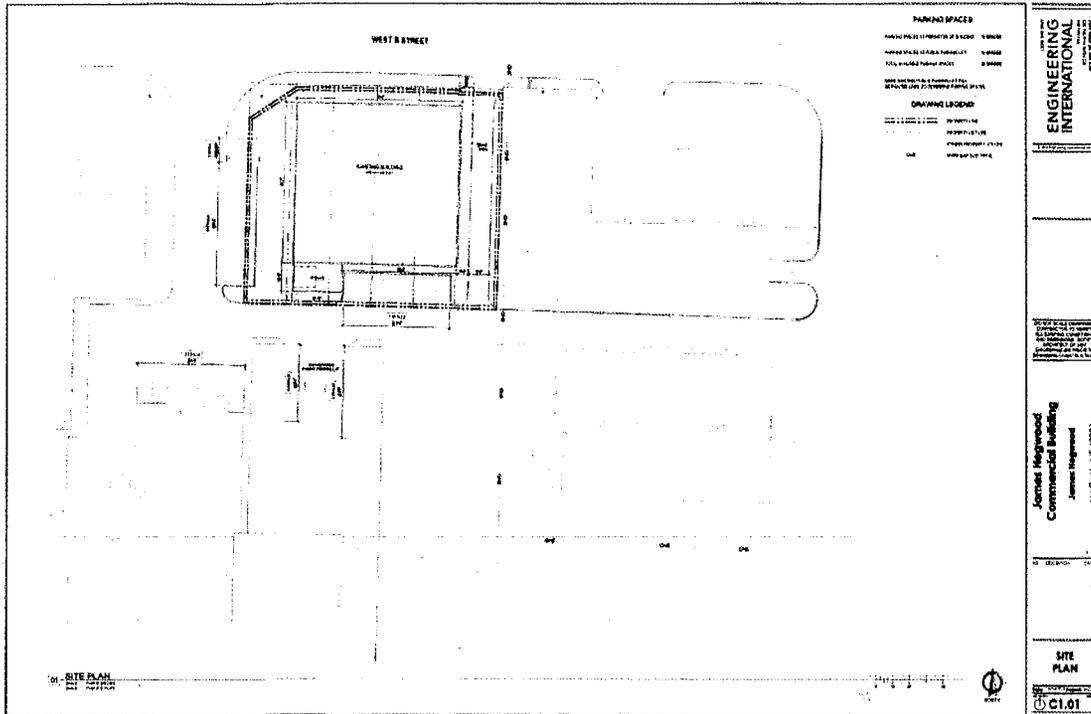


Exhibit "B"

Exhibit "C"
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. Redeveloper owns the Project Site.

B. Population Density

The proposed Project on the Project Site is a commercial project, involving the renovation and rehabilitation of the commercial building on the Project Site. The Project will not significantly affect population density in the project area.

C. Land Coverage

The Project will consist of the renovation and rehabilitation of the existing building on the Project Site. The building is 9,820 square feet and the footprint of the building will not change. The Project will meet the applicable land-coverage ratios and zoning requirements as required by the City of McCook.

D. Traffic Flow, Street Layouts, and Street Grades

No adverse impacts are anticipated with respect to traffic flow, street layouts, and street grades. The existing infrastructure is anticipated to be sufficient for the intended uses of the Project Site upon completion of the Project.

E. Parking

Redeveloper acknowledges the need for additional parking. However, the exact parking requirements cannot be determined because the final mix of businesses has yet to be determined. The exact parking requirements will be determined based on actual use of the building, and Redeveloper shall be responsible for obtaining any permits and meeting all zoning requirements.

F. Zoning, Building Code, and Ordinances

The Project Site is currently zoned in the Business Commercial zoning district. The Project is a permitted use in the existing zoning district for the Project Site. No additional zoning, building code, or ordinance changes will be necessary for the Project.

Exhibit "D"
Cost-Benefit Analysis
(Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the Blackwood Enterprises Redevelopment Project, as described in the Redevelopment Plan to which this cost-benefit analysis is attached, is presented below. The above-referenced project will utilize Tax Increment Financing ("TIF") funds authorized by Neb. Rev. Stat. §18-2147.

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

The taxes generated by the current value of the property shall continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Only the incremental taxes created by the Project will be captured to pay eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of this Project is a positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the 15 year tax shift is as follows:

a.	Redevelopment Project Valuation:	\$135,000
b.	Projected Completed Project Assessed Valuation:	\$1,139,857
c.	Projected Tax Increment Base:	\$1,004,857
d.	Estimated Tax Levy:	1.911555
e.	Annual Projected Tax Shift:	\$19,200

Note: The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2019 levy rate. There has been no accounting for incremental growth or change in the tax levy over the 15 year TIF period.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

No substantial effects are anticipated on the public infrastructure and community public service needs. The Project anticipates expenditures of up to \$28,200 on public infrastructure improvements, including approximately \$24,000 for utility improvements. Redeveloper acknowledges that off-street parking on the Project Site is scarce, and Redeveloper may be required to acquire, lease or construct additional public parking. No other public infrastructure improvements are anticipated to be necessary based on this Project, and the Project will not have a material adverse effect on any community public services.

Redeveloper anticipates expenditures of approximately \$647,875 for the Project. It is anticipated that approximately \$200,000 of the public improvements will be financed with the proceeds of the TIF generated by the private improvements on the

Project Site. The projected uses of the TIF Indebtedness, which will be refined in the Redevelopment Agreement for this Project, are set forth in the Redevelopment Plan for the Project. All expenditures financed by the TIF Indebtedness shall be eligible under the Community Redevelopment Law.

b. Local Tax impacts (in addition to impacts of tax shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, the Project should generate immediate tax growth for the City. The Project will be a commercial space, and the businesses leasing and operating on the Project Site should generate immediate sales tax and personal property tax revenue that would otherwise not be produced. The Project will also require and pay for City services. It is not anticipated that the Project will have any material adverse impact on such City services, but will generate revenue providing support for those services.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project will create new retail/commercial space, which should expand existing and attract new businesses. The Project should have a material positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project because the Project is intended to ameliorate conditions of blight that might otherwise deter businesses from locating or expanding in the area.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

The Project should have a material positive impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers. The Project should encourage business owners to locate and/or relocate along the "B" Street (Highway 6/34) Corridor, which will allow for further growth of the community. There should also be additional consumer traffic to the City, which should benefit other businesses.

5. Impacts on the student populations of school districts within the City:

It is not anticipated that the Project will have a material adverse impact on the student populations of the school district within the City.

6. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

It is anticipated that the Project will create and/or retain jobs in the City by expanding existing and attracting new businesses. There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project. Redeveloper has identified a need for small retail spaces in the City and this Project shall fill that need, but the lease rates will not be feasible for small businesses without the use of TIF to help finance some of the public improvements.

7. Summary of Findings:

The Project will facilitate the redevelopment of a blighted and substandard area of the City without the incurrence of significant public cost. Additionally, the Project will increase property tax revenue in the long-term. The benefits outweigh the costs of the proposed Project.

4850-8884-0116, v. 3

**CITY MANAGER'S REPORT
MARCH 16, 2020 MCCOOK CITY COUNCIL MEETING**

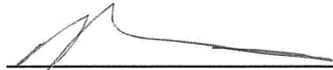
ITEM NO. 3C. Approve Resolution No. 2020-03 to the McCook City Council which approves a Redevelopment Plan of the City of McCook, Nebraska; approves a Redevelopment Project of the City of McCook, Nebraska; and approves the related actions for the purpose of the development of the 2020 Blackwood Enterprises Redevelopment Project.

BACKGROUND:

This item is required by the State of Nebraska for Tax Increment Financed (TIF) projects per the Nebraska Community Development Law. After the CDA approves a resolution approving a Redevelopment Plan and recommends approval of the Plan to the City Council for, the City Council must approve a resolution approving the Redevelopment Plan.

The background for this agenda item is the same as the background provided in Resolution No. CDA 2020-01. Please refer to the CDA's City Manager's Report for context.

APPROVALS:



March 12, 2020

Nathan A. Schneider, City Manager



March 12, 2020

Lea Ann Doak, City Clerk

**CITY MANAGER'S REPORT
MARCH 16, 2020 MCCOOK COMMUNITY DEVELOPMENT AGENCY MEETING**

ITEM NO. __ Recommend approval of Resolution No. CDA 2020-~~21~~ to the McCook City Council which approves a Redevelopment Plan of the City of McCook, Nebraska; approves a Redevelopment Project of the City of McCook, Nebraska; and approves the related actions for the purpose of the development of the 2020 Blackwood Enterprises Redevelopment Project.

BACKGROUND:

This item is required by the State of Nebraska for Tax Increment Financed (TIF) projects per the Nebraska Community Development Law. The CDA must approve a resolution approving a Redevelopment Plan to the City Council for the Blackwood Enterprises Redevelopment Project.

The proposed project calls for the renovation, rehabilitation, and exterior enhancements of a commercial building located at 520 West B Street. The developer wants to improve the site to create retail/commercial space. The existing building on the project site was built in 1950 and is no longer suitable for modern business due to its age and obsolescence. The existing building is currently vacant and requires substantial upgrades and improvements to attract tenants. The developer estimates the total project costs will be \$647,875. The developer is requesting the use of TIF to assist with the project.

In a nutshell, if the project site were to be improved, the estimated assessed valuation would be \$1,139,857. The current base value is \$135,000, which said sum would continue to be utilized as the valuation for tax allotments to the local taxing entities. The estimated difference between the two values (ie. \$1,004,857), would be available for TIF indebtedness repayment. At an estimated tax levy of 1.911555, the annual projected taxes available for TIF eligible debt repayment would be \$19,200. With a 5% interest rate for the TIF note, the project would yield TIF indebtedness in the amount of approximately \$200,000. A promissory note in the principal amount of \$200,000 would be issued to denote Blackwood Enterprises obligations.

TIF can only be used for eligible expenses. Examples of eligible expenses can be found on page 4 of the Redevelopment Plan. Blackwood Enterprises estimates that the project will include \$493,900 of TIF eligible expenses, which will more than cover the \$200,000 promissory note. In addition to the TIF note, the developer estimates private investment in the amount of \$447,875. This means that for every \$1 of tax increment financing, the developer will privately spend \$3.24.

As with every redevelopment project, the project site must meet the community goals established in McCook's Comprehensive Plan, as well as meeting State statutory requirements. With respect to McCook's Comprehensive Plan, Blackwood Enterprises' proposed project would promote economic development, improve the quality of our community, and affirm our pledge to utilize TIF as a method of funding structural rehabilitation activities. With respect to State considerations, the project would not adversely impact population density, would meet our zoning regulations, and would comply with the City's zoning requirements. The only concern at this time is parking. The developer acknowledges the need for additional parking. However, the exact parking requirements cannot be determined because the final mix of businesses hasn't been determined. The exact parking requirements will be determined

based on actual use of the building, and the developer will be responsible for meeting the City's requirements. It is our intent for the developer to be present at the meeting to discuss his plans.

At the Planning Commission meeting, the primary concern was parking. The project site itself consists of the building, with little area for parking development. The developer is attempting to address the parking issue by purchasing or leasing adjacent land. Parking is an instrumental part of the project. It is incumbent on the developer to address the issue. If the Council desires, the Redevelopment Plan can be postponed until the developer comes up with a parking plan. On the flip side, the Council can proceed with approving the Redevelopment Plan as it is the responsibility of the developer to address the parking issues.

APPROVALS:

March 12, 2020

Nathan A. Schneider, City Manager

March 12, 2020

Lea Ann Doak, City Clerk

CITY OF MCCOOK, NEBRASKA

RESOLUTION NO. 2020-03

(Redevelopment Plan Amendment – Blackwood Enterprises Redevelopment Project)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCCOOK, NEBRASKA, APPROVING AN AMENDMENT OF THE REDEVELOPMENT PLAN FOR THE CITY OF MCCOOK, NEBRASKA, INCLUDING A SPECIFIC REDEVELOPMENT PROJECT.

RECITALS

A. The Community Development Agency of the City of McCook (“CDA”) has recommended that the Redevelopment Plan for Redevelopment Area (the “Redevelopment Plan”), a copy of which is on file and available for public inspection with the City Clerk, should be amended to include a project for the redevelopment of certain real property within the Redevelopment Area identified and legally defined in said amendment (the “Project Site”).

B. The proposed amendment to the Redevelopment Plan (“Redevelopment Plan Amendment”) is on file and available for public inspection with the McCook City Clerk.

C. The Redevelopment Plan Amendment includes a redevelopment project (the “Project”) that will utilize Tax Increment Financing pursuant to Neb. Rev. Stat. § 18-2147.

D. The CDA submitted the question of whether the Redevelopment Plan Amendment should be recommended to the City Council to the Planning Commission of the City of McCook.

E. The Planning Commission recommended the approval of the Redevelopment Plan Amendment.

F. Notice of public hearing regarding the adoption and approval of the Redevelopment Plan Amendment by the City Council was provided in conformity with the Open Meetings Act, Neb. Rev. Stat. § 84-1407 et seq., the Community Development Law, Neb. Rev. Stat. §§ 18-2115 and 18-2115.01, and Nebraska law.

G. On March 16, 2020, the City Council held a public hearing relating to the question of whether the Redevelopment Plan Amendment should be adopted and approved by the City. All interested parties were afforded at such public hearing a reasonable opportunity to express their views respecting the submitted question.

H. The City Council has reviewed the Redevelopment Plan Amendment, the cost benefit analysis prepared by the CDA and attached to the Redevelopment Plan Amendment, the recommendations of the Planning Commission, and has duly considered all statements made and material submitted related to the submitted question.

NOW THEREFORE, it is found by the City Council of the City of McCook, Nebraska, in accordance with the Community Development Law, Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the "Act"), as follows:

1. The Project Site is in need of redevelopment to remove blight and substandard conditions identified pursuant to the Act.
2. The Redevelopment Plan Amendment will, in accordance with the present and future needs of the City of McCook, promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community in conformance with the legislative declarations and determinations set forth in the Act.
3. The Redevelopment Plan Amendment is in conformance with the general plan for development of the City of McCook as a whole, as set forth in the City of McCook Comprehensive Plan, as amended.
4. The cost and benefits set forth in the Project cost benefit analysis are found to be in the long-term best interest of the City of McCook.
5. The Project would not be economically feasible without the use of Tax Increment Financing.
6. The Project would not occur on the Redevelopment Area without the use of Tax Increment Financing.

BE IT FURTHER RESOLVED, that pursuant to the provisions of the Act and in light of the foregoing findings and determinations, the Redevelopment Plan Amendment is hereby approved and adopted by the City Council as the governing body for the City of McCook.

Dated this 16th day of March, 2020.

CITY OF MCCOOK, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

**REDEVELOPMENT PLAN FOR THE
BLACKWOOD ENTERPRISES REDEVELOPMENT PROJECT
IN THE CITY OF MCCOOK, NEBRASKA**

Introduction

The City of McCook, Nebraska ("City") has undertaken a plan of redevelopment within a certain redevelopment area in the City identified as Redevelopment Area #3 (the "Redevelopment Area"). The Redevelopment Area was declared blighted and substandard in January, 2013. A Blight and Substandard Study and General Redevelopment Plan for the Redevelopment Area was prepared in January, 2013 by Hanna:Keelan Associates, P.C., and adopted by the City in January, 2013. The General Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City. This Redevelopment Plan is a project-specific amendment to the General Redevelopment Plan and shall serve as the guide for the implementation of redevelopment activities on the Project Site, as defined herein, which is located in the Redevelopment Area.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the "Act"), the City created the Community Development Authority of the City of McCook ("CDA"), which has administered the General Redevelopment Plan for the City.

The purpose of this Redevelopment Plan is to identify specific property within the redevelopment area that is in need of redevelopment to cause the removal of blight and substandard conditions identified as the site located at 520 West B Street, in the City of McCook, Nebraska, and legally described on the attached and incorporated Exhibit "A" (the "Project Site").

The Project Site

The Project Site located within the Redevelopment Area and has been declared blighted and substandard. The Project Site is in need of redevelopment. The CDA has considered whether redevelopment of the Project Site will conform to the general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that such a redevelopment of the Project Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight. The blighted condition of the Project Site and the Redevelopment Area has contributed to its inability to attract businesses and/or development. In order to support private development, the Project Site and the Redevelopment Area are in need of renovation and redevelopment.

Description of the Project

The project under consideration will consist of the renovation, rehabilitation, and exterior enhancements of the commercial building on the Project Site and associated

improvements on the Project Site to create retail/commercial space (the “Project”). The existing building on the Project Site was built in 1950 and is no longer suitable for modern business due to its age and obsolescence. A recent photograph of the Project Site is set forth below:



This existing building on the Project Site is currently vacant and requires substantial upgrades and improvements to attract tenants. The building has a concrete block exterior, so a substantial portion of the Project will consist of façade enhancements to the building to give it a modern appearance. This Project is intended to create retail/commercial space for multiple small businesses to occupy and provide them an opportunity to grow their businesses.

Blackwood Enterprises, L.L.C., a Nebraska limited liability company (the “Redeveloper”), has submitted a proposal for the Project and the redevelopment of the Project Site. The redevelopment of the Project Site pursuant to this Redevelopment Plan will eliminate the current blight and substandard conditions of the Project Site and will further the purposes of the Act in conformity with the General Redevelopment Plan.

As part of the Project, the CDA shall capture available tax increment from the Project Site to assist in payment for the public improvements listed as eligible expenditures under the Act in the Redevelopment Area. Such public improvements may include, but are not limited to: land acquisition, demolition, architectural fees, utility improvements, landscaping, façade enhancements, and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act. Redeveloper shall be responsible for all other costs and expenses associated with the Project.

Preliminary site plans are attached hereto as Exhibit “B” and incorporated herein by this reference. The CDA acknowledges that these plans are preliminary in nature and subject to change, but has included the current information submitted by Redeveloper. Redeveloper intends to commence construction in 2020 (as soon as the Project is approved) and complete construction in 2020. The base year for the Project is anticipated to be 2020 and the effective date for the division of taxes shall be January 1, 2021.

Tax Increment Financing

The CDA contemplates the use of TIF for the Redevelopment Project. Section 18-2147 of the Act authorizes the use of TIF. It provides that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date as identified in the redevelopment contract, or amendment thereof, or in the resolution(s) of the authority authorizing the issuance of TIF Indebtedness pursuant to the Act, as follows:

- (a) That portion of the ad valorem tax the levy produces at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body ("Base Tax Amount"); and
- (b) That portion of the ad valorem tax on real property, as provided in the redevelopment contract or bond resolution, in the redevelopment project in excess of the Base Tax Amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project.

With respect to the Redevelopment Project, the actual base tax year and Base Tax Amount for Project Site will be set forth in the redevelopment agreement. It is anticipated that the CDA will issue one TIF note for the entire Project. Notwithstanding any provision herein to the contrary, all incremental tax revenues resulting from the Project shall only be divided and allocated for no more than the applicable 15-year increment period provided by the Act.

The base value of the Project Site is \$135,000. Pursuant to the Red Willow County Assessor's preliminary appraisal of the proposed project on January 9, 2020, the projected completed valuation of the Project is \$1,139,857. The preliminary appraisal is not binding and is based upon the information and assumptions provided to the Assessor. The CDA does not make any representations to the final value of any Project, but has used the value of the preliminary appraisal as the estimated completed valuation of the Project.

Based upon the anticipated completed valuation of \$1,139,857 and a 5.0% interest rate for the TIF Note, the Project will yield TIF Indebtedness in the amount of approximately \$200,000. Redeveloper estimates that the total Project costs shall be approximately \$647,875. Redeveloper shall also be responsible for the CDA's administrative fee and the City's cost of issuance related to the Project and the TIF Indebtedness, which costs are TIF-eligible expenses. Redeveloper has identified approximately \$493,900 TIF-eligible expenditures. The estimated TIF uses is set forth below:

CDA Administrative Fee	\$6,000
Cost of Issuance	TBD
Land Acquisition	\$250,000
Demolition	\$11,500
Architectural Fees	\$5,000
Water Main Improvements	\$2,500
Sanitary Sewer Improvements	\$4,800
Electrical Improvements	\$8,900
Natural Gas Improvements	\$4,700
Street Improvements	\$3,100
Landscaping	\$4,200
Façade Enhancements	\$193,200
<hr/> Total estimated TIF uses:	<hr/> \$493,900

Statutory Elements

As described above, the Project envisions the capture of the incremental taxes created by the Project on the Project Site to pay for those eligible expenditures as set forth in the Act. Attached hereto as Exhibit “C” and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law.

Cost-Benefit Analysis

Pursuant to Section 18-2113 of the Act, the CDA must conduct a cost-benefit analysis for any redevelopment project that will utilize TIF. The Cost-Benefit Analysis for the Project is attached hereto as Exhibit “D” and incorporated by this reference.

Comprehensive Plan

Several goals of the McCook, Nebraska Comprehensive Plan 2013–2023 (the “McCook Comprehensive Plan”) will be furthered by this Project, including but not limited to:

EDUCATION AND COMMUNITY/ECONOMIC DEVELOPMENT

Goal 2: Economic Development. Utilize the McCook Comprehensive Plan as an economic development resource and guide to maximize economic opportunities for all residents. Foster an increase in diversified employment and business types in McCook.

Action Step 3: Focus efforts of diversified businesses and employment opportunities to expand existing and attract new companies. Expand the availability of retail commerce development sites and available storefronts for rent or purchase to attract non-local businesses. . . .

GOAL 3: Community Development. Community development practices should strive to both stabilize and improve the local McCook economy and quality of life. Proper renovation, adaptive reuse and additions of existing buildings, as well as new

construction activities should be components of locally available incentives to attract residents, businesses and industries.

Action Step 1: Encourage local reinvestment in McCook by both the public and private sectors. Provide infrastructure and needed amenities to support future growth of commercial, industrial and residential areas. Remove dilapidated buildings and promote building rehabilitation on structures that are considered cost-effective for such activity. Commercial building rehabilitation projects could include façade restoration, window and awning replacement, improved accessibility and signage. . . .

Action Step 3: Utilize all available public programs of financing in funding development and redevelopment programs. . . .

Action Step 4: Provide public improvements to older residential neighborhoods, as well as Downtown McCook, in need of street and sidewalk resurfacing, landscaping, street trees and improved utility mains. Downtown façade improvements, a public gathering/festival square and additional public parking are needed to support the development of additional specialty retail businesses.

Action Step 7: Promote community sustainability and quality of life in McCook as being a great place to live, work, raise a family and retire

Goal 4: Community Redevelopment Planning and Implementation. Focus on improving structures, utility mains and public facilities throughout McCook. Utilize various funding local, State and Federal funding sources to achieve various redevelopment goals in McCook.

Action Step 1: Utilize Tax Increment Financing (TIF) in designated “Redevelopment Areas” as a method of funding structural rehabilitation activities for commercial buildings. These activities could include façade renovation, utility and street improvements and mixed use developments. . . .

Additionally, the following elements are identified in the McCook Comprehensive Plan as priority redevelopment activities associated with commercial development:

- Update and enforce minimum building codes to prevent vacant buildings from deteriorating.
- Encourage property and business owners to utilize the provisions of Tax Increment Financing as both a development and redevelopment tool in Downtown McCook and along the commercial highway corridors.
- Maintain and improve the aesthetic appearance of Community

- Encourage the development of additional specialty retail businesses, especially those catering to the needs of residents of McCook, as well as those of visitors and travelers to the Community.
- Encourage residents to start their own businesses through entrepreneur programs supported in incubator malls or building spaces that have large areas for multiple, individual businesses.
- Support successful home based businesses that have outgrown the “home,” and/or incubator mall, and are in need of permanent commercial or industrial locations.

The existing land use map and future land use map from the McCook Comprehensive Plan are included for reference in this Redevelopment Plan. The future land use of the site is designated for commercial use, so the Project conforms to the future land use designation of the Project Site.

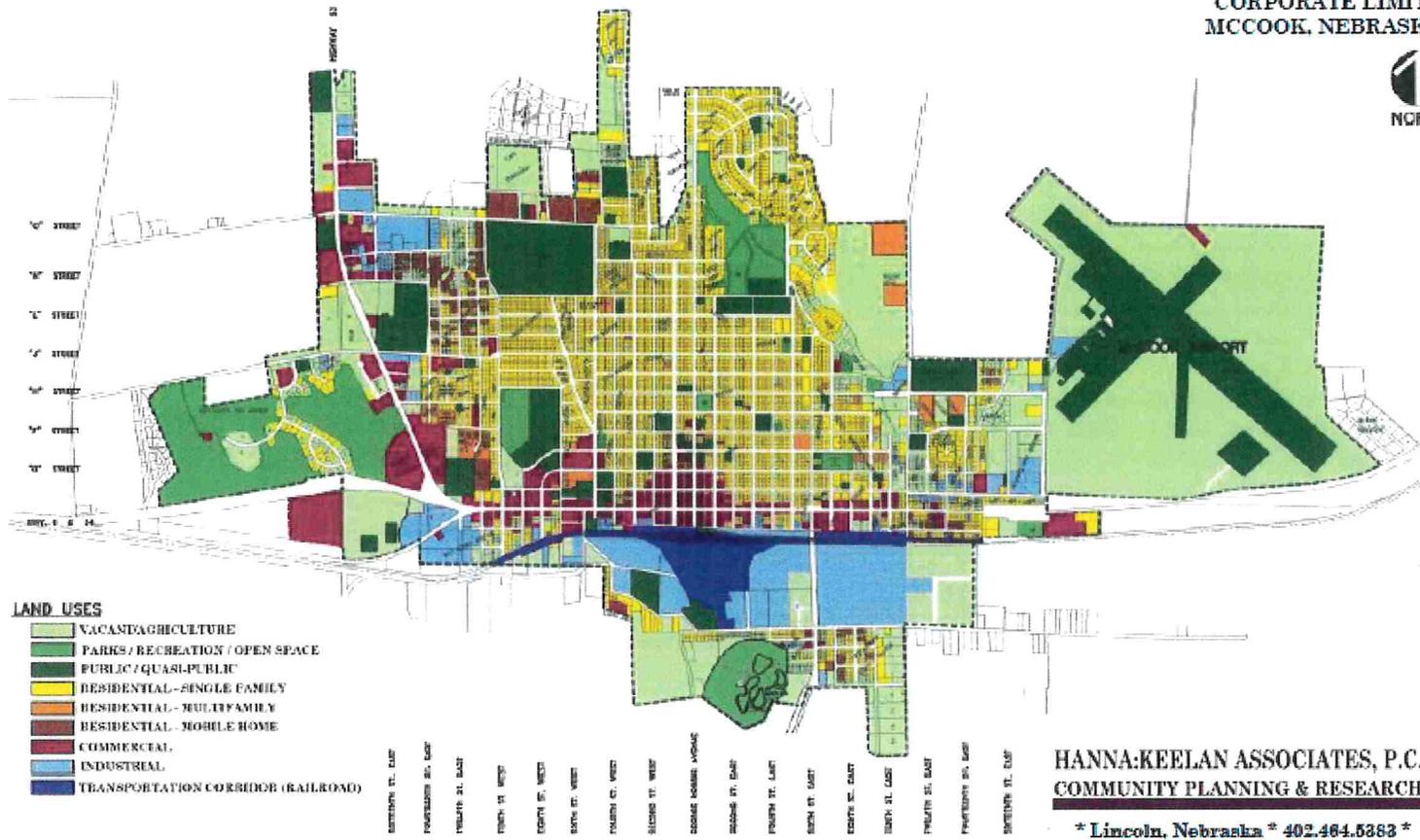
Note: This section is not a comprehensive analysis of the Project’s conformance with the McCook Comprehensive Plan, but is meant to highlight and summarize the key points on this topic.

Additional Project Information from Redeveloper

Redeveloper has represented that without the use of TIF, this Project would not be feasible and Redeveloper could not develop this Project on the Project Site. Redeveloper has further represented that it does not intend to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act.

EXISTING LAND USE MAP

**CORPORATE LIMITS
MCCOOK, NEBRASKA**



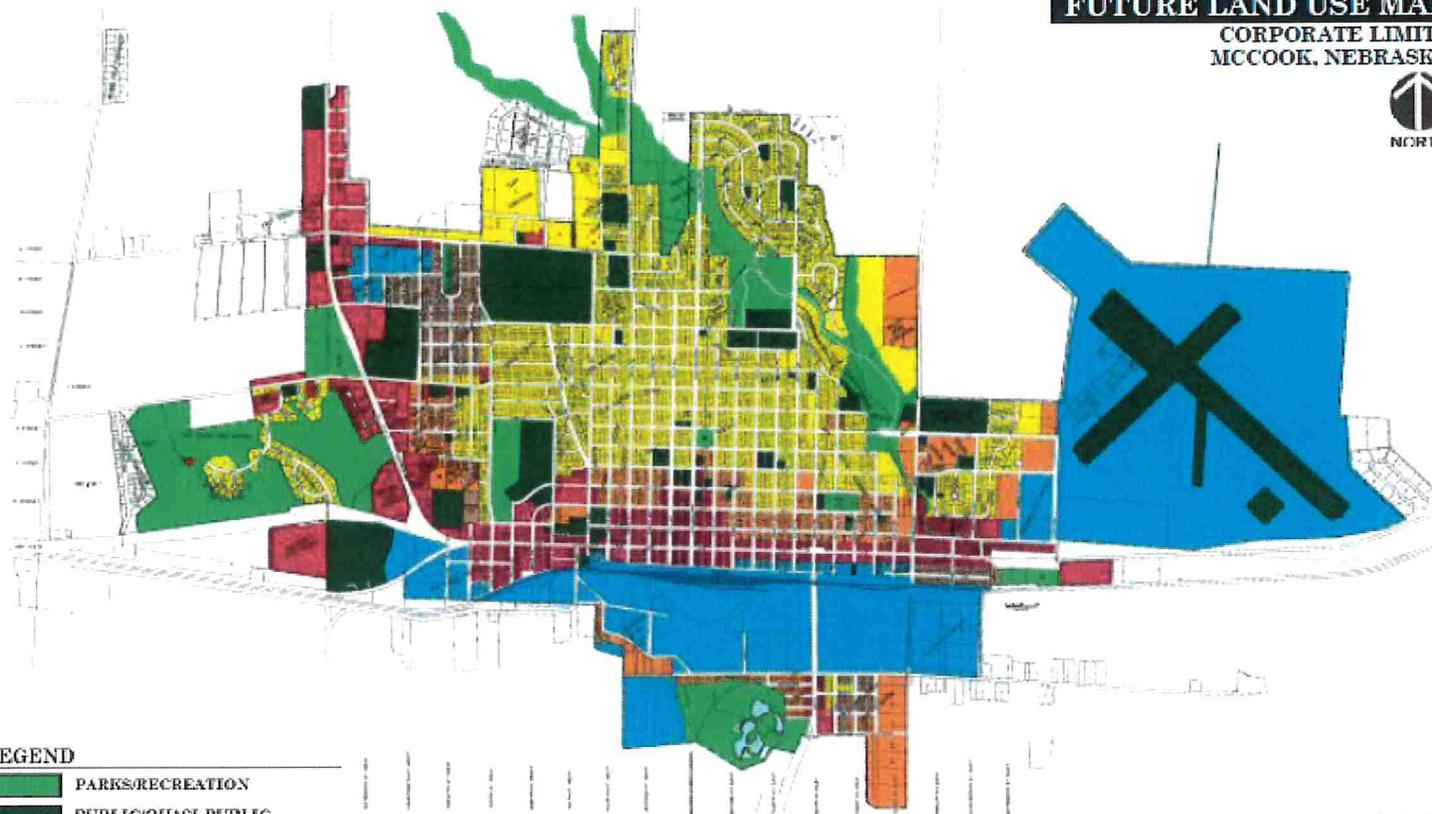
**HANNA:KEELAN ASSOCIATES, P.C.
COMMUNITY PLANNING & RESEARCH**

*** Lincoln, Nebraska * 402.464.5383 ***

ILLUSTRATION 4.2

FUTURE LAND USE MAP

**CORPORATE LIMITS
MCCOOK, NEBRASKA**



LEGEND

-  PARKS/RECREATION
-  PUBLIC/QUASI-PUBLIC
-  SINGLE FAMILY RESIDENTIAL
-  MULTIFAMILY RESIDENTIAL
-  MOBILE HOME RESIDENTIAL
-  COMMERCIAL
-  INDUSTRIAL
-  RAILROAD CORRIDOR
-  CORPORATE LIMIT LINE

**HANNA:KEELAN ASSOCIATES, P.C.
COMMUNITY PLANNING & RESEARCH**

** Lincoln, Nebraska * 402.464.5353 **

ILLUSTRATION 4.4

EXHIBIT "A"
Legal Description of the Project Site

The property is legally described as follows:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999.

The general location of the Project Site is depicted below:

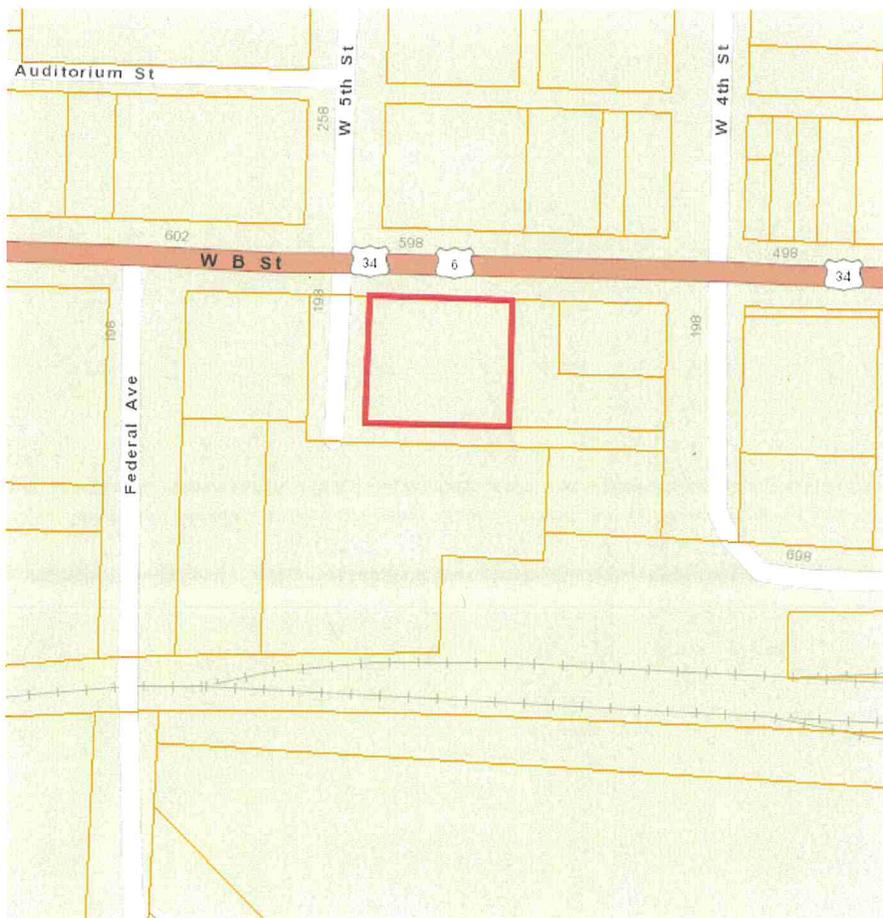


EXHIBIT "B"

Preliminary Site Plans

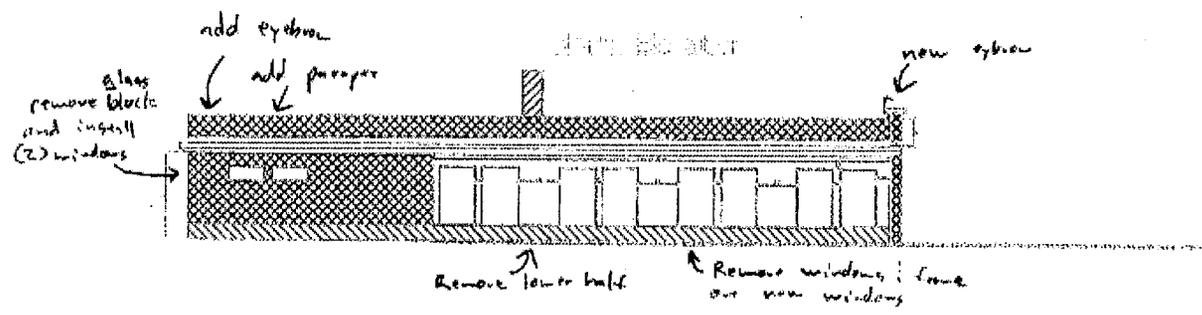
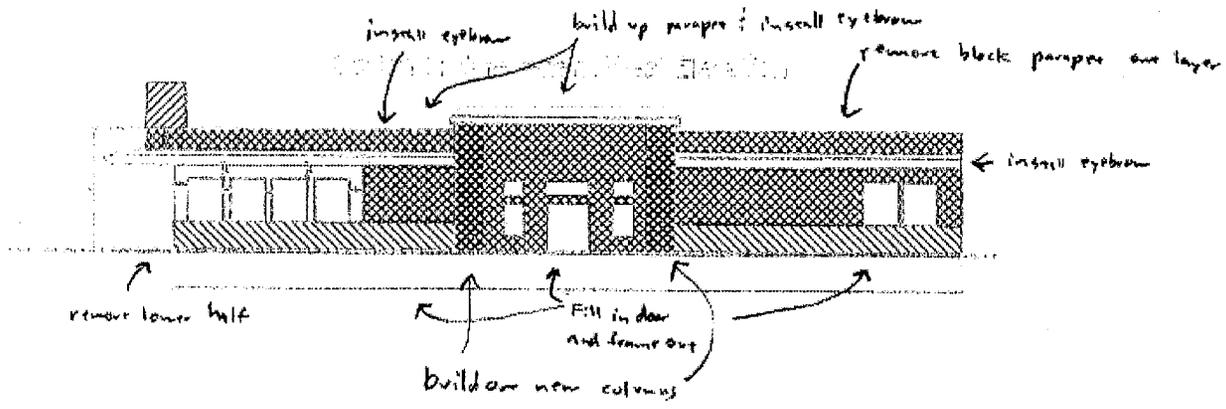
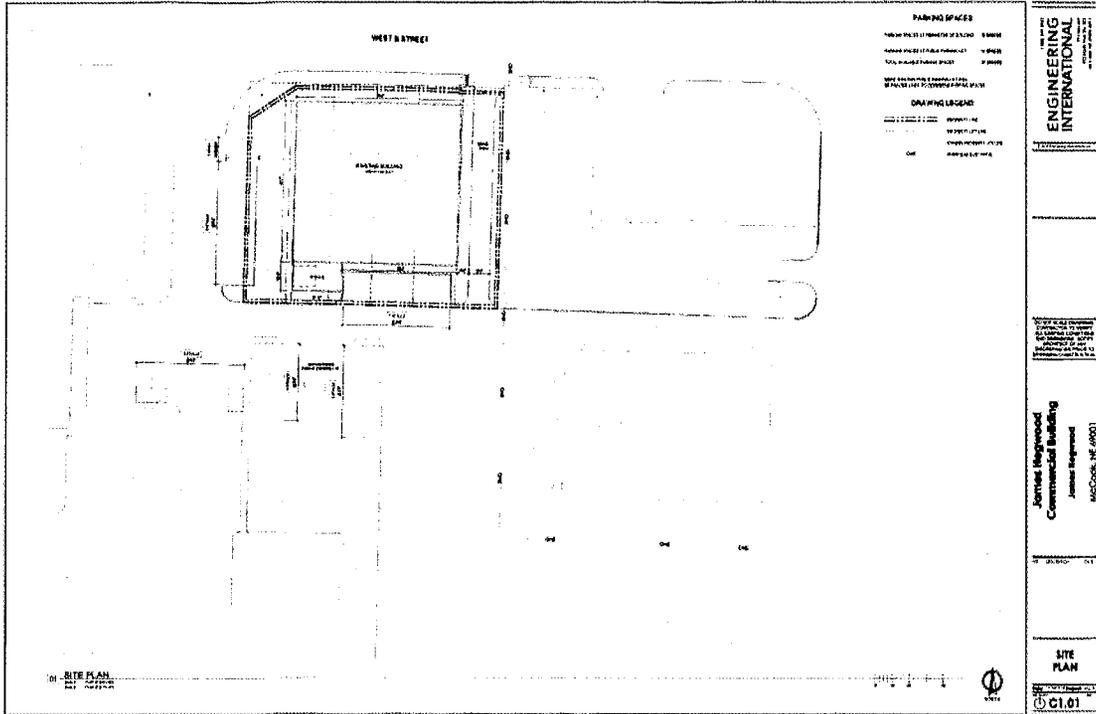


Exhibit "B"

Exhibit "C"
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. Redeveloper owns the Project Site.

B. Population Density

The proposed Project on the Project Site is a commercial project, involving the renovation and rehabilitation of the commercial building on the Project Site. The Project will not significantly affect population density in the project area.

C. Land Coverage

The Project will consist of the renovation and rehabilitation of the existing building on the Project Site. The building is 9,820 square feet and the footprint of the building will not change. The Project will meet the applicable land-coverage ratios and zoning requirements as required by the City of McCook.

D. Traffic Flow, Street Layouts, and Street Grades

No adverse impacts are anticipated with respect to traffic flow, street layouts, and street grades. The existing infrastructure is anticipated to be sufficient for the intended uses of the Project Site upon completion of the Project.

E. Parking

Redeveloper acknowledges the need for additional parking. However, the exact parking requirements cannot be determined because the final mix of businesses has yet to be determined. The exact parking requirements will be determined based on actual use of the building, and Redeveloper shall be responsible for obtaining any permits and meeting all zoning requirements.

F. Zoning, Building Code, and Ordinances

The Project Site is currently zoned in the Business Commercial zoning district. The Project is a permitted use in the existing zoning district for the Project Site. No additional zoning, building code, or ordinance changes will be necessary for the Project.

Exhibit "D"
Cost-Benefit Analysis
(Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the Blackwood Enterprises Redevelopment Project, as described in the Redevelopment Plan to which this cost-benefit analysis is attached, is presented below. The above-referenced project will utilize Tax Increment Financing ("TIF") funds authorized by Neb. Rev. Stat. §18-2147.

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

The taxes generated by the current value of the property shall continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Only the incremental taxes created by the Project will be captured to pay eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of this Project is a positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the 15 year tax shift is as follows:

a.	Redevelopment Project Valuation:	\$135,000
b.	Projected Completed Project Assessed Valuation:	\$1,139,857
c.	Projected Tax Increment Base:	\$1,004,857
d.	Estimated Tax Levy:	1.911555
e.	Annual Projected Tax Shift:	\$19,200

Note: The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2019 levy rate. There has been no accounting for incremental growth or change in the tax levy over the 15 year TIF period.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

No substantial effects are anticipated on the public infrastructure and community public service needs. The Project anticipates expenditures of up to \$28,200 on public infrastructure improvements, including approximately \$24,000 for utility improvements. Redeveloper acknowledges that off-street parking on the Project Site is scarce, and Redeveloper may be required to acquire, lease or construct additional public parking. No other public infrastructure improvements are anticipated to be necessary based on this Project, and the Project will not have a material adverse effect on any community public services.

Redeveloper anticipates expenditures of approximately \$647,875 for the Project. It is anticipated that approximately \$200,000 of the public improvements will be financed with the proceeds of the TIF generated by the private improvements on the

Project Site. The projected uses of the TIF Indebtedness, which will be refined in the Redevelopment Agreement for this Project, are set forth in the Redevelopment Plan for the Project. All expenditures financed by the TIF Indebtedness shall be eligible under the Community Redevelopment Law.

b. Local Tax impacts (in addition to impacts of tax shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, the Project should generate immediate tax growth for the City. The Project will be a commercial space, and the businesses leasing and operating on the Project Site should generate immediate sales tax and personal property tax revenue that would otherwise not be produced. The Project will also require and pay for City services. It is not anticipated that the Project will have any material adverse impact on such City services, but will generate revenue providing support for those services.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project will create new retail/commercial space, which should expand existing and attract new businesses. The Project should have a material positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project because the Project is intended to ameliorate conditions of blight that might otherwise deter businesses from locating or expanding in the area.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

The Project should have a material positive impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers. The Project should encourage business owners to locate and/or relocate along the "B" Street (Highway 6/34) Corridor, which will allow for further growth of the community. There should also be additional consumer traffic to the City, which should benefit other businesses.

5. Impacts on the student populations of school districts within the City:

It is not anticipated that the Project will have a material adverse impact on the student populations of the school district within the City.

6. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

It is anticipated that the Project will create and/or retain jobs in the City by expanding existing and attracting new businesses. There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project. Redeveloper has identified a need for small retail spaces in the City and this Project shall fill that need, but the lease rates will not be feasible for small businesses without the use of TIF to help finance some of the public improvements.

7. Summary of Findings:

The Project will facilitate the redevelopment of a blighted and substandard area of the City without the incurrence of significant public cost. Additionally, the Project will increase property tax revenue in the long-term. The benefits outweigh the costs of the proposed Project.

CITY MANAGER'S REPORT

MARCH 16, 2020 MCCOOK COMMUNITY DEVELOPMENT AGENCY MEETING

3.D.

ITEM NO. ___ Approve CDA Resolution No. 2020-02 approving the Redevelopment Agreement between the City of McCook/CDA and Blackwood Enterprises.

BACKGROUND:

For a TIF project, a Redevelopment Agreement must be executed by both the developer and the CDA/City. Approval of the Redevelopment Agreement takes place after approval of the Redevelopment Plan. The Redevelopment Agreement must be approved by both the City of McCook and the McCook Community Development Agency.

The proposed Redevelopment Agreement contemplates that the CDA will capture the Tax Increment from the improvements made to the project site. The capture period will not exceed 15 years. The CDA will issue TIF indebtedness in the amount of \$200,000. The TIF indebtedness will be issued as a Promissory Note with Blackwood Enterprises as the registered holder of the Note. Blackwood Enterprises (or Blackwood Enterprises' lender) will purchase the debt. The TIF indebtedness will be secured by a pledge of the Tax Increment. The TIF indebtedness will not be a general obligation of the City of McCook. If the Tax Increment falls short of anticipated receipts, the developer will be responsible to make up the shortfall.

The Redevelopment Agreement reaffirms the project would not occur but for the use of TIF. The Agreement contains a provision that requires the developer to provide the CDA evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of the developer in connection with the improvements. The information will provide assurance that the developer has the means to undertake the project. The submittal of the financial information is a condition precedent to the requirement the CDA proceed with its obligations.

The developer anticipates the project will be completed in 2020, with 2021 serving as the year the basis reflects the valuation increase attributable to the improvements. The developer will be required to report its progress to the CDA. The developer will be required to execute a Certificate of Completion after concluding the work to the site. The Certificate of Completion will serve as a conclusive determination of satisfaction of the agreement on the part of the developer.

During the term of the Agreement, the developer is not allowed to protest the property valuation in a sum less than \$1,139,857. This is to insure the Tax Increment is funded at the anticipated amount. Further, while the Agreement is active, the developer cannot convey the project site or structures to any entity which would be exempt from paying real estate taxes. CDA approval will be necessary for an assignment to potential future owners. As mentioned, if the anticipated valuation is less than \$1,139,857, the developer is responsible for the shortfall in the Tax Increment generated by the project. The developer will be responsible to assure no liens are allowed against the property except for those spelled out in Section 5.02.

The Agreement contains provisions for default. The remedies include compelling specific performance, requiring the developer to remit the sum by which the Anticipated Tax Increment exceeds the Actual Tax Increment, and declaring the entire amount due with interest at 12%. Additionally, the Agreement provides a release of liability in favor of the CDA and

assures the developer will indemnify the CDA/City from claims arising from the developer's actions.

As was mentioned with the Redevelopment Plan, parking must be addressed. If the developer is unable to immediately provide a plan, approval of the Redevelopment Agreement can be postponed to a future date allowing the developer time to flesh out its plan.

APPROVALS:



March 12, 2020

Nathan A. Schneider, City Manager



March 12, 2020

Lea Ann Doak, City Clerk

**COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK, NEBRASKA**

RESOLUTION NO. 2020-02

(Redevelopment Agreement – Blackwood Enterprises Redevelopment Project)

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA, AUTHORIZING AND APPROVING A REDEVELOPMENT AGREEMENT INCLUDING THE USE OF TAX INCREMENT FINANCING FOR A REDEVELOPMENT PROJECT; AND TAKING OTHER ACTIONS REQUIRED OR PERMITTED UNDER THE COMMUNITY DEVELOPMENT LAW.

RECITALS

- A. The City of McCook, Nebraska (“City”) adopted a redevelopment plan for certain portions of the City (the “Redevelopment Plan”).
- B. The Community Development Agency of the City of McCook, Nebraska (“CDA”), in furtherance of the purposes and pursuant to the provisions of the Community Development Law, Neb. Rev. Stat. §§ 18-2101 to 18-2154, as amended (the “Act”), has adopted an amendment to the Redevelopment Plan (“Redevelopment Plan Amendment”).
- C. The Planning Commission of the City of McCook has recommended approval of the Redevelopment Plan Amendment.
- D. The CDA shall submit the Redevelopment Plan Amendment to the City Council of the City of McCook, Nebraska for final approval and adoption pursuant to the Act.
- E. The Redevelopment Plan Amendment authorizes and creates a specific redevelopment project on a portion of the Redevelopment Area identified in the Redevelopment Plan Amendment as the Blackwood Enterprises Redevelopment Project (the “Project”).
- F. The CDA has prepared a redevelopment agreement for the Project, a copy of which is attached hereto as Exhibit “A” and incorporated by this reference (the “Redevelopment Agreement”).
- G. The Project would use Tax Increment Financing pursuant to Section 18-2147 of the Act to assist in paying for the cost of certain eligible public improvements authorized by the Act and identified in the Redevelopment Plan Amendment and the Redevelopment Agreement.

NOW THEREFORE, BE IT RESOLVED, by the CDA, that the Redevelopment Agreement is hereby approved.

BE IT FURTHER RESOLVED, the CDA authorizes the Chairperson of the CDA to execute and enter into the Redevelopment Agreement on the CDA’s behalf upon the City Council’s approval of the Redevelopment Agreement.

BE IT FURTHER RESOLVED, the CDA authorizes the Chairperson of the CDA to take all such actions that are required to fulfill the terms of the Redevelopment Agreement and to consummate the agreement set forth therein.

BE IT FURTHER RESOLVED, without limitation to the foregoing, the CDA authorizes the issuance of the TIF Indebtedness in substantially the same form of the Note attached to the Redevelopment Agreement as Exhibit "E" in an amount not to exceed the TIF Indebtedness amount set forth in the Redevelopment Agreement without further written approval of the CDA or the City Council.

BE IT FURTHER RESOLVED, the foregoing resolutions are subject to and contingent upon the City Council's approval and adoption of the Redevelopment Plan Amendment for the Project, and if the City Council does not approve and adopt the Redevelopment Plan Amendment, the resolutions contained herein shall be void and of no effect.

BE IT FURTHER RESOLVED, that any other resolutions or actions that are contradictory or incompatible with the provisions of this Resolution are hereby rescinded.

Dated this 16th day of March, 2020.

COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF
MCCOOK, NEBRASKA

Michael D. Gonzales, Chairman

ATTEST:

Lea Ann Doak, Secretary

EXHIBIT "A"
Redevelopment Agreement

Exhibit "A"

REDEVELOPMENT AGREEMENT

(Blackwood Enterprises Redevelopment Project)

This Redevelopment Agreement is made and entered into as of the ____ day of _____, 2020, by and between the Community Development Agency of the City of McCook, Nebraska ("CDA") and Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Redeveloper").

RECITALS

A. The CDA 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 Redevelopment Agreement.

B. The City, in furtherance of the purposes and pursuant to the provisions of the Act, has adopted a Redevelopment Plan for a blighted and substandard area designated by the City, including the Redevelopment Area.

C. Redeveloper owns the Project Site which is located in the Redevelopment Area.

D. Redeveloper submitted a redevelopment project proposal to redevelop the Project Site.

E. Redeveloper's proposed redevelopment project will consist of the renovation, rehabilitation, and exterior enhancements of the commercial building on the Project Site and associated improvements on the Project Site to create retail/commercial space.

F. The CDA has approved Redeveloper's proposed redevelopment project, including the utilization of tax-increment financing to assist in the cost of the Public Improvements defined in this Redevelopment Agreement.

G. The CDA and Redeveloper desire to enter into this Redevelopment Agreement for redevelopment of the Project Site.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein set forth, the CDA and Redeveloper do hereby covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Agreement.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Agreement, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

A. "Act" means Article VIII, Section 12 of the Nebraska Constitution, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended, and acts amendatory thereof and supplemental thereto.

B. "Anticipated Tax Increment" means the Anticipated Tax Increment for this Project as set forth on the attached Exhibit "B".

C. "City" means the City of McCook, Nebraska.

D. "County" means Red Willow County, Nebraska.

E. "CDA" means the Community Development Agency of the City of McCook, Nebraska.

F. "Effective Date" means January 1, 2021.

G. "Eligible Project Costs" means only costs or expenses incurred by Redeveloper for Public Improvements and other items eligible for reimbursement under the Act.

H. "Minimum Project Valuation" means the amount of One Million One Hundred Thirty-Nine Thousand Eight Hundred Fifty-Seven and No/100 Dollars (\$1,139,857.00).

I. "Private Improvements" means all the private improvements to be constructed on the Project Site as more particularly described on Exhibit "A".

J. "Project" means the Project Site and includes improvements to the Project Site and adjacent thereto, including the Private Improvements and Public Improvements defined herein and described on Exhibit "A".

K. "Project Completion Date" means on or before December 31, 2020.

L. "Project Site" means all that certain real property situated in the City, more particularly described on Exhibit "A".

M. "Public Improvements" shall include all the public improvements more particularly described on Exhibit "A" which are eligible improvements under the Act. The costs of the Public Improvements include the debt service payments of the TIF Indebtedness.

N. "Redeveloper" means Blackwood Enterprises, L.L.C., a Nebraska limited liability company.

O. "Redevelopment Agreement" means this Redevelopment Agreement between the CDA and Redeveloper with respect to the Project.

P. "Redevelopment Area" means Redevelopment Area #3 that is set forth in the Redevelopment Plan.

Q. "Redevelopment Plan" means the Blight and Substandard Study and General Redevelopment Plan for the Redevelopment Area prepared in January, 2013 by Hanna:Keelan Associates, P.C., and approved by the City pursuant to the Act, as amended.

R. "Tax Increment" means in accordance with Neb. Rev. Stat. § 18-2147, the difference between the ad valorem tax which is produced by the tax levy (fixed each year by the County Board of Equalization) for the Project Site before the completion of the construction of the Private Improvements and the ad valorem tax which is produced by the tax levy for the Project Site after completion of construction of the Private Improvements as part of the Project.

S. "TIF Indebtedness" means the sums payable under any bonds, notes, loans and advances of money or other indebtedness, including interest thereon, issued by the CDA or the City secured in whole or in part by Tax Increment.

Section 1.02 Construction and Interpretation.

The provisions of this Redevelopment Agreement shall be construed and interpreted in accordance with the following provisions:

(a) This Redevelopment Agreement shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.

(b) Wherever in this Redevelopment Agreement it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

(c) The phrase "at any time" shall be construed as meaning "at any time or from time to time."

(d) The word "including" shall be construed as meaning "including, but not limited to."

(e) The words "will" and "shall" shall each be construed as mandatory.

(f) The words "herein," "hereof," "hereunder," "hereinafter" and words of similar import shall refer to the Redevelopment Agreement as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

(g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

(h) The captions to the sections of this Redevelopment Agreement are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

ARTICLE II
REPRESENTATIONS

Section 2.01 Representations by the CDA.

The CDA makes the following representations and findings:

(a) The CDA is a duly organized and validly existing community redevelopment authority under the Act.

(b) The CDA deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper for the redevelopment of the Project Site as specified herein.

(c) The Project will achieve the public purposes of the Act by, among other things, increasing the tax base and lessening blighted and substandard conditions in the Redevelopment Area.

(d) The costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the CDA and have been found to be in the long-term best interest of the community impacted by the Project.

Section 2.02 Representations of Redeveloper.

Redeveloper makes the following representations and findings:

(a) Redeveloper is a Nebraska limited liability company in good standing and has the power to enter into this Redevelopment Agreement and perform all obligations contained herein.

(b) The execution and delivery of the Redevelopment Agreement and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of Redeveloper contrary to the terms of any instrument or agreement.

(c) There is no litigation pending or to the best of its knowledge threatened against Redeveloper affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Agreement or, except as disclosed in writing to the CDA, as to any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

(d) Redeveloper owns the Project Site in fee simple and free from any liens, encumbrances, or restrictions which would prevent the performance of this Redevelopment Agreement by Redeveloper.

(e) Pursuant to Neb. Rev. Stat. § 18-2119, Redeveloper certifies to the CDA that Redeveloper does not intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the Nebraska Advantage Act.

(f) The Project would not be economically feasible without the use of tax increment financing.

(g) The Project would not occur in the Redevelopment Area without the use of tax increment financing.

ARTICLE III OBLIGATIONS OF THE CDA AND PUBLIC IMPROVEMENTS

Section 3.01 Capture of Tax Increment.

Subject to the contingencies described below and to all of the terms and conditions of this Redevelopment Agreement, commencing for the tax year of the Effective Date and continuing thereafter, the CDA shall capture the Tax Increment from the Private Improvements pursuant to the Act. The CDA shall capture the Tax Increment generated by the Project Site for a total period of not to exceed fifteen (15) years after the Private Improvements have been included in the assessed valuation of the Project Site and is generating the Tax Increment subject to capture by the CDA. The effective date of this provision shall be the Effective Date. The CDA shall file with the County Assessor the "Notice to Divide Taxes" on or prior to August 1 in the year of the Effective Date.

Section 3.02 Issuance of TIF Indebtedness.

On or after thirty (30) days following the approval and execution of this Redevelopment Agreement, the CDA shall incur or issue TIF Indebtedness in an amount not to exceed Two Hundred Thousand and No/ 100 Dollars (\$200,000.00), as calculated on the attached and incorporated Exhibit "B". The TIF Indebtedness shall be issued in a TIF Promissory Note in the form attached hereto as Exhibit "E" ("Note"). The TIF Indebtedness shall be purchased by Redeveloper or a lender of Redeveloper. The TIF Indebtedness shall not be a general obligation of the CDA or City which shall issue such Note solely as a conduit. If Redeveloper does not acquire and fund the TIF Indebtedness itself, Redeveloper shall locate a lender or other entity to acquire and fund the acquisition of the Note for the TIF Indebtedness. The TIF Indebtedness shall be secured by a pledge or assignment of the Tax Increment or otherwise secured by Redeveloper as required by the lender.

Section 3.03 Use of TIF Indebtedness.

The CDA will collect the Tax Increment and use said Tax Increment to pay debt service on the TIF Indebtedness incurred as provided in Section 3.02 of this Redevelopment Agreement. Notwithstanding the foregoing, the amount of the TIF Indebtedness that the CDA agrees to service and repay with the Tax Increment shall not exceed the amount of the Eligible Project Costs certified pursuant to Section 4.03. In addition, the CDA shall retain an amount sufficient to pay its reasonable and necessary cost of issuance, including attorney fees, and a CDA administration

fee in the amount of three percent (3%) of the TIF Indebtedness. Redeveloper shall pay to the CDA the cost of issuance and CDA administration fee at or prior to the issuance of the TIF Note. The Tax Increment, less the CDA's costs set forth above, shall be paid pursuant to the terms of the Note and this Redevelopment Agreement.

Section 3.04 Creation of Fund.

The CDA will create a special fund to collect and hold the receipts of the Tax Increment. Such special fund shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Section 3.02 above.

Section 3.05 Projected TIF Sources and Uses.

In addition to the TIF Indebtedness calculation formula set forth on Exhibit "B", Redeveloper's anticipated TIF sources and eligible uses are attached and incorporated for the parties' reference as Exhibit "C."

**ARTICLE IV
OBLIGATIONS OF REDEVELOPER**

Section 4.01 Evidence of Financial Ability.

Redeveloper shall, no later than ninety (90) days following the execution of this Redevelopment Agreement, provide to the CDA evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of Redeveloper in connection with acquisition of the Project Site and construction of the Public Improvements and the Private Improvements. To the extent allowed by law, the CDA agrees to keep said information confidential. Such information shall state the amount and source of liquid assets on hand or immediately available to Redeveloper for use in constructing the Private Improvements; and shall state the amount and source of debt financing which is available, or irrevocably committed, to Redeveloper for use in completing the Private Improvements. Such information shall be provided in a form satisfactory to the CDA, and evidence of loan commitments shall include all of the documents evidencing the loan commitment, acceptance by Redeveloper, the purposes of the loan, the authorized use of loan funds, and all other terms and conditions of the loan commitment, the acceptance, and the loan. Submittal of such financial information in a form satisfactory to the CDA shall be a condition precedent to the requirement of the CDA to proceed with its obligations under this Redevelopment Agreement.

Section 4.02 Construction of Project; Insurance.

(a) Redeveloper will complete the Public Improvements and the Private Improvements and install all equipment necessary to operate the Public Improvements and the Private Improvements no later than the Project Completion Date. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Public Improvements and the Private Improvements. Until construction of the Public Improvements and the Private Improvements has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the CDA as to the actual progress of Redeveloper with respect

to construction of the Public Improvements and the Private Improvements. Promptly after completion by Redeveloper of the Public Improvements and the Private Improvements, Redeveloper shall furnish to the CDA a Certificate of Completion in the form attached hereto as Exhibit "F" from Redeveloper's engineer or architect, or owner's representative. When accepted in writing by the CDA, the certification by Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Agreement with respect to the obligations of Redeveloper to construct the Public Improvements and the Private Improvements.

(b) Any contractor chosen by Redeveloper or Redeveloper itself shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance) and a penal bond as required by the Act. Redeveloper shall be named as an additional insured. Any contractor chosen by Redeveloper or Redeveloper itself, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance). This insurance shall insure against the perils of fire and extended coverage and shall include "special causes of loss" insurance for physical loss or damage.

Section 4.03 Cost Certification.

Redeveloper shall submit to the CDA a certification of Eligible Project Costs in the form of the certification attached hereto as Exhibit "G" ("Eligible Project Costs Certification"), after expenditure of such project costs. Redeveloper may, at its option, submit one or more partial Eligible Project Costs Certifications prior to expenditure of all Eligible Project Costs providing certification of receipt of billings for work in progress. All Eligible Project Costs Certifications shall be subject to review and approval by the CDA. Determinations by the CDA whether costs included in the Eligible Project Costs Certification are properly included in Eligible Project Costs as defined in this Redevelopment Agreement shall be made in its sole discretion and shall be conclusive and binding on Redeveloper.

The TIF Indebtedness shall not exceed the actual and certified Eligible Project Costs for the Project. In the event that the certified Eligible Project Costs for the Project are less than the TIF Indebtedness, the CDA shall reduce the TIF Indebtedness amount and Redeveloper shall repay to the CDA within ten (10) days of said cost certification any amount in excess of the Eligible Project Costs issued prior to the Eligible Project Costs Certification.

Section 4.04 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as this Redevelopment Agreement is outstanding, it will not discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Project. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry,

disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Project.

Section 4.05 Pay Real Estate Taxes.

(a) Redeveloper has agreed to create a taxable real property valuation of the Project and Project Site of not less than the Minimum Project Valuation no later than the Effective Date. During the period of this Redevelopment Agreement, Redeveloper, its successors and assigns, will: (1) not protest a real estate property valuation of the Project Site to a sum less than the Minimum Project Valuation; and (2) not convey the Project Site or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes.

(b) If, during the period of this Agreement, the Project Site is assessed at less than the Minimum Project Valuation, Redeveloper shall be responsible for any shortfall in the Tax Increment generated by the Project. If Redeveloper funds the Note, Redeveloper agrees to forgive any shortfall in repayment of the TIF Indebtedness. If a lender or third party other than Redeveloper funds the Note, Redeveloper shall make semi-annual payments in lieu of taxes ("Deficiency Payments") to said lender or third party in the amount the Anticipated Tax Increment exceeds the actual Tax Increment. Said Deficiency Payments shall be made within thirty (30) days of written notice from the lender and/or CDA.

Section 4.06 No Assignment or Conveyance.

Redeveloper shall not convey, assign or transfer the Project Site or any interest therein prior to the termination of the fifteen (15) year period commencing on the Effective Date without the prior written consent of the CDA, which shall not be unreasonably withheld and which the CDA may make subject to any terms or conditions it reasonably deems appropriate, except for the following conveyance, which shall be permitted without consent of the CDA: (i) any conveyance as security for indebtedness incurred by Redeveloper for Project costs or any subsequent physical improvements to the premises (whether incurred prior to or after the effective date of this Redevelopment Agreement) with the outstanding principal amount of all such indebtedness secured by the Project Site which shall have lien priority over the obligations of Redeveloper pursuant to this Redevelopment Agreement; or (ii) any additional or subsequent conveyance as security for indebtedness incurred by Redeveloper for Project costs or any subsequent physical improvements to the premises provided that any such conveyance shall be subject to the obligations of Redeveloper pursuant to this Redevelopment Agreement.

Section 4.07 Grant of Easements.

Redeveloper shall grant to the CDA a Façade Easement in the form attached hereto as Exhibit "H". Redeveloper shall grant to the CDA any other easements that are reasonably necessary, in the City's discretion, in order to ensure the CDA can reasonably access and use the Public Improvements.

**ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES**

Section 5.01 Financing.

Redeveloper shall pay all costs for the construction of the Private Improvements and the Public Improvements. Redeveloper shall be responsible for arranging all necessary financing for the construction of the Public Improvements and Private Improvements, including, with respect to the Public Improvements, the TIF Indebtedness.

Section 5.02 Encumbrances.

Redeveloper shall not create any lien, encumbrance or mortgage on the Project or the Project Site except: (a) encumbrances which secure indebtedness incurred to acquire, construct and equip the Project or for any other physical improvements to the Project Site, (b) easements and rights of entry granted by Redeveloper, (c) construction and materialman liens that may be filed in connection with the construction of the Private Improvements so long as any such lien is discharged or bonded within ninety (90) days of completion of the Private Improvements, and (d) any other liens so long as any such lien is satisfied and released or substitute security is posted in lieu thereof within ninety (90) days of Redeveloper receiving notice thereof.

**ARTICLE VI
DEFAULT, REMEDIES; INDEMNIFICATION**

Section 6.01 General Remedies of the CDA and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Agreement or any of its terms or conditions, by either party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, 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 Redevelopment Agreement shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Agreement, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations; provided that, in view of the additional remedies of the CDA set out in Section 6.02, the remedy of specific performance by Redeveloper shall not include or be construed to include the covenant to build or construct the Private Improvements or Project.

Section 6.02 Additional Remedies of the CDA.

In the event that:

- (a) Redeveloper, or successor in interest, shall fail to complete the construction of the Project on or before the Project Completion Date, or shall abandon construction work for any period of one hundred twenty (120) days (not including any period covered pursuant to the terms of Section 6.04 below);
- (b) Redeveloper, and/or any successor in interest, shall fail to pay real estate taxes or assessments on the Project Site or any part thereof when due, and such taxes or assessments or payments in lieu of taxes shall not have been paid, or provisions satisfactory to the CDA made for such payment within thirty (30) days following written notice from the CDA;
- (c) Any Deficiency Payment due pursuant to Section 4.05(b) of this Redevelopment Agreement is not paid when due as set forth in Section 4.05(b); or
- (d) There is a transfer of the Project Site or any part thereof in violation of Section 4.06 of this Redevelopment Agreement, and such failure or action by Redeveloper has not been cured within thirty (30) days following written notice from the CDA,

then Redeveloper shall be in default of this Redevelopment Agreement; and if such failure to perform, breach or default is not cured in the period herein provided, the parties agree that the damages caused to the CDA would be difficult to determine with certainty. To the extent that such failure results in the fact that the CDA is not able to capture the full amount of Tax Increment contemplated hereunder, Redeveloper shall be obligated, on an annual basis, to remit the sum by which the Anticipated Tax Increment exceeds the actual Tax Increment. Additionally, the CDA may, but is not required to, declare the entire amount due hereunder for the remainder of the TIF period immediately due and payable by Redeveloper, such amount or any portion thereof which may from time to time remain unpaid shall bear interest at a rate of twelve percent (12%) per annum or, if less, the maximum legal rate permitted by law, until all amounts due hereunder are paid in full.

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event Redeveloper fails to perform any other provisions of this Redevelopment Agreement (other than those specific provisions contained in Section 6.02), and such failure has not been cured within thirty (30) days following written notice from the CDA, then Redeveloper shall be in default. In such an instance, the CDA may seek to enforce the terms of this Redevelopment Agreement or exercise any other remedies that may be provided in this Redevelopment Agreement or by applicable law.

Section 6.04 Limitation of Liability; Indemnification.

(a) Notwithstanding anything in this Article VI or this Redevelopment Agreement to the contrary, neither the CDA, the City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Agreement. The obligation of the CDA on any TIF Indebtedness shall be limited solely to the Tax Increment pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither the City nor the CDA shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. Redeveloper releases the CDA and the City from and agrees that the CDA and the City shall not be liable for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Private Improvements.

(b) Redeveloper shall indemnify, defend (at the CDA's and/or the City's option) and hold harmless the CDA, the City, their respective employees, officials, agents, representatives and volunteers from and against any and all liabilities, damages, injuries (including death), property damage (including loss of use), claims, liens, judgments, costs, expenses, suits, actions, or proceedings and reasonable attorney's fees, and actual damages of any kind or nature, arising out of or in connection with any aspect of the acts, omissions, negligence or willful misconduct of Redeveloper, its employees, agents, officers, contractors or subcontractors, or Redeveloper's performance or failure to perform under the terms and conditions of this Redevelopment Agreement. Such indemnification, hold harmless and defense obligation shall exclude only such liability actions as arise directly out of the sole negligence or willful misconduct of the CDA or the City. The indemnification and defense obligations set forth herein shall survive the termination of this Redevelopment Agreement.

**ARTICLE VII
MISCELLANEOUS**

Section 7.01 Memorandum.

A Memorandum of this Redevelopment Agreement shall be recorded with the County Register of Deeds. The form of the Memorandum is attached as Exhibit "D" and incorporated by this reference.

Section 7.02 Governing Law.

This Redevelopment Agreement shall be governed by the laws of the State of Nebraska, including the Act.

Section 7.03 Binding Effect; Amendment.

This Redevelopment Agreement shall be binding on the parties hereto and their respective successors and assigns. This Redevelopment Agreement shall run with the Project Site. The Redevelopment Agreement shall not be amended except by a writing signed by the party to be bound.

Section 7.04 No Agency or Partnership.

This Redevelopment Agreement is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between: (i) the CDA and/or the City; and (ii) Redeveloper, or any officer, employee, contractor or representative of Redeveloper. No joint employment is intended or created by this Redevelopment Agreement for any purpose. Redeveloper agrees to so inform its employees, agents, contractors and subcontractors who are involved in the implementation of or construction under this Redevelopment Agreement.

Section 7.05 Document Retention.

Redeveloper shall retain copies of all supporting documents that are associated with the Redevelopment Plan, Project, or this Redevelopment Agreement and that are received or generated by Redeveloper for three (3) years following the end of the last fiscal year in which ad valorem taxes are divided for the Project and provide such copies to the City as needed to comply with the City's retention requirements under the Act. Supporting documents shall include, but not be limited to, any cost-benefit analysis conducted pursuant to Section 18-2113 of the Act and any invoice, receipt, claim, or contract received or generated by Redeveloper that provides support for receipts or payments associated with the division of taxes.

Section 7.06 Notice to Redeveloper.

For the purpose of any notice requirement set forth in this Redevelopment Agreement, Redeveloper's address shall be: Blackwood Enterprises, L.L.C., 37535 U.S. Hwy 34, Culbertson, NE 69024. Email: _____.

[Signature Page Follows]

EXHIBIT "A"
DESCRIPTION OF PROJECT

The Project undertaken by Redeveloper on the Project Site, defined as the real estate legally described as:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999.

The Project includes the following Public Improvements and Private Improvements, which shall be undertaken and completed by Redeveloper.

- (a) **Private Improvements.** The renovation, rehabilitation, and exterior enhancements of the commercial building on the Project Site and associated improvements on the Project Site to create retail/commercial space.
- (b) **Public Improvements.** Land acquisition, demolition, architectural fees, utility improvements, landscaping, façade enhancements, and other eligible public improvements on the Project Site and in the Redevelopment Area, which public improvements are eligible improvements under the Act pursuant to this Redevelopment Agreement; paid for, in part, by the Tax Increment created by the Private Improvements.

EXHIBIT "B"
TIF INDEBTEDNESS

1. Projected Base Value: \$135,000
2. Projected Minimum Final Value: \$1,139,857
3. Projected Incremental Valuation: \$1,004,857
4. Assumed Tax Levy: 1.911555
5. Anticipated Tax Increment: \$19,208 annually
6. Assumed Interest Rate: 5%
7. TIF Indebtedness:

- a. **Principal Amount.** The principal amount of the TIF Indebtedness shall be equal to or less than \$200,000, which is the maximum amount, together with interest accruing thereon, which can be amortized by December 31, 2036, solely from the Tax Increment Revenues based upon the Anticipated Tax Increment.
- b. **Payments.** Semi-annually commencing when real estate taxes are fully collected for the tax year 2021. The CDA shall utilize all Tax Increment received from the Project to pay debt service on the TIF Indebtedness until the TIF Indebtedness is fully repaid. Provided, however, the CDA does not warrant, represent, or guaranty that the Tax Increment will be sufficient to repay the entire amount of the TIF Indebtedness. The CDA has no obligation to make any payments other than the actual Tax Increment received from the Project.
- c. **Maturity Date.** On or before December 31, 2036.
- d. **TIF Period.** The period for the division of taxes for this Project shall be fifteen (15) years, commencing on the Effective Date of January 1, 2021 (2021 taxes paid in 2022) and terminating on December 31, 2035 (2035 taxes due on December 31, 2035 but paid in 2036). Payment of ad valorem taxes in arrears pursuant to customary payments in Nebraska shall not affect the fifteen (15) year TIF period.

Note: All calculations are based on assumptions and estimates of future values that may be different than the values used herein or may vary from year to year.

EXHIBIT "C"
PROJECTED TIF SOURCES AND USES

1. TIF SOURCES:

Assumptions:

Tax Levy (2019)	1.911555
Interest Rate	5%
Number of Years	15

Property Valuation:

	Assessed Value	Estimated Taxes
Pre-Project	\$135,000	\$2,581
Completed Project	\$1,139,857	\$21,789
Difference	\$1,004,857	\$19,208

TIF Calculations:

Annual TIF Amount	\$19,208
TIF Indebtedness	\$200,000
less 3% Admin Fee	(\$6,000)
TIF Available to Redeveloper	\$194,000

2. TIF USES:

CDA Administrative Fee	\$6,000
Cost of Issuance	TBD
Land Acquisition	\$250,000
Demolition	\$11,500
Architectural Fees	\$5,000
Water Main Improvements	\$2,500
Sanitary Sewer Improvements	\$4,800
Electrical Improvements	\$8,900
Natural Gas Improvements	\$4,700
Street Improvements	\$3,100
Landscaping	\$4,200
Façade Enhancements	\$193,200
<hr/> Total estimated TIF eligible costs:	<hr/> \$493,900

EXHIBIT "D"

After recording please return to:

Lea Ann Doak
McCook City Clerk
505 W. "C" Street
McCook, NE 69001

MEMORANDUM OF REDEVELOPMENT AGREEMENT

(Blackwood Enterprises Redevelopment Project)

This Memorandum of Redevelopment Agreement ("Memorandum") is made this ___ day of _____, 2020, by and between the Community Development Agency of the City of McCook, Nebraska ("CDA") and Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Redeveloper").

1. **Redevelopment Agreement.** The CDA and Redeveloper have entered into that certain Redevelopment Agreement dated as of this even date, describing the public improvements and the private improvements being made to real property owned by Redeveloper and legally described as:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999 (the "Project Site").

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the CDA of the Private Improvements to be made by Redeveloper on the Project Site for a period not to exceed fifteen (15) years after the Effective Date set forth in the Redevelopment Agreement. The Tax Increment so captured by the CDA shall be used to make the Public Improvements as described in the Redevelopment Agreement.

3. **Remaining Terms.** The rest and remaining terms of the Redevelopment Agreement are hereby incorporated into this Memorandum as if they were set forth in full. A full and correct copy of the Redevelopment Agreement may be inspected at the CDA offices in McCook, Nebraska.

IN WITNESS WHEREOF, the CDA and Redeveloper have signed this Memorandum as of the date and year first above written.

"CDA"

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of the City of McCook, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

"REDEVELOPER"

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____
Name: _____
Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____, _____ of Blackwood Enterprises, L.L.C., on behalf of the company.

Notary Public

EXHIBIT "E"
FORM OF TIF PROMISSORY NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 ("THE 1933 ACT") AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE 1933 ACT SHALL BE IN EFFECT WITH RESPECT THERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE 1933 ACT AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA PRIOR TO TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION AN OPINION OF COUNSEL, SATISFACTORY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

No. 1

\$200,000.00

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK, NEBRASKA

REDEVELOPMENT REVENUE NOTE
(BLACKWOOD ENTERPRISES REDEVELOPMENT PROJECT)
SERIES 2020A

Maturity Date	Interest Rate	Original Issuance Date
December 15, 2036	5%	

Registered Holder	Principal Amount
Blackwood Enterprises, L.L.C.	\$200,000.00

THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA (the "Issuer"), a body politic and corporate organized and existing under the laws of the State of Nebraska, for value received hereby promises to pay, solely from the source and as hereinafter provided, to the Registered Holder identified above, or registered assigns, the Principal Amount identified above at the office of the City Treasurer, as Paying Agent and Registrar, and in like manner to pay solely from said source interest on said principal sum at the Interest Rate identified above from the Original Issuance Date identified above or from the most recent date to which interest has not been paid. Principal and accrued interest shall be payable in thirty (30) semi-annual installments due June 15, 2022, December 15, 2022, and each June 15 and December 15 thereafter through December 15, 2036, when all principal and accrued interest shall be due and payable. Except with respect to interest not punctually paid, the principal and interest on this Note will be paid by check or draft mailed to the Registered Holder in whose name this Note is registered at the close of business on the fifteenth calendar day next preceding the applicable maturity date at his address as it appears on such note registration books. The principal and interest of this Note is payable in any coin or currency of the United States of America which on the

respective dates of payment is legal tender for the payment of public and private debts.

This Note is designated the Community Development Agency of the City of McCook, Nebraska Redevelopment Revenue Note (Blackwood Enterprises Redevelopment Project), Series 2020A, aggregating Two Hundred Thousand and No/100 Dollars (\$200,000.00) ("Note") in principal amount which have been issued pursuant to the Section 12 of Article VIII of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended and supplemented (the "Act") and under and pursuant to the terms of that certain Redevelopment Agreement between the Issuer and Blackwood Enterprise, L.L.C., a Nebraska limited liability company (the "Redevelopment Agreement"), to aid in the financing of a redevelopment project pursuant to the Act. This Note does not represent a debt or pledge of the faith or credit of the Issuer or grant to the Registered Holder of this Note any right to have the Issuer levy any taxes or appropriate any funds for the payment of the principal hereof or the interest hereon nor is this Note a general obligation of the Issuer, or the individual officials, officers or agents thereof. This Note is payable solely and only out of the Tax Increment generated by the Project defined in the Redevelopment Agreement (the "Project"). All such revenue has been duly pledged for the purpose of paying this Note.

THIS NOTE AND THE INTEREST HEREON DOES NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA, OR THE CITY OF MCCOOK, NEBRASKA, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR SHALL THIS NOTE AND THE INTEREST HEREON EVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA, OR THE CITY OF MCCOOK, NEBRASKA, A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or upon any obligation, covenant or agreement contained in the Redevelopment Agreement against any past, present or future employee, member or elected official of the Issuer, or any incorporator, officer, director, member or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such is hereby expressly waived and released as a condition of and in consideration of the issuance of this Note.

It is hereby certified and recited and the Issuer has found: that the Project is an eligible "redevelopment project" as defined in the Act; that the issuance of this Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act by, among other things, contributing to the development of a blighted and substandard area of the City of McCook, Nebraska, pursuant to a Redevelopment Plan adopted by the City; that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and, that this Note does not constitute a debt of the

Issuer within the meaning of any constitutional or statutory limitations.

This Note is transferable only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person, or by the Registered Holder's duly authorized attorney, upon written documentation of transfer satisfactory to the Issuer and the Registrar duly executed by the Registered Holder and the assignee/transferee, together with a purchase letter in a form provided by Issuer and any other documentation required by the Issuer. Prior to the approval of any transfer of this Note, the Registered Holder shall pay all of the Issuer's costs, including attorney's fees, relating to the transfer of the Note. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and premium, if any, and interest due hereon and for all other purposes.

The Note is prepayable at any time in whole or in part, to the extent there are any funds in the debt service fund in excess of amounts necessary to pay scheduled debt service. Prepayments shall reduce the number, but not the amount, of scheduled debt service payments on the Note, in inverse order of maturity.

It is hereby certified and recited that all conditions, acts and things required by law and the Redevelopment Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issue of this Note, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the laws of the State of Nebraska.

This Note shall not be entitled to any benefit or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Registrar of the Certificate of Authentication hereon.

[Signature Page Follows]

IN WITNESS WHEREOF, THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA has caused this Note to be signed in its name and on its behalf by the signature of its Chairman and attested by the signature of its Secretary, as of the Original Issuance Date identified above.

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION

City Treasurer, City of McCook
as Paying Agent and Registrar

By: _____
Authorized Signatory

EXHIBIT "F"
FORM OF CERTIFICATE OF COMPLETION

(Blackwood Enterprises Redevelopment Project)

The undersigned certifies, represents and warrants to the City of McCook, Nebraska, and the Community Development Agency of the City of McCook, Nebraska ("CDA") with regard to the following real property situated in the City of McCook, Red Willow County, Nebraska, to wit:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999

that the Private Improvements and Public Improvements required to be constructed by Redeveloper upon the above described property have been satisfactorily completed in accordance with the requirements of the Redevelopment Agreement dated _____, 2020, as referenced in the Memorandum of Redevelopment Agreement recorded as Instrument No. _____ in the office of the Red Willow County Register of Deeds.

"REDEVELOPER"

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____
Name: _____
Title: _____

"CDA"

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

EXHIBIT "G"
FORM OF A CERTIFICATION OF ELIGIBLE PROJECT COSTS
(Blackwood Enterprises Redevelopment Project)

Date: _____

Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Redeveloper"), hereby certifies that it has incurred and paid the Eligible Costs indicated herein, pursuant to the terms of the Redevelopment Agreement between Redeveloper and the Community Development Agency of the City of McCook, Nebraska. The portion of the Project as indicted herein is substantially completed. Attached hereto are documents substantiating the actual Eligible Costs and payment by Redeveloper.

REDEVELOPMENT ELIGIBLE COSTS

Certified and Requested

CDA Administrative Fee	\$ _____
Cost of Issuance	\$ _____
Land Acquisition	\$ _____
Demolition	\$ _____
Architectural Fees	\$ _____
Water Main Improvements	\$ _____
Sanitary Sewer Improvements	\$ _____
Electrical Improvements	\$ _____
Natural Gas Improvements	\$ _____
Street Improvements	\$ _____
Landscaping	\$ _____
Façade Enhancements	\$ _____
Total:	\$ _____ *

***Principal Amount of TIF Indebtedness shall not exceed \$200,000.**

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____
Name: _____
Title: _____

COPIES OF PROOF OF PAYMENT ARE ATTACHED HERETO.

Approved the by Chairman of the CDA:

Chairman

EXHIBIT "H"

After recording please return to:
Lea Ann Doak
McCook City Clerk
505 W. "C" Street
McCook, NE 69001

**FAÇADE LICENSE AGREEMENT
(Blackwood Enterprises Redevelopment Project)**

THIS FAÇADE LICENSE AGREEMENT (the "Agreement") is made this ____ day of March, 2020 by and between Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Licensor"), and the Community Development Agency of the City of McCook, Nebraska ("Licensee").

RECITALS

- A. Licensor owns certain real estate located at 520 West B Street in the City of McCook, Nebraska, legally described as follows:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999

(the "Property").

- B. Licensor entered into a Redevelopment Agreement (the "Redevelopment Agreement") with Licensee for the rehabilitation and renovation of the building located on the Property (the "Building").
- C. Pursuant to the Redevelopment Agreement, and to ameliorate the blighted and substandard conditions of the Property, Licensor agrees to make certain enhancements to the façade of the Building (the "Façade") which exceed the minimum requirements of the applicable building code for the aesthetic benefit to the Redevelopment Area and the public.

- D. Under the Redevelopment Agreement Licensor is receiving financial assistance from Licensee to make the Façade enhancements.
- E. This Agreement sets forth the parties' rights and obligations with respect to the Façade.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Licensor and Licensee do now hereby agree as follows:

1. Façade. In consideration of the benefits received by Licensor under the Redevelopment Agreement, Licensor hereby agrees to construct and install the Façade to the specifications set forth in the plans, drawings and specifications which shall be approved by the Licensee prior to construction.

2. Façade Restrictions. Licensor agrees to observe and comply with the following restrictions:

a. Licensor shall not demolish, remove or raze the Façade during the term of this Agreement.

b. Licensor shall not undertake, or allow to be undertaken, any changes to the Façade without the express written consent of Licensee. Changes to the Façade include, but are not limited to:

(i) Any change in the Façade, including the alteration, partial removal, construction, remodeling or physical or structural change or change in color or surfacing with respect to the appearance or construction of the Façade;

(ii) The addition of any signs, canopies, plaques or other attachments to the Façade; or

(iii) Any significant reconstruction, repair, repainting or refinishing of any Façade feature that alters its state from the existing condition.

c. This section shall not preclude Licensor from implementing any ordinary or necessary maintenance as set forth in Section 3 below.

3. Façade Maintenance. Licensor shall perform all ordinary and/or necessary maintenance and repairs on the Façade to maintain its appearance and structural soundness and to prevent any deterioration of the Façade.

4. Specification of Work. In the event Licensor desires to make any changes to the Façade, Licensor shall give Licensee copies of the plans, designs, elevations, specifications and documents relating to the change or work, including specification of all materials, colors and construction techniques to be used in any such work and photographs of the subject area as it appears at the time of the request.

5. Insurance. Licensor, at its expense, shall (i) keep the Building insured under a standard form of insurance policy against loss or damage resulting from fire or other perils normally insured under uniform standard extended coverage endorsement; and (ii) carry and maintain comprehensive public liability insurance. The public liability policy shall name Licensee as an additional insured as to the Façade and shall provide for not less than thirty (30) days prior written notice to the Licensee by the insurer of any proposed cancellation of any such insurance. Licensor shall deliver to Licensee a certificate of insurance prior to the recording of this Agreement.

6. Casualty Damage. In the event that the Building or any part thereof shall be damaged by fire or other casualty, then the proceeds of the insurance required to be carried pursuant to Section 5 above and Licensor's funds shall be applied to reconstructing the Façade to the condition required under this Agreement. If the Building is damaged to such an extent that Licensor determines that reconstruction is not feasible and provides Licensee with a statement from an independent engineer to the same effect, then this Agreement shall be void and of no further force or effect.

7. Inspection. Licensee shall be permitted to have access to the Property at reasonable times to inspect the Façade for the purpose of determining conformance with this Agreement.

8. Term. The term of this Agreement shall be fifteen (15) years from the date of completion of the improvements to the Façade. Provided, however, this Agreement shall terminate at any earlier date that the Redevelopment Agreement is terminated and is no longer in effect.

9. Public Access. Licensor acknowledges and agrees that the general public shall have the regular and substantial opportunity to view the Façade from the sidewalks and other property near the Building. Licensor shall have no obligation under this Agreement to allow the general public to view the interior of the Building.

10. Indemnification. Licensor shall defend, indemnify and hold Licensee harmless from and against any liability, claims, suits, demands, judgments (including costs, expenses and attorneys fees), resulting from actions or claims by third parties or defaults under this Agreement by Licensor arising out of the conveyance of or possession of the Façade Easement.

11. Binding Effect. This Agreement shall be appurtenant to and run with the property. The grant of this easement shall be binding upon the heir, executors, administrators, successors and assigns of Licensor.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed this Façade License Agreement as of the date and year first above written.

“LICENSOR”

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____

Name: _____

Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____, _____ of Blackwood Enterprises, L.L.C., on behalf of the company.

“LICENSEE”

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of the City of McCook, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

**CITY MANAGER'S REPORT
MARCH 16, 2020 MCCOOK CITY COUNCIL MEETING**

3.E.

ITEM NO. ___ Approve Resolution No. 2020-04 approving the Redevelopment Agreement between the City of McCook/CDA and Blackwood Enterprises.

BACKGROUND:

Please refer to the Agenda Item for the CDA Resolution No. 2020-02 for context.

APPROVALS:



March 12, 2020

Nathan A. Schneider, City Manager



March 12, 2020

Lea Ann Doak, City Clerk

CITY MANAGER'S REPORT
MARCH 16, 2020 MCCOOK COMMUNITY DEVELOPMENT AGENCY MEETING

ITEM NO. ___ Approve CDA Resolution No. 2020-02 approving the Redevelopment Agreement between the City of McCook/CDA and Blackwood Enterprises.

BACKGROUND:

For a TIF project, a Redevelopment Agreement must be entered by both the developer and the CDA/City. Approval of the Redevelopment Agreement takes place after approval of the Redevelopment Plan. The Redevelopment Agreement must be approved by both the City of McCook and the McCook Community Development Agency.

The proposed Redevelopment Agreement contemplates that the CDA will capture the Tax Increment from the improvements made to the project site. The capture period will not exceed 15 years. The CDA will issue TIF indebtedness in the amount of \$200,000. The TIF indebtedness will be issued as a Promissory Note with Blackwood Enterprises as the registered holder of the Note. Blackwood Enterprises (or Blackwood Enterprises' lender) will purchase the debt. The TIF indebtedness will be secured by a pledge of the Tax Increment. The TIF indebtedness will not be a general obligation of the City of McCook. If the Tax Increment falls short of anticipated receipts, the developer will be responsible to make up the shortfall.

The Redevelopment Agreement reaffirms the project would not occur but for the use of TIF. The Agreement contains a provision that requires the developer to provide the CDA evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of the developer in connection with the improvements. The information will provide assurance that the developer has the means to undertake the project. The submittal of the financial information is a condition precedent to the requirement the CDA proceed with its obligations.

The developer anticipates the project will be completed in 2020, with 2021 serving as the year the basis reflects the valuation increase attributable to the improvements. The developer will be required to report its progress to the CDA. The developer will be required to execute a Certificate of Completion after concluding the work to the site. The Certificate of Completion will serve as a conclusive determination of satisfaction of the agreement on the part of the developer.

During the term of the Agreement, the developer is not allowed to protest the property valuation in a sum less than \$1,139,857. This is to insure the Tax Increment is funded at the anticipated amount. Further, while the Agreement is active, the developer cannot convey the project site or structures to any entity which would be exempt from paying real estate taxes. CDA approval will be necessary for an assignment to potential future owners. As mentioned, if the anticipated valuation is less than \$1,139,857, the developer is responsible for the shortfall in the Tax Increment generated by the project. The developer will be responsible to assure no liens are allowed against the property except for those spelled out in Section 5.02.

The Agreement contains provisions for default. The remedies include compelling specific performance, requiring the developer to remit the sum by which the Anticipated Tax Increment exceeds the Actual Tax Increment, and declaring the entire amount due with interest at 12%. Additionally, the Agreement provides a release of liability in favor of the CDA and

assures the developer will indemnify the CDA/City from claims arising from the developer's actions.

As was mentioned with the Redevelopment Plan, parking must be addressed. If the developer is unable to immediately provide a plan, approval of the Redevelopment Agreement can be postponed to a future date allowing the developer time to flesh out its plan.

APPROVALS:

Nathan A. Schneider, City Manager

March 12, 2020

Lea Ann Doak, City Clerk

March 12, 2020

CITY OF MCCOOK, NEBRASKA

RESOLUTION NO. 2020-04

(Redevelopment Agreement – Blackwood Enterprises Redevelopment Project)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCCOOK, MCCOOK COUNTY, NEBRASKA, APPROVING THE FORM OF THE REDEVELOPMENT AGREEMENT AND AUTHORIZING THE COMMUNITY DEVELOPMENT AGENCY TO ENTER INTO SAID AGREEMENT.

RECITALS

A. Pursuant to the Nebraska Community Development Law, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended (the “Act”), the City of McCook, Nebraska (“City”), has adopted a redevelopment plan (“Redevelopment Plan”) for certain portions of the City. A copy of the Redevelopment Plan is on file with the City Clerk for inspection.

B. The Redevelopment Plan, as amended, includes a specific redevelopment project identified as the Blackwood Enterprises Redevelopment Project that will include the use of Tax Increment Financing (the “Project”).

C. On March 16, 2020, the Community Development Agency of the City of McCook (“CDA”) approved the Redevelopment Agreement for the Project.

D. The City Council has reviewed the Redevelopment Agreement and has found it to be in conformity with the Act and the General Comprehensive Development Plan of the City, and in the best interests of the City.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of McCook, Nebraska, that the Redevelopment Agreement between the Community Redevelopment Authority of the City of McCook, Nebraska and Blackwood Enterprises, L.L.C., which is on file with the City Clerk and available for public inspection, is hereby approved.

BE IT FURTHER RESOLVED, the CDA is hereby authorized to execute and deliver the Redevelopment Agreement, with such changes, modifications, additions, and deletions therein and shall they seem necessary, desirable or appropriate, for and on behalf of the CDA.

BE IT FURTHER RESOLVED, the CDA is hereby authorized to take all actions contemplated and required in the Redevelopment Agreement including, without limitation, the issuance of such TIF Indebtedness as set forth in the Redevelopment Agreement. Such TIF Indebtedness shall be repaid solely from the Tax Increment created by the Project and does not represent the general obligation of the CDA of the City.

BE IT FURTHER RESOLVED that all Resolutions or parts thereof in conflict with the provisions of this Resolution or to the extent of such conflicts, are hereby repealed.

Dated this 16th day of March, 2020.

CITY OF MCCOOK, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

REDEVELOPMENT AGREEMENT

(Blackwood Enterprises Redevelopment Project)

This Redevelopment Agreement is made and entered into as of the ____ day of _____, 2020, by and between the Community Development Agency of the City of McCook, Nebraska ("CDA") and Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Redeveloper").

RECITALS

A. The CDA 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 Redevelopment Agreement.

B. The City, in furtherance of the purposes and pursuant to the provisions of the Act, has adopted a Redevelopment Plan for a blighted and substandard area designated by the City, including the Redevelopment Area.

C. Redeveloper owns the Project Site which is located in the Redevelopment Area.

D. Redeveloper submitted a redevelopment project proposal to redevelop the Project Site.

E. Redeveloper's proposed redevelopment project will consist of the renovation, rehabilitation, and exterior enhancements of the commercial building on the Project Site and associated improvements on the Project Site to create retail/commercial space.

F. The CDA has approved Redeveloper's proposed redevelopment project, including the utilization of tax-increment financing to assist in the cost of the Public Improvements defined in this Redevelopment Agreement.

G. The CDA and Redeveloper desire to enter into this Redevelopment Agreement for redevelopment of the Project Site.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein set forth, the CDA and Redeveloper do hereby covenant, agree and bind themselves as follows:

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

Section 1.01 Terms Defined in this Redevelopment Agreement.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Agreement, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

A. "Act" means Article VIII, Section 12 of the Nebraska Constitution, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended, and acts amendatory thereof and supplemental thereto.

B. "Anticipated Tax Increment" means the Anticipated Tax Increment for this Project as set forth on the attached Exhibit "B".

C. "City" means the City of McCook, Nebraska.

D. "County" means Red Willow County, Nebraska.

E. "CDA" means the Community Development Agency of the City of McCook, Nebraska.

F. "Effective Date" means January 1, 2021.

G. "Eligible Project Costs" means only costs or expenses incurred by Redeveloper for Public Improvements and other items eligible for reimbursement under the Act.

H. "Minimum Project Valuation" means the amount of One Million One Hundred Thirty-Nine Thousand Eight Hundred Fifty-Seven and No/100 Dollars (\$1,139,857.00).

I. "Private Improvements" means all the private improvements to be constructed on the Project Site as more particularly described on Exhibit "A".

J. "Project" means the Project Site and includes improvements to the Project Site and adjacent thereto, including the Private Improvements and Public Improvements defined herein and described on Exhibit "A".

K. "Project Completion Date" means on or before December 31, 2020.

L. "Project Site" means all that certain real property situated in the City, more particularly described on Exhibit "A".

M. "Public Improvements" shall include all the public improvements more particularly described on Exhibit "A" which are eligible improvements under the Act. The costs of the Public Improvements include the debt service payments of the TIF Indebtedness.

N. "Redeveloper" means Blackwood Enterprises, L.L.C., a Nebraska limited liability company.

O. "Redevelopment Agreement" means this Redevelopment Agreement between the CDA and Redeveloper with respect to the Project.

P. "Redevelopment Area" means Redevelopment Area #3 that is set forth in the Redevelopment Plan.

Q. "Redevelopment Plan" means the Blight and Substandard Study and General Redevelopment Plan for the Redevelopment Area prepared in January, 2013 by Hanna:Keelan Associates, P.C., and approved by the City pursuant to the Act, as amended.

R. "Tax Increment" means in accordance with Neb. Rev. Stat. § 18-2147, the difference between the ad valorem tax which is produced by the tax levy (fixed each year by the County Board of Equalization) for the Project Site before the completion of the construction of the Private Improvements and the ad valorem tax which is produced by the tax levy for the Project Site after completion of construction of the Private Improvements as part of the Project.

S. "TIF Indebtedness" means the sums payable under any bonds, notes, loans and advances of money or other indebtedness, including interest thereon, issued by the CDA or the City secured in whole or in part by Tax Increment.

Section 1.02 Construction and Interpretation.

The provisions of this Redevelopment Agreement shall be construed and interpreted in accordance with the following provisions:

(a) This Redevelopment Agreement shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.

(b) Wherever in this Redevelopment Agreement it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

(c) The phrase "at any time" shall be construed as meaning "at any time or from time to time."

(d) The word "including" shall be construed as meaning "including, but not limited to."

(e) The words "will" and "shall" shall each be construed as mandatory.

(f) The words "herein," "hereof," "hereunder," "hereinafter" and words of similar import shall refer to the Redevelopment Agreement as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

(g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

(h) The captions to the sections of this Redevelopment Agreement are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

**ARTICLE II
REPRESENTATIONS**

Section 2.01 Representations by the CDA.

The CDA makes the following representations and findings:

(a) The CDA is a duly organized and validly existing community redevelopment authority under the Act.

(b) The CDA deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper for the redevelopment of the Project Site as specified herein.

(c) The Project will achieve the public purposes of the Act by, among other things, increasing the tax base and lessening blighted and substandard conditions in the Redevelopment Area.

(d) The costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the CDA and have been found to be in the long-term best interest of the community impacted by the Project.

Section 2.02 Representations of Redeveloper.

Redeveloper makes the following representations and findings:

(a) Redeveloper is a Nebraska limited liability company in good standing and has the power to enter into this Redevelopment Agreement and perform all obligations contained herein.

(b) The execution and delivery of the Redevelopment Agreement and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of Redeveloper contrary to the terms of any instrument or agreement.

(c) There is no litigation pending or to the best of its knowledge threatened against Redeveloper affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Agreement or, except as disclosed in writing to the CDA, as to any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

(d) Redeveloper owns the Project Site in fee simple and free from any liens, encumbrances, or restrictions which would prevent the performance of this Redevelopment Agreement by Redeveloper.

(e) Pursuant to Neb. Rev. Stat. § 18-2119, Redeveloper certifies to the CDA that Redeveloper does not intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the Nebraska Advantage Act.

(f) The Project would not be economically feasible without the use of tax increment financing.

(g) The Project would not occur in the Redevelopment Area without the use of tax increment financing.

ARTICLE III
OBLIGATIONS OF THE CDA AND PUBLIC IMPROVEMENTS

Section 3.01 Capture of Tax Increment.

Subject to the contingencies described below and to all of the terms and conditions of this Redevelopment Agreement, commencing for the tax year of the Effective Date and continuing thereafter, the CDA shall capture the Tax Increment from the Private Improvements pursuant to the Act. The CDA shall capture the Tax Increment generated by the Project Site for a total period of not to exceed fifteen (15) years after the Private Improvements have been included in the assessed valuation of the Project Site and is generating the Tax Increment subject to capture by the CDA. The effective date of this provision shall be the Effective Date. The CDA shall file with the County Assessor the "Notice to Divide Taxes" on or prior to August 1 in the year of the Effective Date.

Section 3.02 Issuance of TIF Indebtedness.

On or after thirty (30) days following the approval and execution of this Redevelopment Agreement, the CDA shall incur or issue TIF Indebtedness in an amount not to exceed Two Hundred Thousand and No/ 100 Dollars (\$200,000.00), as calculated on the attached and incorporated Exhibit "B". The TIF Indebtedness shall be issued in a TIF Promissory Note in the form attached hereto as Exhibit "E" ("Note"). The TIF Indebtedness shall be purchased by Redeveloper or a lender of Redeveloper. The TIF Indebtedness shall not be a general obligation of the CDA or City which shall issue such Note solely as a conduit. If Redeveloper does not acquire and fund the TIF Indebtedness itself, Redeveloper shall locate a lender or other entity to acquire and fund the acquisition of the Note for the TIF Indebtedness. The TIF Indebtedness shall be secured by a pledge or assignment of the Tax Increment or otherwise secured by Redeveloper as required by the lender.

Section 3.03 Use of TIF Indebtedness.

The CDA will collect the Tax Increment and use said Tax Increment to pay debt service on the TIF Indebtedness incurred as provided in Section 3.02 of this Redevelopment Agreement. Notwithstanding the foregoing, the amount of the TIF Indebtedness that the CDA agrees to service and repay with the Tax Increment shall not exceed the amount of the Eligible Project Costs certified pursuant to Section 4.03. In addition, the CDA shall retain an amount sufficient to pay its reasonable and necessary cost of issuance, including attorney fees, and a CDA administration

fee in the amount of three percent (3%) of the TIF Indebtedness. Redeveloper shall pay to the CDA the cost of issuance and CDA administration fee at or prior to the issuance of the TIF Note. The Tax Increment, less the CDA's costs set forth above, shall be paid pursuant to the terms of the Note and this Redevelopment Agreement.

Section 3.04 Creation of Fund.

The CDA will create a special fund to collect and hold the receipts of the Tax Increment. Such special fund shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Section 3.02 above.

Section 3.05 Projected TIF Sources and Uses.

In addition to the TIF Indebtedness calculation formula set forth on Exhibit "B", Redeveloper's anticipated TIF sources and eligible uses are attached and incorporated for the parties' reference as Exhibit "C."

**ARTICLE IV
OBLIGATIONS OF REDEVELOPER**

Section 4.01 Evidence of Financial Ability.

Redeveloper shall, no later than ninety (90) days following the execution of this Redevelopment Agreement, provide to the CDA evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of Redeveloper in connection with acquisition of the Project Site and construction of the Public Improvements and the Private Improvements. To the extent allowed by law, the CDA agrees to keep said information confidential. Such information shall state the amount and source of liquid assets on hand or immediately available to Redeveloper for use in constructing the Private Improvements; and shall state the amount and source of debt financing which is available, or irrevocably committed, to Redeveloper for use in completing the Private Improvements. Such information shall be provided in a form satisfactory to the CDA, and evidence of loan commitments shall include all of the documents evidencing the loan commitment, acceptance by Redeveloper, the purposes of the loan, the authorized use of loan funds, and all other terms and conditions of the loan commitment, the acceptance, and the loan. Submittal of such financial information in a form satisfactory to the CDA shall be a condition precedent to the requirement of the CDA to proceed with its obligations under this Redevelopment Agreement.

Section 4.02 Construction of Project; Insurance.

(a) Redeveloper will complete the Public Improvements and the Private Improvements and install all equipment necessary to operate the Public Improvements and the Private Improvements no later than the Project Completion Date. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Public Improvements and the Private Improvements. Until construction of the Public Improvements and the Private Improvements has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the CDA as to the actual progress of Redeveloper with respect

to construction of the Public Improvements and the Private Improvements. Promptly after completion by Redeveloper of the Public Improvements and the Private Improvements, Redeveloper shall furnish to the CDA a Certificate of Completion in the form attached hereto as Exhibit "F" from Redeveloper's engineer or architect, or owner's representative. When accepted in writing by the CDA, the certification by Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Agreement with respect to the obligations of Redeveloper to construct the Public Improvements and the Private Improvements.

(b) Any contractor chosen by Redeveloper or Redeveloper itself shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance) and a penal bond as required by the Act. Redeveloper shall be named as an additional insured. Any contractor chosen by Redeveloper or Redeveloper itself, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance). This insurance shall insure against the perils of fire and extended coverage and shall include "special causes of loss" insurance for physical loss or damage.

Section 4.03 Cost Certification.

Redeveloper shall submit to the CDA a certification of Eligible Project Costs in the form of the certification attached hereto as Exhibit "G" ("Eligible Project Costs Certification"), after expenditure of such project costs. Redeveloper may, at its option, submit one or more partial Eligible Project Costs Certifications prior to expenditure of all Eligible Project Costs providing certification of receipt of billings for work in progress. All Eligible Project Costs Certifications shall be subject to review and approval by the CDA. Determinations by the CDA whether costs included in the Eligible Project Costs Certification are properly included in Eligible Project Costs as defined in this Redevelopment Agreement shall be made in its sole discretion and shall be conclusive and binding on Redeveloper.

The TIF Indebtedness shall not exceed the actual and certified Eligible Project Costs for the Project. In the event that the certified Eligible Project Costs for the Project are less than the TIF Indebtedness, the CDA shall reduce the TIF Indebtedness amount and Redeveloper shall repay to the CDA within ten (10) days of said cost certification any amount in excess of the Eligible Project Costs issued prior to the Eligible Project Costs Certification.

Section 4.04 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as this Redevelopment Agreement is outstanding, it will not discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Project. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry,

disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Project.

Section 4.05 Pay Real Estate Taxes.

(a) Redeveloper has agreed to create a taxable real property valuation of the Project and Project Site of not less than the Minimum Project Valuation no later than the Effective Date. During the period of this Redevelopment Agreement, Redeveloper, its successors and assigns, will: (1) not protest a real estate property valuation of the Project Site to a sum less than the Minimum Project Valuation; and (2) not convey the Project Site or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes.

(b) If, during the period of this Agreement, the Project Site is assessed at less than the Minimum Project Valuation, Redeveloper shall be responsible for any shortfall in the Tax Increment generated by the Project. If Redeveloper funds the Note, Redeveloper agrees to forgive any shortfall in repayment of the TIF Indebtedness. If a lender or third party other than Redeveloper funds the Note, Redeveloper shall make semi-annual payments in lieu of taxes ("Deficiency Payments") to said lender or third party in the amount the Anticipated Tax Increment exceeds the actual Tax Increment. Said Deficiency Payments shall be made within thirty (30) days of written notice from the lender and/or CDA.

Section 4.06 No Assignment or Conveyance.

Redeveloper shall not convey, assign or transfer the Project Site or any interest therein prior to the termination of the fifteen (15) year period commencing on the Effective Date without the prior written consent of the CDA, which shall not be unreasonably withheld and which the CDA may make subject to any terms or conditions it reasonably deems appropriate, except for the following conveyance, which shall be permitted without consent of the CDA: (i) any conveyance as security for indebtedness incurred by Redeveloper for Project costs or any subsequent physical improvements to the premises (whether incurred prior to or after the effective date of this Redevelopment Agreement) with the outstanding principal amount of all such indebtedness secured by the Project Site which shall have lien priority over the obligations of Redeveloper pursuant to this Redevelopment Agreement; or (ii) any additional or subsequent conveyance as security for indebtedness incurred by Redeveloper for Project costs or any subsequent physical improvements to the premises provided that any such conveyance shall be subject to the obligations of Redeveloper pursuant to this Redevelopment Agreement.

Section 4.07 Grant of Easements.

Redeveloper shall grant to the CDA a Façade Easement in the form attached hereto as Exhibit "H". Redeveloper shall grant to the CDA any other easements that are reasonably necessary, in the City's discretion, in order to ensure the CDA can reasonably access and use the Public Improvements.

**ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES**

Section 5.01 Financing.

Redeveloper shall pay all costs for the construction of the Private Improvements and the Public Improvements. Redeveloper shall be responsible for arranging all necessary financing for the construction of the Public Improvements and Private Improvements, including, with respect to the Public Improvements, the TIF Indebtedness.

Section 5.02 Encumbrances.

Redeveloper shall not create any lien, encumbrance or mortgage on the Project or the Project Site except: (a) encumbrances which secure indebtedness incurred to acquire, construct and equip the Project or for any other physical improvements to the Project Site, (b) easements and rights of entry granted by Redeveloper, (c) construction and materialman liens that may be filed in connection with the construction of the Private Improvements so long as any such lien is discharged or bonded within ninety (90) days of completion of the Private Improvements, and (d) any other liens so long as any such lien is satisfied and released or substitute security is posted in lieu thereof within ninety (90) days of Redeveloper receiving notice thereof.

**ARTICLE VI
DEFAULT, REMEDIES; INDEMNIFICATION**

Section 6.01 General Remedies of the CDA and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Agreement or any of its terms or conditions, by either party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, 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 Redevelopment Agreement shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Agreement, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations; provided that, in view of the additional remedies of the CDA set out in Section 6.02, the remedy of specific performance by Redeveloper shall not include or be construed to include the covenant to build or construct the Private Improvements or Project.

Section 6.02 Additional Remedies of the CDA.

In the event that:

- (a) Redeveloper, or successor in interest, shall fail to complete the construction of the Project on or before the Project Completion Date, or shall abandon construction work for any period of one hundred twenty (120) days (not including any period covered pursuant to the terms of Section 6.04 below);
- (b) Redeveloper, and/or any successor in interest, shall fail to pay real estate taxes or assessments on the Project Site or any part thereof when due, and such taxes or assessments or payments in lieu of taxes shall not have been paid, or provisions satisfactory to the CDA made for such payment within thirty (30) days following written notice from the CDA;
- (c) Any Deficiency Payment due pursuant to Section 4.05(b) of this Redevelopment Agreement is not paid when due as set forth in Section 4.05(b); or
- (d) There is a transfer of the Project Site or any part thereof in violation of Section 4.06 of this Redevelopment Agreement, and such failure or action by Redeveloper has not been cured within thirty (30) days following written notice from the CDA,

then Redeveloper shall be in default of this Redevelopment Agreement; and if such failure to perform, breach or default is not cured in the period herein provided, the parties agree that the damages caused to the CDA would be difficult to determine with certainty. To the extent that such failure results in the fact that the CDA is not able to capture the full amount of Tax Increment contemplated hereunder, Redeveloper shall be obligated, on an annual basis, to remit the sum by which the Anticipated Tax Increment exceeds the actual Tax Increment. Additionally, the CDA may, but is not required to, declare the entire amount due hereunder for the remainder of the TIF period immediately due and payable by Redeveloper, such amount or any portion thereof which may from time to time remain unpaid shall bear interest at a rate of twelve percent (12%) per annum or, if less, the maximum legal rate permitted by law, until all amounts due hereunder are paid in full.

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event Redeveloper fails to perform any other provisions of this Redevelopment Agreement (other than those specific provisions contained in Section 6.02), and such failure has not been cured within thirty (30) days following written notice from the CDA, then Redeveloper shall be in default. In such an instance, the CDA may seek to enforce the terms of this Redevelopment Agreement or exercise any other remedies that may be provided in this Redevelopment Agreement or by applicable law.

Section 6.04 Limitation of Liability; Indemnification.

(a) Notwithstanding anything in this Article VI or this Redevelopment Agreement to the contrary, neither the CDA, the City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Agreement. The obligation of the CDA on any TIF Indebtedness shall be limited solely to the Tax Increment pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither the City nor the CDA shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. Redeveloper releases the CDA and the City from and agrees that the CDA and the City shall not be liable for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Private Improvements.

(b) Redeveloper shall indemnify, defend (at the CDA's and/or the City's option) and hold harmless the CDA, the City, their respective employees, officials, agents, representatives and volunteers from and against any and all liabilities, damages, injuries (including death), property damage (including loss of use), claims, liens, judgments, costs, expenses, suits, actions, or proceedings and reasonable attorney's fees, and actual damages of any kind or nature, arising out of or in connection with any aspect of the acts, omissions, negligence or willful misconduct of Redeveloper, its employees, agents, officers, contractors or subcontractors, or Redeveloper's performance or failure to perform under the terms and conditions of this Redevelopment Agreement. Such indemnification, hold harmless and defense obligation shall exclude only such liability actions as arise directly out of the sole negligence or willful misconduct of the CDA or the City. The indemnification and defense obligations set forth herein shall survive the termination of this Redevelopment Agreement.

**ARTICLE VII
MISCELLANEOUS**

Section 7.01 Memorandum.

A Memorandum of this Redevelopment Agreement shall be recorded with the County Register of Deeds. The form of the Memorandum is attached as Exhibit "D" and incorporated by this reference.

Section 7.02 Governing Law.

This Redevelopment Agreement shall be governed by the laws of the State of Nebraska, including the Act.

Section 7.03 Binding Effect; Amendment.

This Redevelopment Agreement shall be binding on the parties hereto and their respective successors and assigns. This Redevelopment Agreement shall run with the Project Site. The Redevelopment Agreement shall not be amended except by a writing signed by the party to be bound.

Section 7.04 No Agency or Partnership.

This Redevelopment Agreement is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between: (i) the CDA and/or the City; and (ii) Redeveloper, or any officer, employee, contractor or representative of Redeveloper. No joint employment is intended or created by this Redevelopment Agreement for any purpose. Redeveloper agrees to so inform its employees, agents, contractors and subcontractors who are involved in the implementation of or construction under this Redevelopment Agreement.

Section 7.05 Document Retention.

Redeveloper shall retain copies of all supporting documents that are associated with the Redevelopment Plan, Project, or this Redevelopment Agreement and that are received or generated by Redeveloper for three (3) years following the end of the last fiscal year in which ad valorem taxes are divided for the Project and provide such copies to the City as needed to comply with the City's retention requirements under the Act. Supporting documents shall include, but not be limited to, any cost-benefit analysis conducted pursuant to Section 18-2113 of the Act and any invoice, receipt, claim, or contract received or generated by Redeveloper that provides support for receipts or payments associated with the division of taxes.

Section 7.06 Notice to Redeveloper.

For the purpose of any notice requirement set forth in this Redevelopment Agreement, Redeveloper's address shall be: Blackwood Enterprises, L.L.C., 37535 U.S. Hwy 34, Culbertson, NE 69024. Email: _____.

[Signature Page Follows]

IN WITNESS WHEREOF, the CDA and Redeveloper have signed this Redevelopment Agreement as of the date and year first above written.

“CDA”

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of the City of McCook, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

“REDEVELOPER”

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____
Name: _____
Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____, _____ of Blackwood Enterprises, L.L.C., on behalf of the company.

Notary Public

EXHIBIT "A"
DESCRIPTION OF PROJECT

The Project undertaken by Redeveloper on the Project Site, defined as the real estate legally described as:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999.

The Project includes the following Public Improvements and Private Improvements, which shall be undertaken and completed by Redeveloper.

- (a) **Private Improvements.** The renovation, rehabilitation, and exterior enhancements of the commercial building on the Project Site and associated improvements on the Project Site to create retail/commercial space.

- (b) **Public Improvements.** Land acquisition, demolition, architectural fees, utility improvements, landscaping, façade enhancements, and other eligible public improvements on the Project Site and in the Redevelopment Area, which public improvements are eligible improvements under the Act pursuant to this Redevelopment Agreement; paid for, in part, by the Tax Increment created by the Private Improvements.

EXHIBIT "B"
TIF INDEBTEDNESS

1. Projected Base Value: \$135,000
2. Projected Minimum Final Value: \$1,139,857
3. Projected Incremental Valuation: \$1,004,857
4. Assumed Tax Levy: 1.911555
5. Anticipated Tax Increment: \$19,208 annually
6. Assumed Interest Rate: 5%
7. TIF Indebtedness:

- a. **Principal Amount.** The principal amount of the TIF Indebtedness shall be equal to or less than \$200,000, which is the maximum amount, together with interest accruing thereon, which can be amortized by December 31, 2036, solely from the Tax Increment Revenues based upon the Anticipated Tax Increment.
- b. **Payments.** Semi-annually commencing when real estate taxes are fully collected for the tax year 2021. The CDA shall utilize all Tax Increment received from the Project to pay debt service on the TIF Indebtedness until the TIF Indebtedness is fully repaid. Provided, however, the CDA does not warrant, represent, or guaranty that the Tax Increment will be sufficient to repay the entire amount of the TIF Indebtedness. The CDA has no obligation to make any payments other than the actual Tax Increment received from the Project.
- c. **Maturity Date.** On or before December 31, 2036.
- d. **TIF Period.** The period for the division of taxes for this Project shall be fifteen (15) years, commencing on the Effective Date of January 1, 2021 (2021 taxes paid in 2022) and terminating on December 31, 2035 (2035 taxes due on December 31, 2035 but paid in 2036). Payment of ad valorem taxes in arrears pursuant to customary payments in Nebraska shall not affect the fifteen (15) year TIF period.

Note: All calculations are based on assumptions and estimates of future values that may be different than the values used herein or may vary from year to year.

EXHIBIT "C"
PROJECTED TIF SOURCES AND USES

1. TIF SOURCES:

Assumptions:

Tax Levy (2019)	1.911555
Interest Rate	5%
Number of Years	15

Property Valuation:

	Assessed Value	Estimated Taxes
Pre-Project	\$135,000	\$2,581
Completed Project	\$1,139,857	\$21,789
Difference	\$1,004,857	\$19,208

TIF Calculations:

Annual TIF Amount	\$19,208
TIF Indebtedness	\$200,000
less 3% Admin Fee	(\$6,000)
TIF Available to Redeveloper	\$194,000

2. TIF USES:

CDA Administrative Fee	\$6,000
Cost of Issuance	TBD
Land Acquisition	\$250,000
Demolition	\$11,500
Architectural Fees	\$5,000
Water Main Improvements	\$2,500
Sanitary Sewer Improvements	\$4,800
Electrical Improvements	\$8,900
Natural Gas Improvements	\$4,700
Street Improvements	\$3,100
Landscaping	\$4,200
Façade Enhancements	\$193,200
<hr/> Total estimated TIF eligible costs:	<hr/> \$493,900

EXHIBIT "D"

After recording please return to:

Lea Ann Doak
McCook City Clerk
505 W. "C" Street
McCook, NE 69001

MEMORANDUM OF REDEVELOPMENT AGREEMENT

(Blackwood Enterprises Redevelopment Project)

This Memorandum of Redevelopment Agreement ("Memorandum") is made this ___ day of _____, 2020, by and between the Community Development Agency of the City of McCook, Nebraska ("CDA") and Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Redeveloper").

1. **Redevelopment Agreement.** The CDA and Redeveloper have entered into that certain Redevelopment Agreement dated as of this even date, describing the public improvements and the private improvements being made to real property owned by Redeveloper and legally described as:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999 (the "Project Site").

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the CDA of the Private Improvements to be made by Redeveloper on the Project Site for a period not to exceed fifteen (15) years after the Effective Date set forth in the Redevelopment Agreement. The Tax Increment so captured by the CDA shall be used to make the Public Improvements as described in the Redevelopment Agreement.

3. **Remaining Terms.** The rest and remaining terms of the Redevelopment Agreement are hereby incorporated into this Memorandum as if they were set forth in full. A full and correct copy of the Redevelopment Agreement may be inspected at the CDA offices in McCook, Nebraska.

IN WITNESS WHEREOF, the CDA and Redeveloper have signed this Memorandum as of the date and year first above written.

"CDA"

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of the City of McCook, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

"REDEVELOPER"

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____
Name: _____
Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____, _____ of Blackwood Enterprises, L.L.C., on behalf of the company.

Notary Public

EXHIBIT "E"
FORM OF TIF PROMISSORY NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 ("THE 1933 ACT") AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE 1933 ACT SHALL BE IN EFFECT WITH RESPECT THERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE 1933 ACT AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA PRIOR TO TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION AN OPINION OF COUNSEL, SATISFACTORY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

No. 1

\$200,000.00

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK, NEBRASKA

REDEVELOPMENT REVENUE NOTE
(BLACKWOOD ENTERPRISES REDEVELOPMENT PROJECT)
SERIES 2020A

Maturity Date	Interest Rate	Original Issuance Date
December 15, 2036	5%	

Registered Holder	Principal Amount
Blackwood Enterprises, L.L.C.	\$200,000.00

THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA (the "Issuer"), a body politic and corporate organized and existing under the laws of the State of Nebraska, for value received hereby promises to pay, solely from the source and as hereinafter provided, to the Registered Holder identified above, or registered assigns, the Principal Amount identified above at the office of the City Treasurer, as Paying Agent and Registrar, and in like manner to pay solely from said source interest on said principal sum at the Interest Rate identified above from the Original Issuance Date identified above or from the most recent date to which interest has not been paid. Principal and accrued interest shall be payable in thirty (30) semi-annual installments due June 15, 2022, December 15, 2022, and each June 15 and December 15 thereafter through December 15, 2036, when all principal and accrued interest shall be due and payable. Except with respect to interest not punctually paid, the principal and interest on this Note will be paid by check or draft mailed to the Registered Holder in whose name this Note is registered at the close of business on the fifteenth calendar day next preceding the applicable maturity date at his address as it appears on such note registration books. The principal and interest of this Note is payable in any coin or currency of the United States of America which on the

respective dates of payment is legal tender for the payment of public and private debts.

This Note is designated the Community Development Agency of the City of McCook, Nebraska Redevelopment Revenue Note (Blackwood Enterprises Redevelopment Project), Series 2020A, aggregating Two Hundred Thousand and No/100 Dollars (\$200,000.00) ("Note") in principal amount which have been issued pursuant to the Section 12 of Article VIII of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended and supplemented (the "Act") and under and pursuant to the terms of that certain Redevelopment Agreement between the Issuer and Blackwood Enterprise, L.L.C., a Nebraska limited liability company (the "Redevelopment Agreement"), to aid in the financing of a redevelopment project pursuant to the Act. This Note does not represent a debt or pledge of the faith or credit of the Issuer or grant to the Registered Holder of this Note any right to have the Issuer levy any taxes or appropriate any funds for the payment of the principal hereof or the interest hereon nor is this Note a general obligation of the Issuer, or the individual officials, officers or agents thereof. This Note is payable solely and only out of the Tax Increment generated by the Project defined in the Redevelopment Agreement (the "Project"). All such revenue has been duly pledged for the purpose of paying this Note.

THIS NOTE AND THE INTEREST HEREON DOES NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA, OR THE CITY OF MCCOOK, NEBRASKA, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR SHALL THIS NOTE AND THE INTEREST HEREON EVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA, OR THE CITY OF MCCOOK, NEBRASKA, A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or upon any obligation, covenant or agreement contained in the Redevelopment Agreement against any past, present or future employee, member or elected official of the Issuer, or any incorporator, officer, director, member or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such is hereby expressly waived and released as a condition of and in consideration of the issuance of this Note.

It is hereby certified and recited and the Issuer has found: that the Project is an eligible "redevelopment project" as defined in the Act; that the issuance of this Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act by, among other things, contributing to the development of a blighted and substandard area of the City of McCook, Nebraska, pursuant to a Redevelopment Plan adopted by the City; that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and, that this Note does not constitute a debt of the

Issuer within the meaning of any constitutional or statutory limitations.

This Note is transferable only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person, or by the Registered Holder's duly authorized attorney, upon written documentation of transfer satisfactory to the Issuer and the Registrar duly executed by the Registered Holder and the assignee/transferee, together with a purchase letter in a form provided by Issuer and any other documentation required by the Issuer. Prior to the approval of any transfer of this Note, the Registered Holder shall pay all of the Issuer's costs, including attorney's fees, relating to the transfer of the Note. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and premium, if any, and interest due hereon and for all other purposes.

The Note is prepayable at any time in whole or in part, to the extent there are any funds in the debt service fund in excess of amounts necessary to pay scheduled debt service. Prepayments shall reduce the number, but not the amount, of scheduled debt service payments on the Note, in inverse order of maturity.

It is hereby certified and recited that all conditions, acts and things required by law and the Redevelopment Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issue of this Note, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the laws of the State of Nebraska.

This Note shall not be entitled to any benefit or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Registrar of the Certificate of Authentication hereon.

[Signature Page Follows]

IN WITNESS WHEREOF, THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA has caused this Note to be signed in its name and on its behalf by the signature of its Chairman and attested by the signature of its Secretary, as of the Original Issuance Date identified above.

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION

City Treasurer, City of McCook
as Paying Agent and Registrar

By: _____
Authorized Signatory

EXHIBIT "F"
FORM OF CERTIFICATE OF COMPLETION

(Blackwood Enterprises Redevelopment Project)

The undersigned certifies, represents and warrants to the City of McCook, Nebraska, and the Community Development Agency of the City of McCook, Nebraska ("CDA") with regard to the following real property situated in the City of McCook, Red Willow County, Nebraska, to wit:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999

that the Private Improvements and Public Improvements required to be constructed by Redeveloper upon the above described property have been satisfactorily completed in accordance with the requirements of the Redevelopment Agreement dated _____, 2020, as referenced in the Memorandum of Redevelopment Agreement recorded as Instrument No. _____ in the office of the Red Willow County Register of Deeds.

"REDEVELOPER"

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____
Name: _____
Title: _____

"CDA"

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

EXHIBIT "G"
FORM OF A CERTIFICATION OF ELIGIBLE PROJECT COSTS

(Blackwood Enterprises Redevelopment Project)

Date: _____

Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Redeveloper"), hereby certifies that it has incurred and paid the Eligible Costs indicated herein, pursuant to the terms of the Redevelopment Agreement between Redeveloper and the Community Development Agency of the City of McCook, Nebraska. The portion of the Project as indicted herein is substantially completed. Attached hereto are documents substantiating the actual Eligible Costs and payment by Redeveloper.

REDEVELOPMENT ELIGIBLE COSTS

Certified and Requested

CDA Administrative Fee	\$ _____
Cost of Issuance	\$ _____
Land Acquisition	\$ _____
Demolition	\$ _____
Architectural Fees	\$ _____
Water Main Improvements	\$ _____
Sanitary Sewer Improvements	\$ _____
Electrical Improvements	\$ _____
Natural Gas Improvements	\$ _____
Street Improvements	\$ _____
Landscaping	\$ _____
Façade Enhancements	\$ _____
Total:	\$ _____ *

***Principal Amount of TIF Indebtedness shall not exceed \$200,000.**

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____
Name: _____
Title: _____

COPIES OF PROOF OF PAYMENT ARE ATTACHED HERETO.

Approved the by Chairman of the CDA:

Chairman

EXHIBIT "H"

After recording please return to:
Lea Ann Doak
McCook City Clerk
505 W. "C" Street
McCook, NE 69001

**FAÇADE LICENSE AGREEMENT
(Blackwood Enterprises Redevelopment Project)**

THIS FAÇADE LICENSE AGREEMENT (the "Agreement") is made this ____ day of March, 2020 by and between Blackwood Enterprises, L.L.C., a Nebraska limited liability company ("Licensor"), and the Community Development Agency of the City of McCook, Nebraska ("Licensee").

RECITALS

- A. Licensor owns certain real estate located at 520 West B Street in the City of McCook, Nebraska, legally described as follows:

Lots Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), Block Nine (9), Ninth Addition to the City of McCook, Red Willow County, Nebraska.

EXCEPT: A tract of land deeded to the State of Nebraska, Instrument Book 94, page 386, recorded September 10, 1969; and

EXCEPT: A tract of land deeded to the State of Nebraska Department of Roads, Instrument Book 127, page 539, recorded November 22, 1999

(the "Property").

- B. Licensor entered into a Redevelopment Agreement (the "Redevelopment Agreement") with Licensee for the rehabilitation and renovation of the building located on the Property (the "Building").
- C. Pursuant to the Redevelopment Agreement, and to ameliorate the blighted and substandard conditions of the Property, Licensor agrees to make certain enhancements to the façade of the Building (the "Façade") which exceed the minimum requirements of the applicable building code for the aesthetic benefit to the Redevelopment Area and the public.

- D. Under the Redevelopment Agreement Licensor is receiving financial assistance from Licensee to make the Façade enhancements.
- E. This Agreement sets forth the parties' rights and obligations with respect to the Façade.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Licensor and Licensee do now hereby agree as follows:

1. Façade. In consideration of the benefits received by Licensor under the Redevelopment Agreement, Licensor hereby agrees to construct and install the Façade to the specifications set forth in the plans, drawings and specifications which shall be approved by the Licensee prior to construction.

2. Façade Restrictions. Licensor agrees to observe and comply with the following restrictions:

a. Licensor shall not demolish, remove or raze the Façade during the term of this Agreement.

b. Licensor shall not undertake, or allow to be undertaken, any changes to the Façade without the express written consent of Licensee. Changes to the Façade include, but are not limited to:

(i) Any change in the Façade, including the alteration, partial removal, construction, remodeling or physical or structural change or change in color or surfacing with respect to the appearance or construction of the Façade;

(ii) The addition of any signs, canopies, plaques or other attachments to the Façade; or

(iii) Any significant reconstruction, repair, repainting or refinishing of any Façade feature that alters its state from the existing condition.

c. This section shall not preclude Licensor from implementing any ordinary or necessary maintenance as set forth in Section 3 below.

3. Façade Maintenance. Licensor shall perform all ordinary and/or necessary maintenance and repairs on the Façade to maintain its appearance and structural soundness and to prevent any deterioration of the Façade.

4. Specification of Work. In the event Licensor desires to make any changes to the Façade, Licensor shall give Licensee copies of the plans, designs, elevations, specifications and documents relating to the change or work, including specification of all materials, colors and construction techniques to be used in any such work and photographs of the subject area as it appears at the time of the request.

5. Insurance. Licensor, at its expense, shall (i) keep the Building insured under a standard form of insurance policy against loss or damage resulting from fire or other perils normally insured under uniform standard extended coverage endorsement; and (ii) carry and maintain comprehensive public liability insurance. The public liability policy shall name Licensee as an additional insured as to the Façade and shall provide for not less than thirty (30) days prior written notice to the Licensee by the insurer of any proposed cancellation of any such insurance. Licensor shall deliver to Licensee a certificate of insurance prior to the recording of this Agreement.

6. Casualty Damage. In the event that the Building or any part thereof shall be damaged by fire or other casualty, then the proceeds of the insurance required to be carried pursuant to Section 5 above and Licensor's funds shall be applied to reconstructing the Façade to the condition required under this Agreement. If the Building is damaged to such an extent that Licensor determines that reconstruction is not feasible and provides Licensee with a statement from an independent engineer to the same effect, then this Agreement shall be void and of no further force or effect.

7. Inspection. Licensee shall be permitted to have access to the Property at reasonable times to inspect the Façade for the purpose of determining conformance with this Agreement.

8. Term. The term of this Agreement shall be fifteen (15) years from the date of completion of the improvements to the Façade. Provided, however, this Agreement shall terminate at any earlier date that the Redevelopment Agreement is terminated and is no longer in effect.

9. Public Access. Licensor acknowledges and agrees that the general public shall have the regular and substantial opportunity to view the Façade from the sidewalks and other property near the Building. Licensor shall have no obligation under this Agreement to allow the general public to view the interior of the Building.

10. Indemnification. Licensor shall defend, indemnify and hold Licensee harmless from and against any liability, claims, suits, demands, judgments (including costs, expenses and attorneys fees), resulting from actions or claims by third parties or defaults under this Agreement by Licensor arising out of the conveyance of or possession of the Façade Easement.

11. Binding Effect. This Agreement shall be appurtenant to and run with the property. The grant of this easement shall be binding upon the heir, executors, administrators, successors and assigns of Licensor.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed this Façade License Agreement as of the date and year first above written.

“LICENSOR”

Blackwood Enterprises, L.L.C.,
a Nebraska limited liability company

By: _____

Name: _____

Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____, _____ of Blackwood Enterprises, L.L.C., on behalf of the company.

“LICENSEE”

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK,
NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of the City of McCook, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: 4.A.

Approve the minutes of the March 16, 2020 regular City Council meeting.

BACKGROUND:

Receive and approve the minutes.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk

April 1, 2020

McCook City Council
March 16, 2020
5:30 PM Central

A MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA convened in open, regular, and public session at 5:30 o'clock P.M. in the City Council Chambers.

Present: Mayor Gonzales, Councilmembers Calvin, Weedon, Muehlenkamp.

Absent: Councilmember Hepp; City Attorney Mustion.

City Officials present: City Manager Schneider, City Clerk Doak, Police Chief Brown, Utilities Director Dutcher, Fire Chief Harpham, Public Works Director Potthoff, and Senior Services Director Siegfried.

Notice of the meeting was given in advance thereof by publication in the McCook Daily Gazette on March 12, 2020, the designated method of giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the Mayor and members of the City Council and a copy of the Acknowledgement of Receipt of such notice is attached to these minutes. Availability of the agenda was communicated in the advance notice to the Mayor and Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

Mayor Gonzales announced that a copy of the Open Meetings Act was posted by the entrance to the Council Chambers and available for public review. Jeff Kelley, pastor of the United Methodist Church, provided the invocation. Following the Pledge of Allegiance to the flag of the United States of America, Mayor Gonzales called the meeting to order.

1. Citizen's Comments.

No one was present for citizen's comments.

2. Announcements & Recognitions.

Fire Chief Harpham introduced Colt McDonald as a new Firefighter/Paramedic for the City.

City Staff gave an update on the Coronavirus; the Senior Center building is closed to the public, employees will continue to provide meals for delivery or pickup; Public Transit will remain open and will disinfect frequently; there is no indication that the virus can become water borne, so there are no issues with our water system which already utilizes a Clorox type product for disinfection; the Library will be closed to the public, but will provide service on a pickup basis; all other departments will run as normal.

3. Public Hearings.

City Manager Schneider informed the Council that upon the request from the redeveloper, Agenda Items 3.A. through 3.E., be postponed until the April 6, 2020 meeting to allow for him to address concerns regarding parking.

3.A. Public Hearing - Regarding the Redevelopment Plan for the Blackwood Enterprises Redevelopment Project as to its conformity with the general plan for the development of the City as a whole.

Motion to postpone until the April 6, 2020 City Council meeting, the public hearing for receiving public comment with respect to the proposed Redevelopment Plan for the Blackwood Enterprises Redevelopment Project as to its conformity with the general plan for the development of the City as a whole. This motion, made by Weedon and seconded by Calvin, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

3.B. Meeting of the Community Development Agency.

Motion to recess as a City Council and to convene as the McCook Community Development Agency for consideration of CDA Agenda at 5:50 P.M. This motion, made by Gonzales and seconded by Weedon, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

A meeting of the Mayor and City Council of the City of McCook, Nebraska, acting as the governing body of the Community Development Agency of the City of McCook, Nebraska was convened in open and public session at 5:50 o'clock P.M. on March 16, 2020, at the McCook Municipal Center in McCook, Nebraska. Agency Members present were: Gonzales, Calvin, McDowell, Weedon. Absent: Hepp. Notice of the meeting was given in advance thereof by publication, one of the City's designated methods for giving notice, a copy of the proof of publication being attached to these minutes. Advanced notice of the meeting was given to each member of the Agency and a copy of their acknowledgment of receipt of notice and the agenda is attached to these minutes. Availability of the agenda was communicated in the advance notice and in the notice to the Mayor and all members of the Council. Mayor Gonzales presided and City Clerk Doak recorded the proceedings. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

Mayor Gonzales announced that a copy of the Open Meetings Act was posted by the entrance to the Council Chambers and available for public review.

3.B.3. Adopt Resolution No. CDA 2020-01 approving an amendment to the Redevelopment Plan for the City of McCook, to the City Council, and adopting a Cost Benefit Analysis for the Blackwood Enterprises Redevelopment Project.

Motion to postpone until the April 6, 2020 City Council meeting, consideration of Resolution No. CDA 2020-01 approving an amendment to the Redevelopment Plan for the City of McCook, to the

City Council, and adopting a Cost Benefit Analysis for the Blackwood Enterprises Redevelopment Project. This motion, made by Weedin and seconded by Muehlenkamp, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedin: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

Motion to recess as the McCook Community Development Agency and reconvene as the McCook City Council. This motion, made by Gonzales and seconded by Weedin, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedin: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

3.C. Adopt Resolution No. 2020-03 approving an amendment of the Redevelopment Plan of the City of McCook, Nebraska, including the Blackwood Enterprises Redevelopment Project.

Motion to postpone until the April 6, 2020 City Council meeting, consideration of Resolution No. 2020-03 approving an amendment of the Redevelopment Plan of the City of McCook, Nebraska, including the Blackwood Enterprises Redevelopment Project. This motion, made by Weedin and seconded by Muehlenkamp, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedin: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

Motion to recess as a City Council and to convene as the McCook Community Development Agency for consideration of CDA agenda item. This motion, made by Gonzales and seconded by Muehlenkamp, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedin: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

3.D. Approve Resolution No. CDA 2020-02 authorizing and approving a Redevelopment Agreement including the use of Tax Increment Financing for the Blackwood Enterprises Redevelopment Project, and taking other actions required or permitted under the Community Development Law.

Motion to postpone until the April 6, 2020 City Council meeting, consideration of Resolution No. CDA 2020-02 authorizing and approving a Redevelopment Agreement including the use of Tax Increment Financing for the Blackwood Enterprises Redevelopment Project, and taking other actions required or permitted under the Community Development Law. This motion, made by Weedin and seconded by Muehlenkamp, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedin: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

Motion to adjourn the meeting of the McCook Community Development Agency at 5:55 P.M. and to reconvene as the McCook City Council. This motion, made by Gonzales and seconded by Muehlenkamp, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedin: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

- 3.E. Adopt Resolution No. 2020-04 approving the form of the Redevelopment Agreement for the Blackwood Enterprises Redevelopment Project and authorizing the Community Development Agency to enter into said agreement.

Motion to postpone until the April 6, 2020 City Council meeting, consideration of Resolution No. 2020-04 approving the form of the Redevelopment Agreement for the Blackwood Enterprises Redevelopment Project and authorizing the Community Development Agency to enter into said agreement. This motion, made by Weedon and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

- 3.F. Public Hearing - A report from the Economic Development Plan Citizen's Advisory Review Committee regarding meeting held January 27, 2020.

Motion to recess as a City Council and convene a public hearing for the purpose of receiving public comment on a report from the Economic Development Plan Citizen's Advisory Review Committee regarding meeting held January 27, 2020 with the City Manager to act as hearing officer. This motion, made by Gonzales and seconded by Weedon, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

The City Manager offered and received into evidence Exhibit #1 - the City Manager's Report dated March 16, 2020 (1 page); Exhibit #2 - Notice of Hearing published (1 page); Exhibit #3 - Agenda for the January 27, 2020 meeting of the Economic Development Plan Citizen's Advisory Review Committee and attachments (10 pages); and Exhibit #4 - the minutes of the October 28, 2019 Economic Development Plan Citizen's Advisory Review Committee (3 pages).

Andy Long, McCook Economic Development Director, and Sean Wolfe, president of the Economic Development Plan Citizen's Advisory Review Committee, reviewed the information presented in Exhibit #3 and answered questions from the Council.

Motion to adjourn the public hearing and reconvene as a City Council. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

- 3.G. Receive and file the minutes of the October 28, 2019 Economic Development Plan Citizen's Advisory Review Committee meeting.

Motion to receive and file the minutes of the October 28, 2019 Economic Development Plan Citizen's Advisory Review Committee meeting. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

4. Consent Agenda.

Motion to approve the consent agenda. This motion, made by Weedon and seconded by Calvin, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.

YEA: 4, NAY: 0, ABSENT: 1

- 4.A. Approve the minutes of the March 2, 2020 regular City Council meeting.
- 4.B. Approve the application for a Special Designated Liquor License submitted by JBN, Inc., dba Hi Times Liquor Mart 1, Liquor License #DK-100025, for a wedding reception to be held at the McCook Municipal Auditorium, 302 West 5th Street, on April 18, 2020 from 12:00 P.M. to 1:00 A.M.
- 4.C. Approve the bid specifications for one (1) new 30' x 40' metal garage for the Cemetery Department and set the date to receive bids as April 7, 2020 at 2:00 P.M.
- 4.D. Approve the request from Stacy Priebe to utilize city streets and walking trails for the 2020 Republican River Fitness Series Run for UV Relay on April 18, 2020.
- 4.E. Award the bid for 2020 Armor Coating Project to Figgins Construction of Red Cloud, Nebraska in the amount of \$3.93 per gallon, that being the lowest best bid.
- 4.F. Receive and file the minutes of the March 9, 2020 Planning Commission meeting.
- 4.G. Receive and file the claims for the month of February 2020 as published March 10, 2020.
- 4.H. Receive and file the Financial Report for the period ending February 29, 2020.

5. Regular Agenda.

- 5.A. Approve the LB840 Economic Development Revolving Loan Fund Program loan for Early Morning Cackle Spirit Shop/Bottle Shop in the amount of \$55,700, with the condition precedent that the Board of Directors of the McCook Economic Development Corporation approve the loan.

Motion to approve the LB840 Economic Development Revolving Loan Fund Program loan for Early Morning Cackle Spirit Shop/Bottle Shop in the amount of \$55,700, with the condition precedent that the Board of Directors of the McCook Economic Development Corporation approve the loan, which the Board did at a special meeting held the afternoon of March 16, 2020. This motion, made by Weedon and seconded by Calvin, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.

YEA: 4, NAY: 0, ABSENT: 1

City Manager Schneider reviewed the following information contained in his City Manager's Report:

"Early Morning Cackle Spirit Shop/Bottle Shop has applied for an LB840 Economic Development Revolving Loan Fund program loan. The loan serves as a gap funding source to assist Early Morning Cackle with the purchase of the Bottle Shop and Spirit Shop. The loan will be a 10 year loan in the amount of \$55,700 at 3%. The terms of the loan are similar to previous LB840 loans. A copy of the application is attached to this report. It should be noted that since this application involves the purchase of real estate, City Council approval is necessary pursuant to our LB840 Plan."

"As for the attached condition precedent, the McCook Economic Development Corporation Board of Directors are attempting to hold a special meeting on Monday afternoon to approve the loan. The Board of Directors must approve the loan prior to the City Council's approval. If the Board of Directors are unable to grant approval, this matter will be postponed until April 6. City Staff will provide the City Council with an update from the McCook Economic Development Corporation meeting on Monday night."

Andy Long, MEDC Executive Director, informed the council that the Board of Directors did meet and approve the loan on Monday afternoon.

- 5.B. Consider on its third and final reading Ordinance No. 2020-2998 adopting the official Extraterritorial Jurisdiction Zoning Map for the City of McCook, with the condition that Red Willow County adopt a zoning map to harmonize Red Willow County's zoning jurisdiction with the City of McCook's Extraterritorial Jurisdiction.

Mayor Gonzales asked the Clerk to read Ordinance No. 2020-2998 by title.

AN ORDINANCE OF THE CITY OF MCCOOK, NEBRASKA ADOPTING THE OFFICIAL EXTRATERRITORIAL JURISDICTION (ETJ) ZONING MAP FOR THE CITY OF MCCOOK, NEBRASKA; TO PROVIDE FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HERewith; AND TO PROVIDE FOR THE EFFECTIVE DATE HEREOF.

Ordinance No. 2020-2998 has been read by title and a motion to approve upon its third and final reading. This motion, made by Calvin and seconded by Muehlenkamp, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

Mayor Gonzales stated for the record that Ordinance No. 2020-2998 is declared lawfully passed and adopted upon publication as required by law.

- 5.C. Adopt Resolution No. 2020-05 approving an Interlocal Agreement between the City of McCook and Red Willow County for the continued provision of building inspection and permitting services for Calabria Subdivision.

Motion to adopt Resolution No. 2020-05 approving an Interlocal Agreement between the City of McCook and Red Willow County for the continued provision of building inspection and permitting services for Calabria Subdivision. This motion, made by Weedon and seconded by Calvin, passed.
Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.

YEA: 4, NAY: 0, ABSENT: 1

5.D. Consider Ordinance No. 2020-3000 on its third and final reading, adding Section 130.33 to the City of McCook Code of Ordinances and amending Section 130.99 of the City of McCook Code of Ordinances, Chapter 130: General Offenses.

Mayor Gonzales asked the Clerk to read Ordinance No. 2020-3000 by title.

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 130: GENERAL OFFENSES, OF THE CITY OF MCCOOK CODE OF ORDINANCES; ADDING SECTION 130.33 - OBSTRUCTING/HARASSING A PEACE OFFICER; AMENDING SECTION 130.99 - PENALTY; TO PROVIDE THAT OBSTRUCTION OF A POLICE ANIMAL IS AN OFFENSE; TO PROVIDE THAT HARASSMENT OF A POLICE ANIMAL IS AN OFFENSE; TO CLARIFY THE DEFINITION OF "POLICE ANIMAL"; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

Ordinance No. 2020-3000 has been read by title and a motion to approve upon its third and final reading. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.

YEA: 4, NAY: 0, ABSENT: 1

Mayor Gonzales stated for the record that Ordinance No. 2020-3000 is declared lawfully passed and adopted upon publication as required by law.

5.E. Consider on its third and final reading Ordinance No. 2020-2999 repealing Section 90.24; amending Sections 90.08, 90.20, 90.22, 90.23, 90.30, and 90.99; and adding 90.33, 90.34, 90.35, 90.36, and 90.37, of the City of McCook Code of Ordinances, Chapter 90: Animals.

Mayor Gonzales asked the Clerk to read Ordinance No. 2020-2999 by title.

AN ORDINANCE ADDING SECTIONS 90.33, 90.34, 90.35, 90.36, 90.37 AMENDING SECTIONS 90.08, 90.20, 90.22, 90.23, 90.30, 90.99 AND REPEALING SECTION 90.24 IN ITS ENTIRETY; AS THEY PERTAIN TO CHAPTER 90 - ANIMALS, OF THE CITY OF MCCOOK CODE OF ORDINANCES; PROVIDING FOR THE REPEAL OF ANY AND ALL ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING A TIME AND DATE FROM AND AFTER WHICH THIS ORDINANCE SHALL TAKE EFFECT AND BE ENFORCED.

Ordinance No. 2020-2999 has been read by title and a motion to approve upon its third and final reading. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.

YEA: 4, NAY: 0, ABSENT: 1

Mayor Gonzales stated for the record that Ordinance No. 2020-2999 is declared lawfully passed and adopted upon publication as required by law.

- 5.F. Consider Ordinance No. 2020-3001 amending Chapter 38: Fee Schedule - Appendix H: Animal Impoundment and Boarding Fees of the City of McCook Code of Ordinances upon its second reading.

Mayor Gonzales asked the Clerk to read Ordinance No. 2020-3001 by title.

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 38: FEE SCHEDULE - APPENDIX H: ANIMAL IMPOUNDMENT AND BOARDING FEES, OF THE CITY OF MCCOOK CODE OF ORDINANCES; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR A TIME AND DATE FROM AND AFTER WHICH THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE.

Ordinance No. 2020-3001 has been read by title and I move that the statutory rule requiring reading on three different days be suspended. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

Motion for final passage of Ordinance No. 2020-3001. This motion, made by Calvin and seconded by Weedon, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

Mayor Gonzales stated for the record that Ordinance No. 2020-3001 is declared lawfully passed and adopted upon publication as required by law.

- 5.G. Consider on its second reading Ordinance No. 2020-3002 amending 95.03 and 95.35, and repealing 95.05 to the City of McCook Code of Ordinances, Chapter 95: Nuisance; Health and Sanitation.

Mayor Gonzales asked the Clerk to read Ordinance No. 2020-3002 by title.

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 95: NUISANCE; HEALTH AND SANITATION, OF THE CITY OF MCCOOK CODE OF ORDINANCES; RELATING TO ABATEMENT OF NUISANCES; CLARIFYING LANGUAGE RELATING TO COSTS OF ABATEMENTS BEING COLLECTED AS A SPECIAL ASSESSMENT; AND RELATING TO WEEDS, LITTER AND STAGNANT WATER; CLARIFYING EXTRATERRITORIAL JURISDICTION TO ENFORCE REGULATIONS; DELETING SECTION 95.05 - INTERVENTION OF ADJOINING LAND OWNER; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

Ordinance No. 2020-3002 has been read by title and a motion to approve upon its second reading. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

5.H. Consider on its second reading Ordinance No. 2020-3003 amending Section 130.32: Abandoned Automobiles, to the City of McCook Code of Ordinances.

Mayor Gonzales asked the Clerk to read Ordinance No. 2020-3003 by title.

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 130: GENERAL OFFENSES - OFFENSES AGAINST THE PEACE, OF THE CITY OF MCCOOK CODE OF ORDINANCES; AMENDING SECTION 130.32 - ABANDONED AUTOMOBILES; ADDING NEW PROVISIONS RELATED TO REMOVING ABANDONED VEHICLES FROM PRIVATE PROPERTY; REVISING PROVISIONS RELATING TO REMOVING ABANDONED VEHICLES FROM PUBLIC PROPERTY; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

Ordinance No. 2020-3003 has been read by title and a motion to approve upon its second reading. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

5.I. Consider on its second reading Ordinance No. 2020-3004 amending Section 33.03: Proposed Budget Statement; Hearing; Adoption; Certification of Tax Amount, of the City of McCook Code of Ordinances.

Mayor Gonzales asked the Clerk to read Ordinance No. 2020-3004 by title.

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 30: BUDGET REGULATIONS, OF THE CITY OF MCCOOK CODE OF ORDINANCES; SECTION 33.03 - PROPOSED BUDGET STATEMENT; HEARING; ADOPTION; CERTIFICATION OF TAX AMOUNT; RELATING TO BUDGET HEARING NOTICE; CHANGING BUDGET HEARING NOTICE PROVISIONS FROM FIVE TO FOUR CALENDAR DAYS; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

Ordinance No. 2020-3004 has been read by title and I move to approve upon its second reading. This motion, made by Calvin and seconded by Muehlenkamp, passed.

Gonzales: YEA, Hepp: ABSENT, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA.
YEA: 4, NAY: 0, ABSENT: 1

5.J. Council Comments.

Mayor Gonzales stated that he appreciates the hours spent by Public Safety personnel and City Staff in helping to protect our community from the coronavirus, and asked the community to please give them all of the support that they can.

Adjournment.

There being no further business to come before the Council, Mayor Gonzales declared the meeting adjourned at 6:24 P.M.

Michael D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk-Treasurer

CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING

ITEM: 4.B.

RECOMMENDATION:

Recommend approval to the Nebraska Liquor Control Commission the Application for Addition to Liquor License submitted by Fraternal Order of Eagles 2769 - License #I-03700, located at 805 East "B" Street, McCook, Nebraska.

BACKGROUND:

The Eagles Club is requesting an addition to their current license. The addition is for an outdoor beer garden, similar in size as their temporary liquor licenses (SDL's) in the past. The new description will be, "One story building approximately 53' x 110', including outdoor area approximately 63' x 72'."

**FISCAL
IMPACT:** None.

RECOMMENDATION:

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

March 28, 2020



Nathan Schneider, City Manager

March 28, 2020



Pete Ricketts
Governor

STATE OF NEBRASKA

NEBRASKA LIQUOR CONTROL COMMISSION

Hobert B. Rupe

Executive Director

301 Centennial Mall South 5th Floor

P.O. Box 95046

Lincoln, Nebraska 68509-5046

Phone (402) 471-2571

Fax (402) 471-2814 or (402) 471-2374

TRS USER 800 833-7352 (TTY)

March 17, 2020

McCook City Clerk

burkey@cityofmccook.com

ldoak@cityofmccook.com

505 West C Street PO Box 1059

McCook, Ne 69001-1059

Dear Clerk:

Please present the following application for **Addition** to your board and send us the results of that action.

ADDITION: OUTDOOR AREA

LICENSE #: I-03700

LICENSEE: FRATERNAL ORDER OF EAGLES 2769

TRADE NAME: FRATERNAL ORDER OF EAGLES 2769

ADDRESS: 805 EAST B STREET

CITY/COUNTY: MCCOOK/RED WILLOW

CONTACT NUMBER: 308-340-0338

CONTACT PERSON: KIP LYTL

EMAIL: KIPNCHERYL@SWNEBR.NET

REQUEST: ADDITION OF OUTDOOR AREA 63 X 72

MAKING THE NEW DESCRIPTION READ: ONE STORY BLDG APPROX 53 X 110

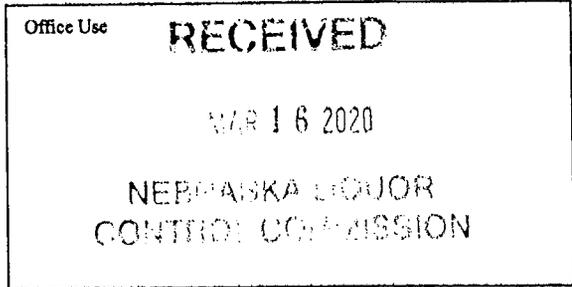
INCLUDING OUTDOOR AREA APPROX 63 X 72

APPROVED _____ **DISAPPROVED** _____

Tracy Burmeister
Licensing Division

**APPLICATION FOR ADDITION
TO LIQUOR LICENSE**

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.nebraska.gov

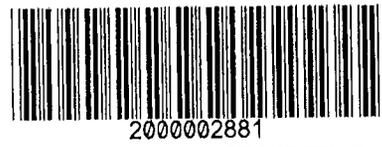


Application:

- **Must include processing fee of \$45.00 check made payable to the Nebraska Liquor Control Commission or you may pay online at www.ne.gov/go/NLCCpayport**
- **Must include a copy of the lease or deed showing ownership of area to be added. This is still required even if it's the same as on file with original application**
- **Must include simple hand drawn sketch showing existing licensed area and area to be added, must include outside dimensions in feet (not square feet), show direction north.
NO BLUE PRINTS**
- **May include approval from the local governing body; no addition shall be approved unless endorsed by the local governing body**
- **Check with your local governing body for any additional requirements that may be necessary in making this request for addition**

LIQUOR LICENSE # 3700 CLASS TYPE 1
LICENSEE NAME Eagles, Fraternal Order
TRADE NAME _____
PREMISE ADDRESS 805 East B St.
CITY M^c Cook ZIP CODE 69001 COUNTY Redw. Llw
CONTACT PERSON KIP LITTLE
PHONE NUMBER OF CONTACT PERSON 308-340-0338
EMAIL ADDRESS OF CONTACT PERSON KIPNCheryle@swNebr.net

CK 10272 -45-jkm



1. What is being added?
Explain the type of addition that is being requested, i.e. beer garden, adding to building
Beer Garden

2. Will this addition cause the location to be within 150 feet of a church, school, hospital, home for the aged or indigent persons or for veterans, their wives, and children; or within 300 feet of a college or university campus?

YES NO

If yes, provide name and address of such institution and where it is located in relation to the premises (Neb. Rev. Stat. 53-177)(1). Assembly of God 811 East C St.
Must include supplemental Form 134 found at this link: <http://www.lcc.ne.gov/formsdiv.html>

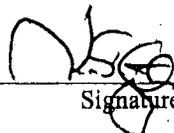
If proposed location is within 300 feet of a campus, the Commission may waive this restriction upon written approval from the governing body of the college or university. (Rev. Stat. 53-177)(1).
Must include supplemental Form 135 found at this link: <http://www.lcc.ne.gov/formsdiv.html>

3. Include a sketch of the area to be added showing:
✓ existing licensed area with length & width in feet
✓ area to be added with length & width in feet See - Attached
✓ direction north

4. If adding an outdoor area explain:
✓ type of fencing See - Attached
✓ height of fence
✓ length & width of outdoor area in feet

*12.07 Outdoor area shall mean an outdoor area included in licensed premises, which is used for the service and consumption of alcoholic liquors and which is contained by a permanent fence, wall or other barrier approved by the Commission and shall be in compliance with all building and fire, or other applicable local ordinances.
Rule Chapter 2-012.07*

I acknowledge under oath that the premises as added to comply in all respects with the requirements of the act.
Neb Rev Stat §53-129

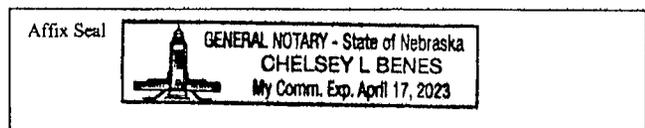


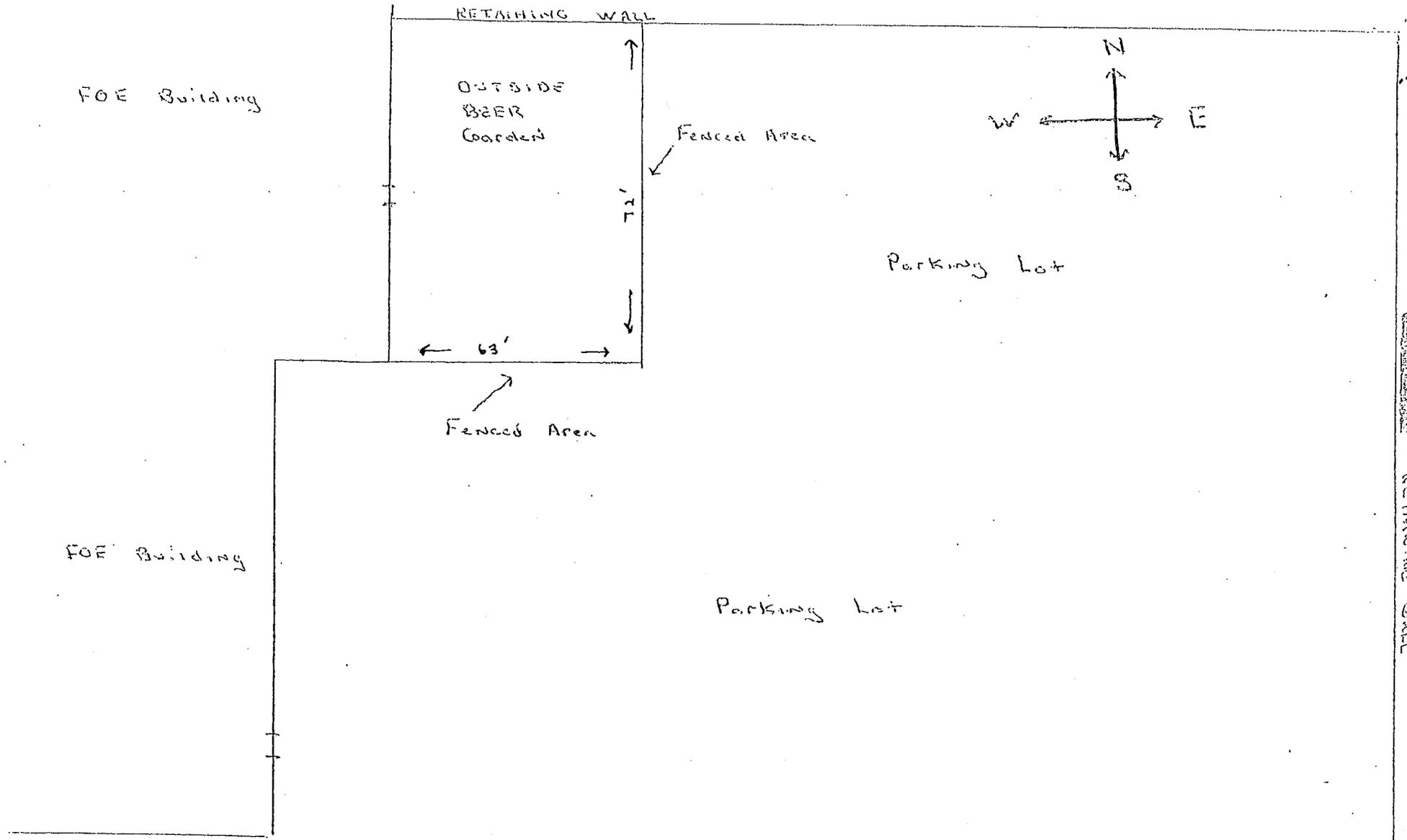
Signature of Licensee or Officer

State of Nebraska
County of Red Willow The foregoing instrument was acknowledged before me this
3-9-2020 by Chelsey L. Benes
Date name of person acknowledged (individual(s) signing document)



Notary Public signature



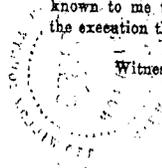


STATE OF _____, County of _____

Before me, a notary public qualified for said county, personally came

known to me to be the identical person or persons who signed the foregoing instrument and acknowledged the execution thereof to be his, her or their voluntary act and deed.

Witness my hand and notarial seal on _____, 19.....



..... Notary Public

My commission expires _____, 19.....

STATE OF _____, County of _____

Before me, a notary public qualified for said county, personally came

known to me to be the identical person or persons who signed the foregoing instrument and acknowledged the execution thereof to be his, her or their voluntary act and deed.

Witness my hand and notarial seal on _____, 19.....

..... Notary Public

My commission expires _____, 19.....

WARRANTY DEED

Form 21

— to —

STATE OF NEBRASKA,

County of Red Willow.....

Filed for record

August 10, 19 67, at

2:30 P. M., and recorded

in Deed Record

92, page 228

Freda Olson,
County Clerk or
Register of Deeds.

Deputy

Deputy

HAVE THIS DEED RECORDED

COMPARED

NUMERICAL

GRANTOR

GRANTEE

CHARGED

Fisher & Wolf Co., Lincoln, Neb.

McCord National Bank

4/175

WARRANTY DEED

GENE T. DOYLE and ROSE E. DOYLE, husband and wife, GRANTOR, in consideration of Ten Dollar (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, conveys to THE FRATERNAL ORDER OF EAGLES, AERIE #2769, the following- described real estate in Red Willow County, Nebraska:

Lot Two (2) Except the West Twenty-Five (25) feet thereof, Block Sixteen (16), Tenth Addition to McCook, Red Willow County, Nebraska.

GRANTOR covenants with the GRANTEE that GRANTOR:

- (1) Is lawfully seized of such real estate and that it is free from encumbrances subject to easements, reservations, covenants and restrictions of record.
(2) Has legal power and lawful authority to convey the same.
(3) Warrants and will defend the title to the real estate against the lawful claims of all persons.

Executed: August 16, 1996.

NEBRASKA DOCUMENTARY STAMP TAX
Date August 28, 1996
\$ 105.00 By [Signature]

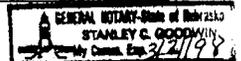
[Signature] Gene T. Doyle
[Signature] Rose E. Doyle

STATE OF NEBRASKA)
) ss.
COUNTY OF RED WILLOW)

Be it remembered this 16 day of August, 1996, before me the undersigned, a Notary Public in and for the County and State aforesaid personally came Gene T. Doyle and Rose E. Doyle husband and wife, who are personally known to me to be the same persons who executed the within deed in writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

[Signature] Stanley C. Goodwin
Notary Public



Filed for record and entered in Numerical Index on August 28, 1996, at 2:45 o'clock P.M., and recorded in Deed Record 124, Page 714.

By [Signature] Paulitta Stein
County or Deputy County Clerk
Register of Deeds or Deputy Register
of Deeds

March 9, 2020

RECEIVED

MAR 16 2020

NE Liquor Commission:

NEBRASKA LIQUOR
CONTROL COMMISSION

Subject: Adding Outdoor Beer Garden:

Attached is all of the information you require for the application to add an outdoor beer garden. We have had a number of temporary liquor licenses over the past years, which have made it possible to have a number of fund raisers for our different charities. The outside beer garden area will be 63 feet x 72 feet the same as our temporary liquor licenses as in the past. The fence around the area will be 50 inch high cattle panels secured permanently with steel post anchored in the concrete. I talked with McCook's City building inspector Barry Mooney and he had no problem with our plans. He did say we would have to have a gate for an exit for an emergency in case of a fire in the Aerie home so no one would have to go back through the building in case of a fire. We would have the gate secured during outdoor activities and a plan in place for exit in case any emergency would arise!

Also attached is form 110 & 134! I marked on form 110 and previous temporary liquor licenses that the Assembly of God Church located at 811 East C St. was within 150 feet. Actually the church is 231 feet from our property line and also is on a different block. The thing is they have a very large parking lot across the street just south of the church that butts up against our property. At no time have we ever had any issues with the Assembly of God Church!

If you have any questions please give me a call at 308-340-0338.

Thank You!

Kip Lytle
Aerie Secretary
&
Liquor Licensee

RECEIVED
PK

**SUPPLEMENTAL FORM FOR APPLICATION
WITHIN 150' OF CHURCH**

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH, 5TH FLOOR
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.nebraska.gov

Office Use

§53-177(2) If a proposed location for the sale at retail of any alcoholic liquor is within 150' of any church, a license may be issued if the commission gives notice to the affected church and holds a hearing as prescribed in §53-133

PREMISE INFORMATION

License number (if currently licensed) 3700

Premise Name: Fraternal Order of Eagles

Address: 805 East B St.

City: MCCook NE

CHURCH INFORMATION

Name of Church: ASSEMBLY OF GOD

Address of Church: 811 East C St.

CONTACT PERSON (if available) _____

Phone Number – (if available) 308-345-5734

DISTANCE FROM AFOREMENTIONED CHURCH

231 FEET (closest corner of licensed premise to closest corner of church)
Neb Rev Stat §53-177

AMOUNT AND FREQUENCY OF SERVICES HELD AT CHURCH (if known)

Sundays

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: **4.C.**

RECOMMENDATION:

Receive and file the minutes of the January 8, 2020 Library Advisory Board meeting.

BACKGROUND:

Receive minutes from the various board and commission meetings.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk

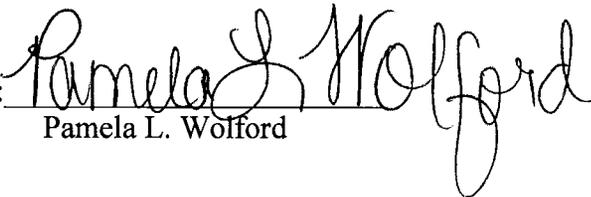
March 28, 2020

McCook Public Library Advisory Board Meeting Minutes
January 8, 2020 at 4:00 PM CDT

A copy of the Open Meetings Act is posted by the white board on the west wall of the meeting room in the library basement.

1. **Call to order / attendance:** Mary Dueland called the meeting to order with Jody Crocker, Staci Blomstedt, Kevin Cochran, Sharon Bohling, and Pam Wolford in attendance.
2. **Opportunity for Comments from the Public:** No patrons were in attendance; thus, no public comment.
3. **Read and Approve December 2019 meeting minutes:** A motion was made by Kevin to accept the minutes as read with a second by Staci. They were accepted 5-0.
4. **Open discussion from board members on items not on the agenda:** None
5. **Director's Report and update on upcoming activities:** 1.) The Library is hosting the first "Make and Take" to be held on January 17. This is for our region plus the Panhandle region. Jody will present a total of three times--two in other regions. 2.) The Council approved the plans for the HVAC replacement. Bids are out for contractors. 3.) The library recently received a \$500 donation. 4.) Terrific Tuesday began meeting again; they met January 7 with many students in attendance for Lego building. 4.) Lois will be out for two weeks for health issues. 5.) Twenty preschoolers, 25 elementary students, and 20 adults received books and goodies during the holiday drawings at Christmas. 6.) The Library is participating in a wage study for the city employees to assess fair wages. 7.) Innovation Studio training will take place the 26 and 27 of February in Lincoln.
6. **Unfinished Business:** None
7. **New Business:** None
8. **Set date for next board meeting:** The next meeting will be Wednesday, March 11, 2020 at 4 PM.
9. **Meeting adjournment:** The meeting was adjourned at 4:20.

Secretary:


Pamela L. Wolford

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: 4.D.

RECOMMENDATION:

APPROVE AND AUTHORIZE THE MAYOR TO SIGN A PROFESSIONAL ENGINEERING AGREEMENT WITH MILLER & ASSOCIATES, CONSULTING ENGINEERS, P.C., FOR THE DESIGN AND CONSTRUCTION INSPECTION OF THE IMPROVEMENTS TO THE WEST GOLF COURSE LIFT STATION.

BACKGROUND

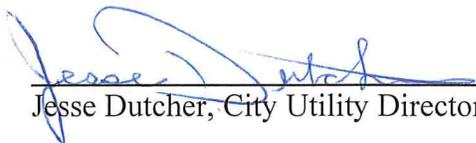
Collecting and removing sewage from the Heritage Hills Golf Course area uses a staged approach. The West Golf Course Lift Station (WGCLS) collects the west part of the golf course, pumps to the East Golf Course Lift Station (EGCLS), where it is combined with flows from the east end of the golf course and pumped to the gravity sewer near the intersection of Highway 83 and 6 & 34.

In 2014 the EGCLS was updated with new electrical, pumps and controls. The upgrade increased efficiency and capacity. The agreement presented here will start the process to do the same type of work to the WGCLS. Along with the improvement to the equipment the basic design will be modified from a below ground dry well that houses the pumps, controls and electrical equipment to a surface mounted control structure and submersible pumps. This type of installation was used in the rehab of the Barnett Park Lift Station in 2019 and is working well.

The Contract with Miller & Associates Consulting Engineers, P.C. will provide for the design and inspection of the project. The design phase has a lump sum fee of \$14,800 and the construction inspection has an hourly fee not to exceed \$9,400 for a total of \$24,100.

FISCAL IMPACT: NONE, 2019-2020 Budget 70-061-56030

APPROVALS:



Jesse Dutcher, City Utility Director

Date: March 26, 2020



Nate Schneider, City Manager

Date: March 26, 2020

An Agreement for the Provision of Limited Professional Services

Design Professional Firm: MILLER & ASSOCIATES,
CONSULTING ENGINEERS, P.C.
109 East 2nd Street
McCook, NE 69001
(hereinafter called *ENGINEER*)

Client: CITY OF MCCOOK
P.O. Box 1059
302 West 5th
McCook, NE 69001
(hereinafter called *CLIENT*)

Date: April 6, 2020

Project No. 200-D1-027-20

Project Name/Location: West Golf Course Lift Station Renovations, McCook, Nebraska

Scope/Intent and Extent of Services: Whereas, the *CLIENT* desires to employ the *ENGINEER* to complete drawings, specifications and contract documents for renovation of West Golf Course Lift Station including replacement of approximately 200 lineal feet of force main and bypass pumping. Services are further defined as follows:

1. *Design Phase* - Provide drawings and specifications for a Lump Sum Fee of \$14,800.
 - a) Field Survey for design
 - b) Generate necessary contract documents and specifications for procuring bids
 - c) Provide Engineer's Opinion of Probable Construction Cost
 - d) Submit documents to NDEE as a regulatory agency
 - e) Assist *CLIENT* in selecting lowest responsible bidder

2. *Construction Phase* - The following are included and shall be provided by the *ENGINEER* at an hourly not to exceed fee of \$9,400:
 - a) On-site Construction Observation
 - b) Review of Shop Drawing Submittals
 - c) Process pay requests and construction administration
 - d) Preparation of As-Recorded Drawings
 - e) Preparation of Certificate of Completions for City

Terms and Conditions

The firm shall perform the services outlined in this agreement for the stated fee arrangement.

Access To Site: Unless otherwise stated, the ENGINEER will have access to the site for activities necessary for the performance of the services. The ENGINEER will take precautions to minimize damages due to these activities, but the cost of restoration of any resulting damage has not been included in the fee.

Dispute Resolution: Any claims or disputes made during design, construction or post-construction between the CLIENT and ENGINEER shall be submitted to non-binding mediation. CLIENT and ENGINEER agree to include a similar mediation agreement with all contractors, subcontractors, subconsultants, supplies and fabricators, thereby providing for mediation as the primary method for dispute resolution between all parties.

Billing/Payment: Invoices for the ENGINEER's services shall be submitted, at the ENGINEER's option, either between completion of such services or on a monthly basis. Invoices shall be payable within 30 days after the invoice date. If the invoice is not paid within 30 days, the ENGINEER may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, terminate the performance of the service. Retainers shall be credited on the final invoice.

Late Payments: Accounts unpaid 60 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all of an account remains unpaid 90 days after the billing, the CLIENT shall pay all costs of collection, including reasonable attorney's fees.

Indemnification: The CLIENT shall, to the fullest extent permitted by law, indemnify and hold harmless the ENGINEER, his or her officers, directors, employees, agents and subconsultants from and against all damage, liability and cost, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the performance by any of the parties above named of the services under this agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of the ENGINEER.

Certifications: Guarantees and Warranties: The ENGINEER shall not be required to execute any document that would result in its certifying, guaranteeing or warranting the existence of conditions whose existence the ENGINEER cannot ascertain.

Defects in Service: The CLIENT shall provide prompt written notice to the ENGINEER if the CLIENT becomes aware of any fault or defect in the Project, including any errors, omissions or inconsistencies in the ENGINEER's instruments of service.

Limitation of Liability: In recognition of the relative risks, rewards and benefits of the project to both the CLIENT and the ENGINEER, the risks have been allocated such that the CLIENT agrees that, to the fullest extent permitted by law, the ENGINEER's total liability to the CLIENT for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this agreement from any cause or causes, shall not exceed the fee. Such cause may include, but are not limited to, the ENGINEER's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.

Consequential Damages: In no event will ENGINEER, ENGINEER's affiliated corporations, officers, employees, or subcontractors be liable for special, indirect, or consequential damages, and in order to protect ENGINEER against indirect liability or third-party proceedings, CLIENT will indemnify ENGINEER for any such loss or damage.

Termination of Services: This agreement may be terminated by the CLIENT or the ENGINEER should the other fail to perform its obligations hereunder. In the event of termination, the CLIENT shall pay the ENGINEER for all services rendered to the date of termination, and all reimbursable expenses.

Ownership of Documents: All documents produced by the ENGINEER under this agreement shall remain the property of the ENGINEER and may not be used by the CLIENT for any other endeavor without the written consent of the ENGINEER.

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: 4.E.

RECOMMENDATION:

APPROVE AND AUTHORIZE THE MAYOR TO SIGN CHANGE ORDER NO. 1 FOR THE WEST 5TH AND EAST 14TH WATER MAIN PROJECT EXTENDING THE SUBSTANTIAL COMPLETION DATE TO OCTOBER 15, 2020 AND FINAL COMPLETION TO NOVEMBER 1, 2020

BACKGROUND

Myers Construction, Inc of Broken Bow NE is under contract to construct two water mains for the City of McCook Water Department. First, is a 16 inch water main on West 5th from "G" Street to "M" Street. The new main will provide extra flow to the West 5th Booster Station that fills the West Water Tower and supplies water to the west side of the city.

The second project replaces a section of 10 inch main that has been plagued with leaks. The work will start on East C just east of the 14th Street intersection and extend north on East 14th to the D Street intersection. From this point, a smaller pipe will be installed along D Street to East 12th Street. The new D Street main will connect with existing mains on Gemini and East 12th which will result in looped mains where dead ends have existed in the past.

Myers Construction has requested the Change Order which effectively changes the completion date from August to November 2020. Perry Myers, owner of the company sited issues in getting supplies and personnel on site due to the COVID-19 Pandemic. City Staff and our consulting engineer at Miller & Associates reviewed the request and considered any problems that could arise from extending the completion date to November. It was decided that no foreseeable damage or harm would result from extending the completion date.

FISCAL IMPACT: NONE, 2019-2020 Budget 70-053-56030

APPROVALS:



Jesse Dutcher, City Utility Director

Date: March 30, 2020



Nate Schneider, City Manager

Date: March 30, 2020

Order No. 1
Effective Date: 3/24/2020
Agreement Date: 8/19/2019
Project No. 200-C1-021

NAME OF PROJECT: WEST 5TH & EAST 14TH WATER SYSTEM IMPROVEMENTS

OWNER: CITY OF McCOOK

CONTRACTOR: MYERS CONSTRUCTION, INC.

The following changes are hereby made to the CONTRACT DOCUMENTS:

CHANGE ORDER NO. 1

ITEM NO.	DESCRIPTION	APPROXIMATE QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT
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DELETIONS:

A. Article 3, CONTRACT TIME, Paragraph 3.1, shall be deleted in its entirety.

ADDITIONS:

A. Replace with the following:

Article 3. CONTRACT TIME.

3.1. The Work will be substantially completed on or before October 15, 2020, and completed and ready for final payment in accordance with paragraph 14.13 of the General Conditions on or before November 1, 2020.

TOTAL ADJUSTED CHANGE ORDER PRICE \$0.00

JUSTIFICATION: Change in time frame requested by the Contractor, due to availability of materials.

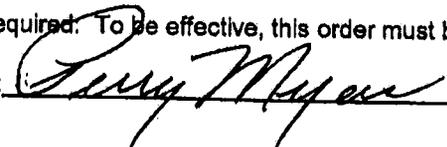
Change to CONTRACT PRICE:

ORIGINAL CONTRACT PRICE:	\$582,325.71
Net Increase resulting from this CHANGE ORDER:	\$0.00
The new CONTRACT PRICE including this CHANGE ORDER will be:	\$582,325.71

Change to CONTRACT TIME:

The CONTRACT TIME will be increased to reflect a substantial completion date of October 15, 2020 and final completion date of November 1, 2020.

Approvals Required: To be effective, this order must be approved as required by the General Conditions.

Approved by: 

MYERS CONSTRUCTION, INC.

Approved by: _____

CITY OF McCOOK

Approved by: 

MILLER & ASSOCIATES

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: 4.F.

RECOMMENDATION:

AUTHORIZE THE MCCOOK EVANGELICAL FREE CHURCH TO CONSTRUCT A CONCRETE ALLEY WAY THAT MEETS CITY STANDARDS ON CITY RIGHT OF WAY ADJACENT TO THEIR PROPERTIES , BETWEEN EAST "H" STREET AND EAST "F" STREET, CONTINGENT UPON THE OWNERS TRANSFERRING THEIR PROPERTY INTEREST TO THE CITY IN FEE AT COMPLETION OF THE PROJECT.

BACKGROUND:

The McCook Evangelical Free Church is requesting permission to construct, at their own cost, a concrete alley way adjacent to their properties that are located between East "H" Street and East "F" Street. This alley will be built to City standards and once the alley is completed, the owners agree to transfer their property interest to the City in fee. All properties that are adjacent to this proposed paving are owned by the McCook Evangelical Free Church.

The property owners, if authorized, are wanting to complete this project, yet this spring.

**FISCAL
IMPACT:** None.

RECOMMENDATION:

AUTHORIZE THE MCCOOK EVANGELICAL FREE CHURCH TO CONSTRUCT A CONCRETE ALLEY WAY THAT MEETS CITY STANDARDS ON CITY RIGHT OF WAY ADJACENT TO THEIR PROPERTIES , BETWEEN EAST "H" STREET AND EAST "F" STREET, CONTINGENT UPON THE OWNERS TRANSFERRING THEIR PROPERTY INTEREST TO THE CITY IN FEE AT COMPLETION OF THE PROJECT.

APPROVALS:



Kyle Pottthoff, Public Works Director

MARCH 31, 2020



Nate Schneider, City Manager

MARCH 31, 2020



MCCOOK
EVANGELICAL FREE CHURCH

March 24, 2020

City of McCook
West 5th & C St
McCook, NE 69001

To Whom It May Concern:

The McCook Evangelical Free Church is requesting permission to construct, at our own cost, a concrete alley way adjacent to our property at 602 E 14th Street. This alley will be built to City standards and once the alley is completed the Church agrees to transfer their property interest to the City in fee.

We would like to, if authorized, complete this project as soon as possible. If this is authorized, a formal agreement will be created and signed by all parties.

Sincerely,

Anne Wiemers
Administrator



Google earth

© 2020 Google



100 ft

**CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING**

4.G.
ITEM NO. _____ Approve the Insurance Services Agreement between Hays Companies, Inc. and the City of McCook for medical insurance brokerage services.

BACKGROUND:

Hays Companies, Inc. has provided medical insurance brokerage services for the City of McCook for over 10 years. The original contract has expired. A new contract is necessary. A new 3 year agreement has been proposed by Hays Companies, Inc. The primary change in the proposed agreement is an increase of the annual fee, from \$30,000 to \$40,000. While the jump is relatively steep, the original contract was scheduled to expire after 3 years. Hays Companies, Inc. and the City of McCook didn't realize the agreement expired and continued to operate under the original terms for 7 years. During the past 7 years, there probably should have been at least two contract renewals. Hays Companies, Inc. is an integral partner to the City of McCook. Staff relies on Hays Companies' expertise to assist in navigating the City's employees health insurance plan while providing recommendations to make sure our plan doesn't become too cost heavy. Hays Companies, Inc. assures that the City stays in compliance with the Affordable Care Act. Hays Companies, Inc. bids out our reinsurance quotes on an annual basis and has done an excellent job of keeping our reinsurance expenses down. Case in point, this years quote came in under the prior year's reinsurance quote. The lower quote can be partially attributed to Hays Companies' diligent work behind the scenes. In addition to assisting in cost savings, Hays Companies' staff is extremely responsive to any needs or concerns expressed by City Staff. Hays Companies, Inc. have been an excellent partner to the City of McCook. Staff recommends the proposed agreement be approved and the relationship between the two entities continue.

APPROVALS:



March 29, 2020

Lea Ann Doak, City Clerk



March 29, 2020

Nate Schneider, City Manager

INSURANCE SERVICES AGREEMENT

This **Insurance Services Agreement** ("Agreement") is made and entered into effective this **1st day of April, 2020**, by and between **Hays Companies, Inc.** ("Company") and the **City of McCook** ("Client").

WHEREAS, the Client desires to retain the Company to perform certain insurance-related services as set forth in this Agreement; and

WHEREAS, the Company is in the business of providing such services;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Services.

1.1 **General.** The Client hereby retains the Company, upon the terms and conditions set forth herein, to provide the services set forth in this Agreement regarding the following lines of Health and Welfare benefits:

Medical/PBM

Stop-Loss

Dental

Vision

Basic Life and AD&D

Short-Term Disability

Long-Term Disability

COBRA

Flexible Spending Account (FSA)

1.2 **Types of Services.** The Company and/or its affiliates shall provide the following services to the Client under this Agreement:

1. Review the Client's Employees Benefits Program, on a continuing basis to ensure that those plans are compliant with federal requirements and their adequacy of benefits with respect to other plans. Recommend alternative benefit designs or delivery systems as dictated by emerging plan costs or benefit practices.
2. Review and reaffirm changes to the goals and objectives of the benefit design. Notify, monitor and provides information on pending or new legislation including, but not limited to, Patient Protection and Affordable Care Act and HIPPA and changes in tax laws. Consult on benefit and funding trends that may affect the benefits program, applying assumptions to various scenarios, often with only a few hours' notice. Advise Client of market and like business benefit trends. Recommend appropriate action to be taken by the Client's Employee Benefits Program.
3. Annually, provide a formal analysis and benchmark report of Client's Employee Benefits Program in comparison to competitors.
4. Provide the Client's Employee Benefits Program with (1) writing plan modifications and new plans (2) assisting in the amendment approval process (3) submitting written reports and other documents as required by the Federal Government and (4) evaluate potential benefit plan cost reductions.
5. Collect schedules from Client's TPA/carriers and prepare 5500 Forms for any and all health and welfare programs.

performance standards, appropriate benefits, and industry standards which includes, but is not limited to,

- A statistically valid stratified random sample that achieves a minimum 95% confidence level;
 - On-site review of transactions processed by the third party claims administrator, including the reprocessing of claims to evaluate the third party claims administrators process and systems relating to such areas as: eligibility, coding, pricing including proper application of allowable charge and discount arrangements, deductible accumulators, identification of duplicate bills, application of Plan benefits, COB, medical necessity, ineligible/eligible charges, compliance with the Plans' Master Plan Document, timeliness of processing, interaction with other vendors, and file documentation;
20. Provide liaison services between Client's Employee Benefits Program and other benefits contractors, including coordination of reporting and assistance resolving claims.
 21. Prepare the quarterly financial reports for the self-funded plan. Conduct quarterly meetings, or more often if necessary, to review the financials, utilization and benefits design.
 22. Manage annual open enrollment process with TPA/Carrier.
 23. Prepare strategic plan for Client's Employee Benefits Program.
 24. Provide ongoing customer support to address claims, billings, benefit, eligibility and other service issues.
 25. Perform special projects as requested by Client. For example:
 - Develop and assist in implementation of new insurance plans.
 - Assist in drafting, reviewing, issuing and evaluating requests for proposals and invitations to bid.
 - Advise Client in contract negotiations and renewals.
 - Assist in developing the costs associated with various issues involving the benefit plans.
 - Assist with special employee communication projects, which may result from legislative or regulatory changes.
 - Prepare special reports showing claims experience.
 26. Responsible for maintaining the confidentiality of Client's records and data, which cannot be sold, shared or otherwise disclosed to other companies or individuals without written permission from Client's Employee Benefits Plan Officials.
 27. Assist Client with the development of performance guarantees relating to vendors' performance of services to the Client's Benefits Plan Administrator and evaluate the performance of vendors.
 28. Provide medical and dental management oversight including, but not limited to precertification requirements, paid claims, prescription drug utilization and high cost claims/stop loss.
 29. Assist Client with wellness programs and provides continuing consultative services for the development and improvement of Client's wellness program.
 30. Provide recommendations on voluntary benefit plans.

1.3 Information. The Company shall make available to the Client upon its request documents and information reasonably requested relating to the Client's account. The Client shall provide to the Company all information reasonably requested by the Company to fulfill its obligations under this Agreement. The Client shall report to the Company any material changes in its exposures, loss or other relevant items which are pertinent to the provision of services under this Agreement. The Company may rely on

3.2 Termination. The Company or the Client may terminate this Agreement without cause at any time upon thirty (30) days written notice. Either party may terminate this Agreement without notice and for cause, which shall include a material breach of this Agreement, including non-payment of fees, gross negligence, or illegal act by the other party. In the event of an early termination of this Agreement, the Company's fee will be deemed earned on a pro-rata basis except when policies of insurance have been substantially negotiated or placed, in which event, the minimum earned fee shall be no less than 50% of annual fee stated in paragraph 2.1.

4. Sources of Insurer Compensation. The Company may, whether related or unrelated to the services provided under this Agreement, be compensated from insurance companies in a variety of ways, including the following:

4.1 Regular Commissions. Insurance companies with which the Company places business generally pay the Company commissions for the placement or renewal of policies. In most cases, such commissions are calculated as a percentage of the premium paid to the insurance company for a specific policy and are included in the Client's premium costs. Occasionally the commission may be a fixed amount negotiated between the Company and the insurance company.

4.2 Contingent Commissions and Other Incentive Payments. Many of the insurers with which the Company places business grant the Company the opportunity to receive contingent commissions or supplemental income. Unlike regular commissions, contingent commissions and supplemental income are not tied to a specific policy, but rather are generally tied to various criteria relating to the overall business the Company places with those insurers, typically measured on an annual basis. These contingent commissions and supplemental income may be based on several factors relating to the business placed by the Company with the insurance company, including growth in premium, loss ratios, total written premium, premium volume, retention of business, profitability and/or other criteria. In connection with the placement of insurance, the Company may also receive compensation from intermediaries, such as wholesalers, other agencies and brokers, or re-insurers. In addition, some insurance companies offer the Company other incentives or payments, such as marketing or administrative support, promotional fees, educational costs, and/or prizes, gifts, or awards (e.g. meals, trips, etc.). In some cases, the Company may enter into relationships with an insurance company whereby the Company provides the insurer with additional services for which the Company receives a fee, such as premium finance contracts, policy or claims administration, or loss control services. In some cases, the Company may own stock in an insurance company or reinsurance company.

4.3 Interest Income. In some cases, where the Client pays for insurance policies through the Company, instead of by direct payment to the insurance company which issued the policy, the Company may receive income from interest occurring on amounts held for payment to insurers.

4.4 Additional Information Available. The Company will disclose to the Client upon its request, to the extent reasonably possible, the actual or anticipated compensation the Company receives in connection with the issuance or placement of insurance business on behalf of the Client and will upon the Client's request provide additional information about the Company's contingency fee and supplemental income arrangements with insurance companies.

COMPANY: HAYS COMPANIES, INC.

By: _____

Its: _____

Print Name: _____

CLIENT: City of McCook

By: _____

Its: _____

Print Name: _____

**CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING**

4.G.
ITEM NO. Approve the Insurance Services Agreement between Hays Companies, Inc. and the City of McCook for medical insurance brokerage services.

BACKGROUND:

Hays Companies, Inc. has provided medical insurance brokerage services for the City of McCook for over 10 years. The original contract has expired. A new contract is necessary. A new 3 year agreement has been proposed by Hays Companies, Inc. The primary change in the proposed agreement is an increase of the annual fee, from \$30,000 to \$40,000. While the jump is relatively steep, the original contract was scheduled to expire after 3 years. Hays Companies, Inc. and the City of McCook didn't realize the agreement expired and continued to operate under the original terms for 7 years. During the past 7 years, there probably should have been at least two contract renewals. Hays Companies, Inc. is an integral partner to the City of McCook. Staff relies on Hays Companies' expertise to assist in navigating the City's employees health insurance plan while providing recommendations to make sure our plan doesn't become too cost heavy. Hays Companies, Inc. assures that the City stays in compliance with the Affordable Care Act. Hays Companies, Inc. bids out our reinsurance quotes on an annual basis and has done an excellent job of keeping our reinsurance expenses down. Case in point, this years quote came in under the prior year's reinsurance quote. The lower quote can be partially attributed to Hays Companies' diligent work behind the scenes. In addition to assisting in cost savings, Hays Companies' staff is extremely responsive to any needs or concerns expressed by City Staff. Hays Companies, Inc. have been an excellent partner to the City of McCook. Staff recommends the proposed agreement be approved and the relationship between the two entities continue.

APPROVALS:



March 29, 2020

Lea Ann Doak, City Clerk



March 29, 2020

Nate Schneider, City Manager

INSURANCE SERVICES AGREEMENT

This **Insurance Services Agreement** ("Agreement") is made and entered into effective this **1st day of April, 2020**, by and between **Hays Companies, Inc.** ("Company") and the **City of McCook** ("Client").

WHEREAS, the Client desires to retain the Company to perform certain insurance-related services as set forth in this Agreement; and

WHEREAS, the Company is in the business of providing such services;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Services.

1.1 General. The Client hereby retains the Company, upon the terms and conditions set forth herein, to provide the services set forth in this Agreement regarding the following lines of Health and Welfare benefits:

***Medical/PBM
Stop-Loss
Dental
Vision
Basic Life and AD&D***

***Short-Term Disability
Long-Term Disability
COBRA
Flexible Spending Account (FSA)***

1.2 Types of Services. The Company and/or its affiliates shall provide the following services to the Client under this Agreement:

1. Review the Client's Employees Benefits Program, on a continuing basis to ensure that those plans are compliant with federal requirements and their adequacy of benefits with respect to other plans. Recommend alternative benefit designs or delivery systems as dictated by emerging plan costs or benefit practices.
2. Review and reaffirm changes to the goals and objectives of the benefit design. Notify, monitor and provides information on pending or new legislation including, but not limited to, Patient Protection and Affordable Care Act and HIPPA and changes in tax laws. Consult on benefit and funding trends that may affect the benefits program, applying assumptions to various scenarios, often with only a few hours' notice. Advise Client of market and like business benefit trends. Recommend appropriate action to be taken by the Client's Employee Benefits Program.
3. Annually, provide a formal analysis and benchmark report of Client's Employee Benefits Program in comparison to competitors.
4. Provide the Client's Employee Benefits Program with (1) writing plan modifications and new plans (2) assisting in the amendment approval process (3) submitting written reports and other documents as required by the Federal Government and (4) evaluate potential benefit plan cost reductions.
5. Collect schedules from Client's TPA/carriers and prepare 5500 Forms for any and all health and welfare programs.

6. Prepare/develop "Request for Proposal" for products necessary to implement the benefit plans or for competitive analysis of marketplace costs to ensure Client receives the best possible pricing.
7. Manage the vendor renewal/selection process, including contract negotiations with the third-party administrator (TPA) or insurance carrier.
8. Review contracts, plan documents, summary plan descriptions, insurance policies and other documents for applicability, accuracy and consistency. Prepare and deliver necessary reports to the Client's Employee Benefits Program.
9. Prepare alternative funding analysis and conduct actuarial analysis of claims reserves and funds requirements as requested.
10. Provide any necessary actuarial services, including projecting funding needs for upcoming fiscal year.
11. Maintain records of the financial and claims experience, condition, and progress of Client's plans and provides quarterly reports.
12. Review all benefit services for technical accuracy.
13. Participate with Client when requested in communications and actions with the insurance and healthcare reimbursement carriers; and with boards or other independent bodies.
14. Prepare the Client's Employees Benefit Program and wellness communication materials. Provide print ready communication materials.
15. Conduct employee education meetings as requested.
16. Personal availability for meetings as required. Provide a backup service person that is knowledgeable about the Employee Benefits Program.
17. Adjudication of specific claims when requested by Client.
18. Discuss and coordinate information with other consultants employed with Client when requested.
19. Participate in appropriate audits of vendors, based on a statistically valid stratified random sample that achieves a minimum 95% confidence level and prepare comprehensive and detailed reports, and recommendations of the audit findings, review results with Client's plan administrators. The audit will include, but not be limited to, the following:
 - A detailed operation review of the third-party claims administrator, which includes, but is not limited to,
 - Claims payment system;
 - Claims procedure and office work flow;
 - Forms and communication process;
 - Training programs and employee evaluation process,
 - Exception processing;
 - Cost containment procedures;
 - Quality and quantity of procedural manuals provided to claims processing, customer service, etc.
 - Internal audit system;
 - Mail receipt and tracking;
 - Evaluation of the security of records and data;
 - Evaluation of customer service, including communication of the Plans' benefits, policies and procedures; and
 - Security and override procedures relating to approval of claims and access to records.
 - A comprehensive, objective review of 100% of the received and processed claims to determine whether the claims are adjudicated according to contractual

performance standards, appropriate benefits, and industry standards which includes, but is not limited to,

- A statistically valid stratified random sample that achieves a minimum 95% confidence level;
 - On-site review of transactions processed by the third party claims administrator, including the reprocessing of claims to evaluate the third party claims administrators process and systems relating to such areas as: eligibility, coding, pricing including proper application of allowable charge and discount arrangements, deductible accumulators, identification of duplicate bills, application of Plan benefits, COB, medical necessity, ineligible/eligible charges, compliance with the Plans' Master Plan Document, timeliness of processing, interaction with other vendors, and file documentation;
20. Provide liaison services between Client's Employee Benefits Program and other benefits contractors, including coordination of reporting and assistance resolving claims.
 21. Prepare the quarterly financial reports for the self-funded plan. Conduct quarterly meetings, or more often if necessary, to review the financials, utilization and benefits design.
 22. Manage annual open enrollment process with TPA/Carrier.
 23. Prepare strategic plan for Client's Employee Benefits Program.
 24. Provide ongoing customer support to address claims, billings, benefit, eligibility and other service issues.
 25. Perform special projects as requested by Client. For example:
 - Develop and assist in implementation of new insurance plans.
 - Assist in drafting, reviewing, issuing and evaluating requests for proposals and invitations to bid.
 - Advise Client in contract negotiations and renewals.
 - Assist in developing the costs associated with various issues involving the benefit plans.
 - Assist with special employee communication projects, which may result from legislative or regulatory changes.
 - Prepare special reports showing claims experience.
 26. Responsible for maintaining the confidentiality of Client's records and data, which cannot be sold, shared or otherwise disclosed to other companies or individuals without written permission from Client's Employee Benefits Plan Officials.
 27. Assist Client with the development of performance guarantees relating to vendors' performance of services to the Client's Benefits Plan Administrator and evaluate the performance of vendors.
 28. Provide medical and dental management oversight including, but not limited to precertification requirements, paid claims, prescription drug utilization and high cost claims/stop loss.
 29. Assist Client with wellness programs and provides continuing consultative services for the development and improvement of Client's wellness program.
 30. Provide recommendations on voluntary benefit plans.

1.3 Information. The Company shall make available to the Client upon its request documents and information reasonably requested relating to the Client's account. The Client shall provide to the Company all information reasonably requested by the Company to fulfill its obligations under this Agreement. The Client shall report to the Company any material changes in its exposures, loss or other relevant items which are pertinent to the provision of services under this Agreement. The Company may rely on

all information provided by the Client and on all decisions made and approvals given by the Client about this Agreement. The Company is under no obligation to verify the accuracy or completeness of the information provided by the Client, and the Company shall have no liability or responsibility for any inaccuracies in the information provided by the Client. The Company may supply information provided by the Client to any insurance company or intermediary or employee as necessary to fulfill its obligations under this Agreement, but will otherwise take reasonable steps to ensure the confidentiality of such information.

1.4 Placement of Insurance. The Company is hereby authorized to assist the Client in discussions and transactions with insurance companies, provided that the Company shall not place any insurance coverage on behalf of the Client unless authorized by the Client to do so. The parties acknowledge that the Company sells insurance and that the Client is under no obligation to purchase any insurance through the Company and that the Company does not have the authority to make binding commitments on behalf of any insurance company. Upon request, the Company shall provide to the Client additional information about its licensure status and the companies by which it is appointed to sell insurance.

1.5 Additional Available Services. The Company may be able to make available to the Client, for an additional negotiated fee, additional services. The Client may consult with the Company if it needs additional services.

2. Compensation. The Client shall pay to the Company the following negotiated fees, which the parties agree are reasonable in relation to the services to be performed under this Agreement:

2.1 Fees. Company will perform its services on a fee or commission basis. Client shall pay the Company an annual fee of **\$40,000**, payable monthly or quarterly. Client shall remit payment to the Company within thirty (30) days of receipt of each such invoice, if applicable. Annual fee will be guaranteed not to increase until April 1, 2023.

Many insurers with which Company places business, grant Company the opportunity to receive contingent commissions or other supplemental income generally tied to various criteria relating to the overall business the Company places with those insurers rather than to any specific policy. If Company receives and retains contingent compensation or other supplemental income, Company will notify Client and offset any future direct compensation.

2.2 Substantial Changes. If there are significant changes in the Client's operations which materially affect the nature and scope of the Company's obligations under this Agreement, the Company and the Client shall negotiate in good faith an appropriate modification of the fees payable under this Agreement.

3. Term of Agreement.

3.1 Duration. This Agreement shall remain in effect for three (3) years after the effective date and may be extended for subsequent periods by mutual written agreement of the parties.

3.2 Termination. The Company or the Client may terminate this Agreement without cause at any time upon thirty (30) days written notice. Either party may terminate this Agreement without notice and for cause, which shall include a material breach of this Agreement, including non-payment of fees, gross negligence, or illegal act by the other party. In the event of an early termination of this Agreement, the Company's fee will be deemed earned on a pro-rata basis except when policies of insurance have been substantially negotiated or placed, in which event, the minimum earned fee shall be no less than 50% of annual fee stated in paragraph 2.1.

4. Sources of Insurer Compensation. The Company may, whether related or unrelated to the services provided under this Agreement, be compensated from insurance companies in a variety of ways, including the following:

4.1 Regular Commissions. Insurance companies with which the Company places business generally pay the Company commissions for the placement or renewal of policies. In most cases, such commissions are calculated as a percentage of the premium paid to the insurance company for a specific policy and are included in the Client's premium costs. Occasionally the commission may be a fixed amount negotiated between the Company and the insurance company.

4.2 Contingent Commissions and Other Incentive Payments. Many of the insurers with which the Company places business grant the Company the opportunity to receive contingent commissions or supplemental income. Unlike regular commissions, contingent commissions and supplemental income are not tied to a specific policy, but rather are generally tied to various criteria relating to the overall business the Company places with those insurers, typically measured on an annual basis. These contingent commissions and supplemental income may be based on several factors relating to the business placed by the Company with the insurance company, including growth in premium, loss ratios, total written premium, premium volume, retention of business, profitability and/or other criteria. In connection with the placement of insurance, the Company may also receive compensation from intermediaries, such as wholesalers, other agencies and brokers, or re-insurers. In addition, some insurance companies offer the Company other incentives or payments, such as marketing or administrative support, promotional fees, educational costs, and/or prizes, gifts, or awards (e.g. meals, trips, etc.). In some cases, the Company may enter into relationships with an insurance company whereby the Company provides the insurer with additional services for which the Company receives a fee, such as premium finance contracts, policy or claims administration, or loss control services. In some cases, the Company may own stock in an insurance company or reinsurance company.

4.3 Interest Income. In some cases, where the Client pays for insurance policies through the Company, instead of by direct payment to the insurance company which issued the policy, the Company may receive income from interest occurring on amounts held for payment to insurers.

4.4 Additional Information Available. The Company will disclose to the Client upon its request, to the extent reasonably possible, the actual or anticipated compensation the Company receives in connection with the issuance or placement of insurance business on behalf of the Client and will upon the Client's request provide additional information about the Company's contingency fee and supplemental income arrangements with insurance companies.

5. **Miscellaneous.**

5.1 **Independent Contractor Status.** This Agreement is one of an independent contractor relationship and does not constitute any type of employment, partnership, joint venture, or similar undertaking between the Company and Client.

5.2 **Legal Responsibility.** Neither party shall have liability for any failure or delay in performance of its obligations under this Agreement because of circumstances beyond its reasonable control, including, without limitation, acts of God, fires, floods, earthquakes, acts of war or terrorism, civil disturbances, sabotage, etc. The Company shall not be responsible for the solvency or claims payments or denials of any insurance company. The Company shall not be responsible for the adequacy or effectiveness of any insurance policies or programs arranged by another broker prior to the retention of the Company. Within four (4) months after being retained by the Client, however, the Company shall review the Client's existing insurance programs and policies and make recommendations to the Client concerning its insurance programs. The Company shall not be liable for any special, consequential, or punitive damages or for any lost profit or other economic loss in connection with, or arising out of, services provided under this Agreement.

5.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without reference to its conflicts or choice of law principles.

5.4 **Entire Agreement.** This Agreement constitutes the entire and complete understanding of the parties with respect to the subject matter contained herein and supersedes all prior oral or written agreements, understandings, and negotiations with respect to such matters. This Agreement may be modified or amended only in a writing signed by the parties.

5.5 **No Waiver.** No failure or delay on the part of any party in exercising any of its rights, powers, or remedies hereunder shall operate as a waiver thereof.

5.6 **Assignments.** This Agreement may not be assigned by either party without the prior written consent of the other.

5.7 **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision had been omitted.

COMPANY: HAYS COMPANIES, INC.

By: _____

Its: _____

Print Name: _____

CLIENT: City of McCook

By: _____

Its: _____

Print Name: _____

**CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING**

5.A.
ITEM NO. _____ Approve the LB840 Economic Development Revolving Loan Fund Program loan for Young Bison Childcare in the amount of \$56,500 to assist with the necessary financing to purchase Kingdom Kids Daycare.

BACKGROUND:

Amanda Mullen, owner of Young Bison Childcare, intends to purchase Kingdom Kids Daycare in order to assure childcare services are available to McCook's families. Young Bison Childcare has requested an LB 840 Economic Development Revolving Loan Fund Program loan to provide gap financing for the purchase. The LB840 Economic Development Revolving Loan Fund Program Committee has approved a gap financing loan in the amount of \$56,500. The term of the loan is for 10 years at 3%. In addition to the LB 840 loan, Ms. Mullen will finance the purchase of the business through a bank loan in the amount of \$56,500. Kingdom Kids Daycare's owner will carry the remaining \$57,000. The total amount of the purchase price is \$170,000. The LB 840 loan will be secured by the property, with MEDC/City of McCook assuming second position to the traditional lender.

Because the loan involves real estate, the City Council must approve the loan. The McCook Economic Development Corporation's Board of Directors approved the loan at its March 23, 2020 meeting.

APPROVALS:



March 29, 2020

Lea Ann Doak, City Clerk



March 29, 2020

Nate Schneider, City Manager

CITY OF MCCOOK, NEBRASKA
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND PROGRAM
APPLICATION

Applicant Name: Amanda Mullen Title: _____
Company Name: Kingdom Kids Daycare / Young Bison Childcare
Address: 409 W 8th McCook, NE 68901
Street City State Zip Code

Telephone: (308) 340-8666

Contact Person (if different than applicant): _____

Telephone: (____) _____ mullen.amanda@gmail.com

Business Type: _____ Corporation, _____ Partnership, Sole Proprietor

IF COPORATION OR PARTNERSHIP LIST OFFICERS/PARTNERS:

Name: _____	Title: _____	Ownership: _____%
Name: _____	Title: _____	Ownership: _____%
Name: _____	Title: _____	Ownership: _____%
Name: _____	Title: _____	Ownership: _____%

Project Type: _____ Business Start-up _____ Business Expansion

Business Activity (Product or Service): providing childcare to community

Years in Business: _____ Current Employment: 5
(Full-Time Equivalent)

Proposed Employment: _____ (New/added jobs related to project)

Project Narrative: purchasing Kingdom Kids Daycare to continue providing childcare to the McCook community - going to make necessary building and policy changes to improve quality of care for children and their families

TYPE OF ASSISTANCE REQUESTED:

Loan Amount: \$ 50,500 Term: 10 Yrs Rate: 3 %

Use of Funds: Purchase Land Purchase Building
 (Check all that apply) Construction Renovation
 Mach/Equip Working Capital
 Interim Financing

Training Assistance Amount: \$ _____

Public Improvements Amount: \$ _____

Describe: _____

SOURCES AND USES OF ALL PROJECT FUNDS

Description	Cost	Bank Loan	City Loan	Equity
Land/Building	\$ _____	\$ 40,400 50,500	\$ 22,100 50,500	\$ _____
Mach/Equip	\$ _____	\$ _____	\$ _____	\$ _____
Work Capital	\$ _____	\$ _____	\$ _____	\$ _____
Interim Finance	\$ _____	\$ _____	\$ _____	\$ _____
Training	\$ _____	\$ _____	\$ _____	\$ _____
Public Improve	\$ _____	\$ _____	\$ _____	\$ _____
Other: <u>Just to carry</u>	\$ <u>57,000</u>	\$ _____	\$ _____	\$ _____
Project Totals	\$ _____	\$ _____	\$ _____	\$ _____

= \$ 170,000

To Be Included With Application:

- A. Resume of Principal (s)
- C. Business Plan (including):
 1. Cash flow and income projections monthly 1st yr. annually for next two years, including your assumptions
 2. Management plan
 3. Market demand summary/purchase orders
- D. Personal Financial Statement of Principal (s).

- E. Two years complete individual federal tax returns, if over 25% ownership (signed)
- F. Two years complete corporate tax returns (signed)
- G. Corporate balance sheets for the last 2 years (except startup)
- H. Articles of Incorporation, By-Laws, and Minutes of last meeting
- I. Corporate Resolution authorizing loan application
- J. Credit Bureau Report (CBR) for Shareholders with over 25% ownership
- K. Other information as requested by the Program Administrator or Loan Committee

The applicant hereby certifies that all information in this application, and all information furnished in support of this application is given for the purpose of obtaining assistance under the Economic Development Loan Program and is true and complete to the best of the Applicant's knowledge and belief. Verification may be obtained from any source named herein. Provided that any and all information related to the financial status of the business shall be held confidential and not subject to review by the public.

Signature of the Applicant: Amanda Miller

Date signed: 2 / 27 / 20 Title: _____



Referred to Loan Review Committee: 2 / 27 / 20

Recommendations:

Loan Review Committee: Approval Disapproval (reasons): _____
Passes 4-0



City Council Action: Date: ____/____/____ Resolution No: _____

Approval Disapproval (reasons): _____

**CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING**

5.B.

ITEM NO. ___ Receive and file a presentation from Andy Long regarding the LB 840 Economic Development Revolving Loan Fund Program and the potential restructuring of current loan terms to allow qualifying LB 840 Revolving Loan Fund Program borrowers to defer principal payments for 3 months as a result of Covid-19.

BACKGROUND:

At a special meeting of the MEDC Board of Directors held on March 30, 2020, the Board of Directors unanimously voted to allow qualifying LB 840 Economic Development Revolving Loan Fund Program borrowers to defer principal payments for 3 months to assist with continued business operations during the Covid-19 outbreak. Traditional lenders have adopted similar assistance measures to support businesses impacted by the virus.

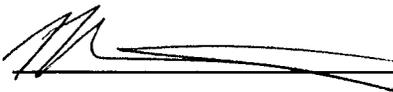
City Staff and MEDC Staff have reviewed the City's LB 840 Plan and it is our opinion that MEDC has the authority to renegotiate terms. The Plan does not require action from the Council to renegotiate the loan terms, but both City Staff and MEDC Staff feel it is best to keep the Council informed of potential loan modifications.

APPROVALS:



March 30, 2020

Lea Ann Doak, City Clerk



March 30, 2020

Nate Schneider, City Manager

**CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING**

5.C.
ITEM NO. ___ Receive and file a request from the Southwest Nebraska Community Theater Association to lease the southwest portion of the City of McCook Municipal Auditorium for storage purposes.

BACKGROUND:

A request has been made by the Southwest Nebraska Community Theater Association to lease the southwest portion of the City of McCook Municipal Auditorium for storage purposes. This is the area of the Auditorium that was utilized for the administrative staff. Currently, a portion of the Southwest Nebraska Community Theater Association's equipment is stored in the northeast portion of the Auditorium and the remainder is stored in the basement of the old Brown's Building located on Norris Avenue. The landlord of the old Brown's Building has informed the Southwest Nebraska Community Theater Association their lease won't be renewed.

APPROVALS:



March 30, 2020

Lea Ann Doak, City Clerk



March 30, 2020

Nate Schneider, City Manager

CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING

ITEM **5.D.** Adopt Resolution No. 2020-06 authorizing and designating the City Manager to declare that a local emergency exists; temporarily delegating the City Council's and Mayor's responsibility and authority under the City of McCook's Local Emergency Operation Plan to the City Manager to coordinate and manage the prevention preparations and the disaster and recovery operations during the current COVID-19 pandemic; and temporarily designating Nancy Pick to serve as the Public Information Officer under the City of McCook's Local Emergency Operation Plan with Jennifer Doucet to serve as the alternate.

BACKGROUND:

Almost all of Nebraska's Cities of the First Class have declared a local emergency in response to the COVID-19 pandemic. The City of McCook needs to make a similar declaration. By passing this Resolution, the City will be able to invoke mutual aid agreements which in turn allows the City to apply to the State of Nebraska and Federal Government for financial assistance and any other resources that may be necessary.

From research conducted by City Staff, it appears most Cities of the First Class declared a local emergency under the powers granted by Nebraska Revised Statute 81-829.50. Under this statute, the McCook City Council must pass a resolution naming the City Manager as the principal executive officer designated to determine that an emergency exists. There are provisions of our Local Emergency Operation Plan (LEOP) that conflict with the Nebraska Revised Statute 81-829.50. In order to harmonize state law (ie. Neb. Rev. Stat 81-829.5) and local policy (LEOP), the City Attorney has recommended that this Resolution also include wording that temporarily transfers the Mayor's authority outlined in our LEOP to the City Manager. The City Manager will be the individual who will be working with state, federal, and local agencies to assure compliance with COVID-19 mandates. The City Manager will have a better understanding of the needs of the departments due to the fact that he works closely with the department heads and supervisors on an everyday basis. Cities with a City Manager form of government place executive power with their City Managers. This Resolution is consistent with the legislative intent granted to cities that have adopted the City Manager form of government.

In addition to a declaration, Staff wants the resolution to name a temporary Public Information Officer (PIO). Per our LEOP, we need to identify a PIO. The PIO will serve as the City of McCook's messenger to the media and public in times of disaster. In the past, our Deputy City Clerk and Human Resources Director served as PIO. Staff would like our PIO to have a link to our public safety departments. To that end, it is recommended that Nancy Pick serve as PIO with Jennifer Doucet to serve as the alternate.

To assist with this item, the City Attorney has prepared a Memorandum detailing how the City of McCook would declare an emergency and what an emergency declaration would mean to the City of McCook. Also included with this item is the form of the Local Emergency Declaration. Finally, a Statement from the McCook City Manager that details the steps that have been taken by the City of McCook to date, plus a copy of Neb. Rev. Stat. 81-829.50

detailing the process for appointing the principal executive officer for declaration purposes, are included for your review.

APPROVALS:



Nathan A. Schneider, City Manager

April 1, 2020

Lea Ann Doak, City Clerk

April 1, 2020



Nathaniel J. Mustion, City Attorney

April 1, 2020

RESOLUTION NO. 2020-06

A RESOLUTION, PURSUANT TO NEBRASKA REVISED STATUTE § 81-829.50, AUTHORIZING AND DESIGNATING CITY MANAGER NATHAN A. SCHNEIDER TO DETERMINE THAT AN EMERGENCY WITHIN THE SCOPE OF HIS AUTHORIZATION EXISTS AND TEMPORARILY DELEGATING THE CITY COUNCIL'S AND THE MAYOR'S RESPONSIBILITY AND AUTHORITY UNDER THE CITY OF MCCOOK'S LOCAL EMERGENCY OPERATIONS PLAN TO CITY MANAGER NATHAN A. SCHNEIDER TO COORDINATE AND MANAGE THE PREVENTION PREPARATIONS AND THE DISASTER OPERATIONS AND RECOVERY DURING THE CURRENT *COVID-19 PANDEMIC*. FURTHER, NANCY PICK SHALL BE TEMPORARILY DESIGNATED UNDER THE CITY OF MCCOOK'S EMERGENCY OPERATIONS PLAN AS THE PUBLIC INFORMATION OFFICER WITH JENNIFER DOUCET SERVING AS ALTERNATE PUBLIC INFORMATION OFFICER.

WHEREAS, on March 13, 2020, Governor Ricketts declared a statewide emergency in response to the *COVID-19 Pandemic* facing the State of Nebraska. Nebraska municipalities are following suit by using Nebraska Revised Statute § 81-829.50 to declare local emergencies due to the likelihood that the local governments' response and recovery efforts will exceed the normal local capabilities.

WHEREAS, Nebraska Revised Statute § 81-829.50 authorizes local municipalities in Nebraska to declare a local emergency. A local emergency may be declared only by the principal executive officer of a local government who finds that conditions defined as a disaster or an emergency exist or by a person who by resolution has been authorized and designated by the governing board of a local government to determine that an emergency within the scope of his or her authorization exists.

WHEREAS, the City Council desires to authorize and designate City Manager Nathan A. Schneider to determine if and when an emergency within the scope of his authorization exists.

WHEREAS, the City of McCook's Emergency Operations Plan provides that the responsibility for the welfare of the residents during a disaster rests with the Mayor and the City

Council. The Mayor is responsible for the coordination and management of both the prevention preparations and the disaster operations and recovery.

WHEREAS, by reason of the fact that the City of McCook is a city manager form of local government, City Manager Nathan A. Schneider has more hands on experience and familiarity with the operations of the City's police and fire departments, the City desires to temporarily name City Manager Nathan A. Schneider as the temporary acting authority under the City of McCook's Emergency Operations Plan to coordinate and manage the City's *COVID-19 Pandemic* response. In said capacity, City Manager Nathan A. Schneider will serve under the Red Willow County Sheriff who is specifically named as Emergency Management Director under the Red Willow County, Nebraska Local Emergency Operations Plan.

WHEREAS, the City of McCook's Emergency Operations Plan does not currently name an active Public Information Officer. The City of McCook desires to name Nancy Pick of the McCook Fire Department as the temporary Public Information Officer and Jennifer Doucet of the McCook Police Department as the alternate Public Information Officer to serve when Ms. Pick is unavailable.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA:

SECTION 1. City Manager Nathan A. Schneider is hereby authorized and designated by the Mayor and Council of the City of McCook, Nebraska to determine that an emergency within the scope of his or her authorization exists and to publically declare such under authority granted in Nebraska Revised Statute § 81-829.50.

SECTION 2. City Manager Nathan A. Schneider is hereby designated as the temporary acting authority under the City of McCook's Emergency Operations Plan to coordinate and manage the City's *COVID-19 Pandemic* response. In said capacity, City Manager Nathan A. Schneider will serve under the Red Willow County Sheriff who is specifically named as Emergency Management Director under the Red Willow County, Nebraska Local Emergency Operations Plan.

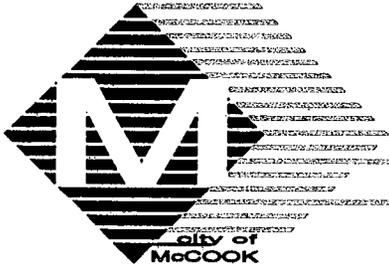
SECTION 3. Nancy Pick of the McCook Fire Department is hereby designated as the temporary Public Information Officer under the City of McCook's Emergency Operations Plan and Jennifer Doucet of the McCook Police Department as the alternate Public Information Officer to serve when Ms. Pick is unavailable.

PASSED AND APPROVED THIS 6th day of April, 2020.

Michael Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk



P.O. BOX 1059 · 505 West C Street · McCOOK, NE 69001 · PHONE (308) 345-2022 · FAX (308) 345-1461

LOCAL EMERGENCY DECLARATION

The City of McCook has been affected by the *Coronavirus (COVID-19) Pandemic Emergency* that commenced on March 13, 2020, and has spread across the country with confirmed cases in the State of Nebraska. This has put a strain on the ability of the City of McCook to meet the needs of its citizens and to respond to the pandemic.

Therefore, I, Nathan A. Schneider, the City Manager of the City of McCook, hereby declare a state of emergency authorized under Nebraska State Statute § 81-829.50 on behalf of the City of McCook, and will execute for and on behalf of the City of McCook, the expenditure of emergency funds from all available sources; the invoking of mutual aid agreements; applying to the State of Nebraska for assistance from the Governor's Emergency Fund; applying to the Federal Government for emergency assistance; and applying any other resources I deem necessary in the fulfillment of my duties.

Dated this 6th day of April, 2020.

Nathan R. Schneider, City Manager
City of McCook, Nebraska

IN WITNESS WHEREOF, I have hereunto affixed my hand and the seal this 6th day of March, 2020.

Lea Ann Doak, City Clerk
City of McCook, Nebraska

MOUSEL, BROOKS, SCHNEIDER & MUSTION, P.C., L.L.O.

TO: City of McCook
FROM: Nathaniel J. Mustion, Esq.
DATE: March 23, 2020
RE: Emergency Powers of Local Municipalities

QUESTIONS PRESENTED

1. Can a local municipality declare an emergency at the local level?
 - a. If it can, what is the process?
 - b. What does declaring a public emergency achieve for the municipality?

ANSWERS

Nebraska Revised Statute § 81-829.50 authorizes local municipalities in Nebraska to declare a local emergency when conditions defined as a disaster or an emergency exists. The Statute does not define when an emergency exists. However, the Red Willow County, Nebraska Local Emergency Operations Plan (herein referred to as the “LEOP”) defines “disaster” as:

an occurrence or imminent threat of widespread or severe damage, injury or loss of life or property resulting from any natural or man-made cause, including, but not limited to fire, flood, earthquake, wind, storm, chemical spill, or other water contamination requiring emergency action to avert danger or damage, epidemic, air contamination, blight, drought, infestation, explosion, riot, civil disturbance, or hostile military or para-military action.

On March 13, 2020, Governor Ricketts declared a statewide emergency in response to the *COVID-19 Pandemic* facing the country. Municipalities are following suit by using § 81-829.50 to declare local emergencies due to the likelihood that the local governments’ response and recovery efforts will exceed the normal local capabilities.

Under Neb. Rev. Stat. § 81-829.50, to declare a local emergency, McCook’s principal executive officer, Nathan A. Schneider, as City Manager, simply declares, by public proclamation, that conditions defined as a disaster or emergency exist in McCook. The proclamation would then be filed with the Nebraska Emergency Management Agency. However, under the LEOP, the Mayor is named as the responsible party for the coordination and management of both the prevention preparations and the disaster operations and recovery. In

order to harmonize State law and the LEOP, the Council should act to authorize Mr. Schneider to serve as the principal executive officer for purposes of the City's COVID-19 response. I recommend that, pursuant to § 81-829.50, the City Council pass a resolution authorizing Nathan A. Schneider, as McCook City Manager, to determine that an emergency within the scope of his authorization exists. A copy of the resolution must then be filed with the Nebraska Emergency Management Agency to be effective.

Due to McCook being a City Manager form of local government and the fact that Mr. Schneider has more hands on experience dealing with the operations of the City's police and fire departments, the City should include in the resolution a second provision naming Mr. Schneider as the temporary acting authority under the LEOP to coordinate and manage the City's *COVID-19 Pandemic* response. In said capacity, Mr. Schneider will serve under the Red Willow County Sheriff who is specifically named as Emergency Management Director under the LEOP.

Once given the authority to do so by the City Council, Mr. Schneider would then issue a declaration of a local emergency under § 81-829.50. The declaration must be on official City of McCook letterhead and must be promptly filed with the McCook City Clerk and with the Nebraska Emergency Management Agency. The Emergency Management Director will fax (402-471-7433) the local Declaration, then mail the hard copy original to the Nebraska Emergency Management Agency (2433 NW 24th Street, Lincoln, NE 68524).

Within the limitations stated in Neb. Rev. Stat. § 81-829.50, the public declaration of a local emergency shall be given prompt and general publicity through the Public Information Officer (herein referred to as the "PIO") named under the LEOP. Unfortunately, the current version of the LEOP does not specifically name who the PIO is. Thus, I suggest that the resolution that the City Council passes also include a provision naming a temporary Public Information Officer under the LEOP. I suggest that the City name Nancy Pick as the primary PIO and Jennifer Doucet as the alternate PIO to serve when Ms. Pick is unavailable. At a minimum, the Public Information Officer should run a press release of public declaration in the McCook Gazette. I also advise that the City Manager issue a statement in the McCook Gazette informing the public of all of the specific steps that have been taken by the City to protect the public and its employees.

The positive effect of a declaration of a local emergency is that it activates the response and recovery aspects of any and all applicable city, village, county, or inter-jurisdictional

emergency operations plans and to authorize the furnishing of aid and assistance under such plans. In other words, the declaration of a local emergency allows the City to access emergency City funds and to invoke mutual aid agreements which then allows the City to apply to the State of Nebraska and Federal Government for financial assistance and to use any other resources that the City deems necessary to protect the residents of McCook.

Furthermore, once a local emergency has been declared, the City may request technical assistance and resource support directly from State agencies, such as the Nebraska State Patrol, the Department of Roads, the State Fire Marshal, the Department of Environmental Quality, and the Nebraska Health and Human Services System. The Red Willow County Emergency Management Director will advise the Nebraska Emergency Management Agency of these requests.

The request for assistance should first be made under the LEOP by Red Willow County by implementing a mutual aid agreement within the County and with neighboring communities. If mutual aid resources are not sufficient, the Chief Executive or Incident Commander (Fire Chief Marc Harpham) may request assistance from the State through Red Willow County Emergency Management. A local disaster declaration must precede a request for State assistance. The Red Willow County Board of Commissioners will make this request through the Red Willow County Emergency Management Director to the Nebraska Emergency Management Agency. The Nebraska Emergency Management Agency will review the request, evaluate the overall disaster situation, and recommend action to the Governor.

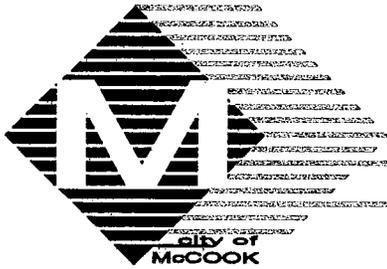
Pursuant to the LEOP, Red Willow County and the City of McCook must first fund disaster related costs from local contingency funds to the fullest extent possible. All disaster related expenditures must be documented using generally accepted accounting procedures. The State and Federal governments will conduct audits prior to providing reimbursements for eligible expenditures.

The possible extra expenditures that the City could incur due to the statewide emergency include, but are not limited to, overtime for our first responders and the need to purchase extra personal protective gear and specialized equipment for our first responders. The City has already had to purchase 1 piece of specialized equipment. The fire department purchased a specialized UV light to disinfect the City's ambulances and first responders PPE.

By declaring the public emergency and making a request for resources, the City gets a place in line for supplies handed out from the State's strategic stockpile. Red Willow County Public Health has already received some N-95 masks from the stockpile and has distributed some of them to our first responders. However, if our first responders get a deluge of calls due to COVID-19, there could be a shortage and any help the City can get from the State's strategic stockpile could be vital.

According to many news outlets, the country's first responders are some of the most vulnerable to the virus if they are not properly equipped. Some examples include San Jose California and New York City, New York. San Jose had 13 of its firefighters test positive for COVID-19 and another 75 other firefighters who may have been exposed to the novel coronavirus are being monitored. New York has approximately 150 Fire Department employees in quarantine after being exposed to the virus, including dozens of emergency medical service professionals. We, as a City, cannot let our first responders go without proper equipment during this pandemic.

The public declaration of a local emergency continues in effect until Mr. Schneider finds that the disaster or emergency has been dealt with to the extent that those conditions that created the disaster or emergency no longer exist. I suggest filing the discontinuance of the local emergency with the Nebraska Emergency Management Agency and publishing it on the City's website and in the local newspaper.



STATEMENT FROM MCCOOK CITY MANAGER

Due to the continuing concerns regarding COVID-19, City staff has taken precautionary steps to promote the safety and well-being of McCook's citizens. It is the City's intent to provide for the critical needs of our community while ensuring compliance with the safety guidelines issued by the Federal and State governments. Staff members will continue to evaluate the current situation in order to remain responsive to the public's needs while protecting the safety of McCook's citizens.

For the immediate future, the McCook Municipal Center and all other City buildings will remain locked and access will be limited to critical employees and elected/appointed officials only. Staff will still be available via telephone and email. Citizens are encouraged to contact staff using both of these methods. Additionally, the City of McCook's various departments have established the following policies:

1. Human Resources

- 1.1. Take appropriate precautions with employees who may travel outside of McCook;
- 1.2. Evaluate potential Federal and State mandates related to employee leave guidelines;
- 1.3. Provide guidance to all departments related to sanitation requirements;
- 1.4. Implement social distancing within work areas; and
- 1.5. Suspended all travel and training for employees.

2. Finance

- 2.1. Staff will utilize personal protective equipment to process payment and customer transactions;
- 2.2. Encourage customers to make payment for utility bills using the following methods:
 - 2.2.1. Online;
 - 2.2.2. Telephone;

- 2.2.3. Bank draft;
- 2.2.4. Drop Box; and
- 2.2.5. Mail.

3. **Airport**

- 3.1 Working with our Federal, State, and private partners to address any changes mandated for air travel. At this time, Essential Air Service will continue as scheduled.

4. **Library**

- 4.1. Closed to the public;
- 4.2. Suspended all meetings and programs;
- 4.3. Implemented curb-side pickup;
- 4.4. Encourage public to utilize all online resources; and
- 4.5. Only accept book returns via drop slot at the library.

5. **Utilities**

- 5.1. Public water system is safe;
 - 5.1.1. Bottled water is not necessary;
 - 5.1.2. Staff will not conduct in-house meter replacements; and
 - 5.1.3. Staff will not conduct in-house leak inspections.
- 5.2. Refuse collection will continue as normal;
- 5.3. The Recycling Center is closed and the public shall refrain from depositing recyclables in the public recyclable containers. All recyclables should be deposited in the normal trash; and
- 5.4. We will work with customers financially impacted by COVID-19 to develop a plan to continue water, sewer, and trash service.

6. **Building Code Services**

- 6.1. Encourage to apply for all permits online; and
- 6.2. Building inspector will use discretion for on-site inspections.

7. **City Clerk**

7.1 Implement videoconference abilities to allow for public meetings to continue as scheduled.

8. **Fire/EMT**

8.1. Cancel all fire prevention activities and fire station tours;

8.2. Fire department has cancelled all fire group training until further notice;

8.3. Fire department personnel will have access to online training tools and materials;
and

8.4. Limit personnel entering structures on non-emergency calls for service; and

8.5 Volunteers will respond to fire calls but will not assist on ambulance calls.

9. **Police**

9.1. Public access to secure areas of the City Law Enforcement Center is suspended, except for limited, essential services;

9.2. Officers are permitted to use telephone reporting for calls for service that do not require an immediate police response, or are non-critical contacts;

9.3. 911 Communications Staff have implemented a caller inquiry procedure. Callers will be asked if you or anyone you are living with have a fever, trouble breathing, a cough, have recently traveled overseas or out of state, and under voluntary or mandatory quarantine for any reason. An affirmative answer will result in a telephone response or "Doorway Triage" by 1st Responders with Personal Protective Equipment;

9.4. Staff is working on policy in response to recommendations by the Governor on limiting gatherings to no more than 10 people. Police personnel encourage voluntary compliance;

9.5. Non-critical out of town travel and training for members of McCook Police Department is suspended until further notice; and

9.6. Follow guidance from CDC, Southwest Nebraska Public Health Department, McCook Community Hospital and emergency management.

10. **Park & Recreation**

- 10.1. All organized events and rentals are cancelled for the immediate future;
- 10.2. The Jaycees Complex and Felling Field will be closed until further notice; and
- 10.3. All McCook public restrooms will be closed as it is not feasible for City staff to regularly clean and sanitize them.

11. **Senior Services**

- 11.1 Meals Wheels will continue to be served via volunteers. Additionally, curbside pick-up is available; and
- 11.2 Transit will continue to operate as scheduled with Transit Staff to sanitize the bus and van frequently.

81-829.50. Local emergency; declared; principal executive officer of a local government; effect; interjurisdictional emergency management organization.

(1) A local emergency may be declared only by the principal executive officer of a local government who finds that conditions defined as a disaster or an emergency exist or by a person who by resolution has been authorized and designated by the governing board of a local government to determine that an emergency within the scope of his or her authorization exists. A copy of the resolution shall be filed with the Nebraska Emergency Management Agency to be effective. The proclamation shall continue in effect until the principal executive officer finds that the disaster or emergency has been dealt with to the extent that those conditions no longer exist. The local governing body by resolution may terminate a local state of emergency proclamation at any time, and upon such termination the principal executive officer shall terminate the proclamation. Any order or proclamation declaring, continuing, or terminating a local emergency shall be given prompt and general publicity and shall be filed promptly with the clerk of the local government and the Nebraska Emergency Management Agency.

(2) The effect of a declaration of a local emergency shall be to activate the response and recovery aspects of any and all applicable city, village, county, or interjurisdictional emergency operations plans and to authorize the furnishing of aid and assistance under such plans.

(3) No interjurisdictional emergency management organization or official thereof may declare a local emergency unless expressly authorized by the agreement pursuant to which the organization functions, but an interjurisdictional emergency management organization shall provide aid and services in accordance with the agreement and emergency operations plan pursuant to which it functions.

Source: Laws 1973, LB 494, § 15; Laws 1996, LB 43, § 30.

**CITY MANAGER'S REPORT
MARCH 16, 2020 CITY COUNCIL MEETING**

ITEM: **5.E.**

Approve Ordinance No. 2020-3002 on its third and final reading, amending 95.03 and 95.35, and repealing 95.05 of the City of McCook Code of Ordinances, Chapter 95: Nuisance; Health and Sanitation.

BACKGROUND:

The City Manager's Report prepared for the March 2 meeting is attached for your reference.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

March 24, 2020



Nathan A. Schneider, City Manager

March 24, 2020

ORDINANCE NO. 2020-3002

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 95: NUISANCE; HEALTH AND SANITATION, OF THE CITY OF MCCOOK CODE OF ORDINANCES; RELATING TO ABATEMENT OF NUISANCES; CLARIFYING LANGUAGE RELATING TO COSTS OF ABATEMENTS BEING COLLECTED AS A SPECIAL ASSESSMENT; AND RELATING TO WEEDS, LITTER AND STAGNANT WATER; CLARIFYING EXTRATERRITORIAL JURISDICTION TO ENFORCE REGULATIONS; DELETING SECTION 95.05 - INTERVENTION OF ADJOINING LAND OWNER; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA:

SECTION 1. That Chapter 95: Nuisance; Health and Sanitation, of the City of McCook Code of Ordinances, Section 95.03 - Abatement Procedure, shall be amended to read as follows:

§ 95.03 ABATEMENT PROCEDURE.

(A) It shall be the duty of every owner, occupant, lessee, or mortgagee of real estate in the municipality to keep such real estate free of public nuisances. The Board of Health shall inspect the property as shall come to its attention as being in violation of these requirements. Should the owner of any property prohibit the Board of Health from entering upon the property to make inspection, the Board shall apply to the County or District Court for an order authorizing inspection of the property.

(B) Upon determination by the Board of Health or designated official that the owner or occupant of any such real estate has failed to keep the real estate free of nuisances, notice to abate and remove such nuisance and notice of the right to a hearing before the governing body and the manner in which it may be requested shall be given to each owner or owner's duly authorized agent and to the occupant, if any, by personal service or by certified mail. If notice by personal service or certified mail is unsuccessful, notice shall be given by publication in a newspaper of general circulation in the municipality or by conspicuously posting the notice on the real estate upon which the nuisance is to be abated and removed. The notice shall describe the condition as found by the Board of Health or designated official and state that the condition has been declared a nuisance and must be remedied at once.

(C) If within five days after receipt of such notice or publication or posting, whichever is applicable, the owner or occupant of the real estate does not request a hearing with the municipality or fails to comply with the order to abate and remove the nuisance, the municipality may have such work done.

(D) If within five days after receipt of such notice or publication or posting,

whichever is applicable, the owner or occupant requests in writing a hearing with the governing body, the governing body shall fix a time and place at which a hearing will be held. Notice of the hearing shall be given by personal service or certified mail and require the owner or occupant to appear before the governing body to show cause why such condition should not be found to be a nuisance and remedied. The notice shall be given not less than 7 nor more than 14 days before the time of the hearing. Upon the date fixed for the hearing and pursuant to the notice, the governing body shall hear all objections made by the owner or occupant and shall hear evidence submitted by the Board of Health or designated official. If after consideration of all the evidence, the governing body finds that the condition is a nuisance, it shall, by resolution, order and direct the owner or occupant to remedy the nuisance at once. If the owner or occupant refuses or neglects to promptly comply with the order to abate and remove the nuisance, the governing body may have such work done.

(E) The costs and expenses of any such work shall be paid by the owner. If unpaid for two months after such work is done, the municipality may either:

(1) Levy and assess the costs and expenses of the work upon the real estate so benefitted as a special assessment in the same manner as other special assessments for improvements are levied and assessed; or

(2) Recover in a civil action the costs and expenses of the work upon the real estate and the adjoining streets and alleys.

SECTION 2. That Chapter 95: Nuisance; Health and Sanitation, of the City of McCook Code of Ordinances, Section 95.05 - Intervention of Adjoining Land Owner, shall be deleted in its entirety.

SECTION 3. That Chapter 95: Nuisance; Health and Sanitation, of the City of McCook Code of Ordinances, Section 95.35 - Weeds; Litter; Stagnant Water shall be amended to read as follows:

§ 95.35 WEEDS; LITTER; STAGNANT WATER.

(A) Lots or pieces of ground within the municipality or within its extraterritorial zoning jurisdiction shall be drained or filled so as to prevent stagnant water or any other nuisance accumulating thereon.

(B) The owner or occupant of any lot or piece of ground within the municipality or within its extraterritorial zoning jurisdiction shall keep the lot or piece of ground and the adjoining streets and alleys free of any growth of 12 inches or more in height of weeds, grasses, or worthless vegetation.

(C) The throwing, depositing, or accumulation of litter on any lot or piece of ground within the municipality or within its extraterritorial zoning jurisdiction is prohibited.

(D) It is hereby declared to be a nuisance to permit or maintain any

growth of 12 inches or more in height of weeds, grasses, or worthless vegetation on any lot or piece of ground within the municipality or within its extraterritorial zoning jurisdiction or on the adjoining streets or alleys or to litter or cause litter to be deposited or remain thereon except in proper receptacles.

(E) Any owner or occupant of a lot or piece of ground shall, upon conviction of violating this section, be guilty of an offense.

(F) (I) Notice to abate and remove such nuisance shall be given to each owner or owner's duly authorized agent and to the occupant, if any. Notice shall be given by first-class mail or by personal service. If notice is given by first-class mail, such mail shall be conspicuously marked as to its importance. Within five days after receipt of such notice, the owner or occupant of the lot or piece of ground may request a hearing with the municipality to appeal the decision to abate or remove a nuisance by filing a written appeal with the office of the Clerk. A hearing on the appeal shall be held within 14 days after the filing of the appeal and shall be conducted by the City Manager. The City Manager shall render a decision on the appeal within five business days after the conclusion of the hearing. If the appeal fails, the municipality may have such work done. Within five days after receipt of such notice, if the owner or occupant of the lot or piece of ground does not request a hearing with the municipality or fails to comply with the order to abate and remove the nuisance, the municipality may have such work done.

(2) The costs and expenses of any such work shall be paid by the owner. If unpaid for two months after such work is done, the municipality may either:

(a) Levy and assess the costs and expenses of the work upon the lot or piece of ground so benefitted as a special assessment in the same manner as other special assessments for improvements are levied and assessed; or

(b) Recover in a civil action the costs and expenses of the work upon the lot or piece of ground and the adjoining streets and alleys.

(G) For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

LITTER. Includes but is not limited to:

(a) Trash, rubbish, refuse, garbage, paper, rags, and ashes;

(b) Wood, plaster, cement, brick, or stone building rubble;

(c) Grass, leaves, and worthless vegetation except when used as ground mulch or in a compost pile;

(d) Offal and dead animals; and

(e) Any machine or machines, vehicle or vehicles, or parts of a machine or vehicle which have lost their identity, character, utility, or serviceability as such through deterioration, dismantling, or the ravages of time, are inoperative or unable to perform their intended functions, or are cast off, discarded, or thrown away or left as waste, wreckage, or junk.

WEEDS. Includes, but are not limited to: bindweed (*Convolvulus arvensis*), puncture vine (*Tribulus terrestris*), leafy spurge (*Euphorbia esula*), Canada thistle (*Cirsium arvense*), perennial peppergrass (*Lepidium draba*), Russian knapweed (*Centaurea picris*), Johnson grass (*Sorghum halepense*), nodding or musk thistle, quack grass (*Agropyron repens*), perennial sow thistle (*Sonchus arvensis*), horse nettle (*Solanum carolinense*), bull thistle (*Cirsium lanceolatum*), buckthorn (*Rhamnus sp.*) (tourn), hemp plant (*Cannabis sativa*), and ragweed (*Ambrosiaceae*).

Weeds, grasses, and worthless vegetation does not include vegetation applied or grown on a lot or piece of ground outside the corporate limits of the municipality but inside the municipality's extraterritorial zoning jurisdiction expressly for the purpose of weed or erosion control.
(Neb. RS 16-230, 17-563)

SECTION 4. Any other ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

SECTION 5. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED THIS _____ day of _____, 2020.

Michael D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk

Publish:

**CITY MANAGER'S REPORT
MARCH 2, 2020 MCCOOK CITY COUNCIL MEETING**

4.E.
ITEM NO. Approve Ordinance No. 2020- 3002 on first reading amending 90.03 and 95.35, and repealing 95.05 to the City of McCook Code of Ordinances, Chapter 95: Nuisance; Health and Sanitation.

BACKGROUND:

Every year, the League of Nebraska Municipalities Codification Service reviews legislation passed during the year and prepares model ordinances based on the legislation. Staff and the city attorney have reviewed the recently proposed model ordinances. Based on our review, there are some ordinance changes staff recommends. We will present each recommendation separately, with its own individual staff report.

With respect to Chapter 95: Nuisance; Health and Sanitation, staff recommends an amendment to Section 95.03: Abatement Procedure. In particular, the amendment will provide more clarity regarding the notice requirements provided to the stakeholders, assuring that the City of McCook complies with state law. Additionally, the proposed ordinance spells out an appeals procedure whereby definite timelines are established. In addition to the amendment to Section 95.03, staff recommends repealing Section 95.05: Intervention of Adjoining Land Owner. During the review of the City's current ordinance, it was determined that it is not in the best interest of the nuisance case to allow an adjacent property owner to intervene.

Additionally, staff is recommending the amendment of Section 95.35: Control of Weeds, Litter, Stagnant Water. The proposed amendment establishes an appeals process whereby a hearing on an appeal will be held within 14 days after the filing of the appeal. The ordinance also sets the time in which the governing body may render an order pursuant to the appeal.

APPROVALS:



Nathan A. Schneider, City Manager

February 27, 2020



Lea Ann Doak, City Clerk

February 27, 2020

Nathaniel J. Mustion, City Attorney

February 27, 2020

Isaac S. Brown, Police Chief

February 27, 2020

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: 5.F.

Approve Ordinance No. 2020-3003 on its third and final reading, amending 130.32 of the City of McCook Code of Ordinances, Chapter 130: General Offenses as it pertains to Abandoned Vehicles.

BACKGROUND:

The City Manager's Report prepared for the March 2 meeting is attached for your reference.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

March 24, 2020



Nathan A. Schneider, City Manager

March 24, 2020

ORDINANCE NO. 2020-3003

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 130: GENERAL OFFENSES - OFFENSES AGAINST THE PEACE, OF THE CITY OF MCCOOK CODE OF ORDINANCES; AMENDING SECTION 130.32 - ABANDONED AUTOMOBILES; ADDING NEW PROVISIONS RELATED TO REMOVING ABANDONED VEHICLES FROM PRIVATE PROPERTY; REVISING PROVISIONS RELATING TO REMOVING ABANDONED VEHICLES FROM PUBLIC PROPERTY; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA:

SECTION 1. That Chapter 130: General Offenses, of the City of McCook Code of Ordinances, Section 130.32 - Abandoned Automobiles, shall be and is hereby amended to read as follows:

§ 130.32 ABANDONED VEHICLES.

(A) For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

ABANDONED VEHICLE.

(a) A motor vehicle is an **ABANDONED VEHICLE**:

(i) If left unattended, with no license plates or valid In Transit stickers issued pursuant to the Motor Vehicle Registration Act affixed thereto, for more than six hours on any public property;

(ii) If left unattended for more than 24 hours on any public property, except a portion thereof on which parking is legally permitted;

(iii) If left unattended for more than 48 hours, after the parking of such vehicle has become illegal, if left on a portion of any public property on which parking is legally permitted;

(iv) If left unattended for more than seven days on private property if left initially without permission of the owner, or after permission of the owner is terminated;

(v) If left for more than 30 days in the custody of a city law enforcement agency after the agency has sent a letter to the last-registered owner under division (D) of this section; or

(vi) If removed from private property by the municipality pursuant to a city ordinance or this code.

(b) An all-terrain vehicle or minibike is an **ABANDONED VEHICLE**:

(i) If left unattended for more than 24 hours on any public property, except a portion thereof on which parking is legally permitted;

(ii) If left unattended for more than 48 hours, after the parking of such vehicle has become illegal, if left on a portion of any public property on which parking is legally permitted;

(iii) If left unattended for more than seven days on private property if left initially without permission of the owner, or after permission of the owner is terminated;

(iv) If left for more than 30 days in the custody of a municipality law enforcement agency after the agency has sent a letter to the last-registered owner under division (D) of this section; or

(v) If removed from private property by the municipality pursuant to a city ordinance or this code.

(c) A **MOBILE HOME** is an abandoned vehicle if left in place on private property for more than 30 days after a local governmental unit, pursuant to an ordinance or resolution, has sent a certified letter to each of the last-registered owners and posted a notice on the mobile home, stating that the mobile home is subject to sale or auction or vesting of title as set forth in Neb. RS 60-1903.

(d) No motor vehicle subject to forfeiture under Neb. RS 28-431 shall be an **ABANDONED VEHICLE** under this division (A).

MOBILE HOME. A movable or portable dwelling constructed to be towed on its own chassis, connected to utilities, and designed with or without a permanent foundation for year-round living. It may consist of one or more units that can be telescoped when towed and expanded later for additional capacity, or of two or more units, separately towable but designed to be joined into one integral unit, and shall include a manufactured home as defined in Neb. RS 71-4603. **MOBILE HOME** does not include a mobile home or manufactured home for which an affidavit of affixture has been recorded pursuant to Neb. RS 60-169.

PRIVATE PROPERTY. Any privately owned property which is not included within the definition of public property.

PUBLIC PROPERTY. Any public right-of-way, street, highway, alley, or park or other state, county, or city-owned property. (Neb. RS 60-1901)

(B) If an abandoned vehicle, at the time of abandonment, has no license plates of the current year or valid In Transit stickers issued pursuant to Neb. RS 60-376 affixed and is of a wholesale value, taking into consideration the condition of the vehicle, of \$250 or less, title shall immediately vest in the municipality. Any certificate of title issued under this division to the municipality shall be issued at no cost to the municipality. (Neb. RS 60-1902)

(C) (1) Except for vehicles governed by division (B) of this section, the municipality shall make an inquiry concerning the last-registered owner of such vehicle as follows:

(a) Abandoned vehicle with license plates affixed, to the

jurisdiction which issued such license plates; or

(b) Abandoned vehicle with no license plates affixed, to the Department of Motor Vehicles.

(2) The municipality shall notify the last-registered owner, if any, that the vehicle in question has been determined to be an abandoned vehicle and that, if unclaimed, either:

(a) It will be sold or will be offered at public auction after five days from the date such notice was mailed; or

(b) Title will vest in the municipality 30 days after the date such notice was mailed.

(3) If the agency described in division (C)(1)(a) or (b) of this section also notifies the municipality that a lien or mortgage exists, such notice shall also be sent to the lienholder or mortgagee. Any person claiming such vehicle shall be required to pay the cost of removal and storage of such vehicle.

(4) Title to an abandoned vehicle, if unclaimed, shall vest in the municipality:

(a) Five days after the date the notice is mailed if the vehicle will be sold or offered at public auction under division (C)(2)(a) of this section;

(b) Thirty days after the date the notice is mailed if the municipality will retain the vehicle; or

(c) If the last-registered owner cannot be ascertained, when notice of such fact is received.

(5) After title to the abandoned vehicle vests pursuant to division (C)(4) of this section, the municipality may retain for use, sell, or auction the abandoned vehicle. If the municipality has determined that the vehicle should be retained for use, the municipality shall, at the same time that the notice, if any, is mailed, publish in a newspaper of general circulation in the jurisdiction an announcement that the municipality intends to retain the abandoned vehicle for its use and that title will vest in the municipality 30 days after the publication. (Neb. RS 60-1903)

(D) (1) If a municipality law enforcement agency has custody of a motor vehicle for investigatory purposes and has no further need to keep it in custody, it shall send a certified letter to each of the last-registered owners stating that the vehicle is in the custody of the law enforcement agency, that the vehicle is no longer needed for law enforcement purposes, and that after 30 days the agency will dispose of the vehicle.

(2) This division shall not apply to motor vehicles subject to forfeiture under Neb. RS 28-431.

(3) No storage fees shall be assessed against the registered owner of a motor vehicle held in custody for investigatory purposes under this

division (D) unless the registered owner or the person in possession of the vehicle when it is taken into custody is charged with a felony or misdemeanor related to the offense for which the law enforcement agency took the vehicle into custody. If a registered owner or the person in possession of the vehicle when it is taken into custody is charged with a felony or misdemeanor but is not convicted, the registered owner shall be entitled to a refund of the storage fees. (Neb. RS 60-1903.01)

(E) (1) A law enforcement agency is authorized to remove an abandoned or trespassing vehicle from private property upon the request of the private property owner on whose property the vehicle is located and upon information indicating that the vehicle is an abandoned or trespassing vehicle. After removal, the law enforcement agency with custody of the vehicle shall follow the procedures in Neb. RS 60-1902 and 60-1903.

(2) A law enforcement agency is authorized to contact a private towing service in order to remove an abandoned or trespassing vehicle from private property upon the request of the private property owner on whose property the vehicle is located and upon information indicating that the vehicle is an abandoned or trespassing vehicle. A vehicle towed away under this subsection is subject to Neb. RS 52-601.01 - 52-605 and 60-2410 by the private towing service which towed the vehicle.

(3) A private property owner is authorized to remove or cause the removal of an abandoned or trespassing vehicle from such property and may contact a private towing service for such removal. A private towing service that tows the vehicle shall notify, within 24 hours, the designated law enforcement agency in the jurisdiction from which the vehicle is removed and provide the registration plate number, the vehicle identification number, if available, the make, model, and color of the vehicle, and the name of the private towing service and the location, if applicable, where the private towing service is storing the vehicle. A vehicle towed away under this subsection is subject to Neb. RS 52-601.01 - 52-605 and 60-2410 by the private towing service that towed the vehicle.

(4) For purposes of this section, a trespassing vehicle is a vehicle that is parked without permission on private property that is not typically made available for public parking. (Neb. RS 1903.02)

(F) If a state agency caused an abandoned vehicle described in division (A)(a)(5) or (A)(b)(4) of this section to be removed from public property in this municipality, the state agency shall be entitled to custody of the vehicle. If a state agency caused an abandoned vehicle described in division (A)(a)(1), (2), (3), or (4) or (A)(b)(1), (2), or (3) of this section to be removed from public property in this municipality, the state agency shall deliver the vehicle to the municipality which shall have custody. (Neb. RS 60-1904)

(G) Any proceeds from the sale of an abandoned vehicle in the municipality's custody less any expenses incurred by the city shall be held by the city without interest, for the benefit of the owner or lienholders of such vehicle for a period of two years. If not claimed within such two-year period, the proceeds shall be paid into the general fund of the municipality. (Neb. RS 60-1905)

(H) Neither the owner, owner's agent, owner's employee, lessee, nor occupant of the premises from which any abandoned vehicle is removed, nor the municipality, shall be liable for any loss or damage to such vehicle which occurs during its removal or while in the possession of the municipality or its contractual agent, while in the possession of a private towing service, or as a result of any subsequent disposition. (Neb. RS 60-1906)

(I) No person shall cause any vehicle to be an abandoned vehicle as described in division (A)(a)(1), (2), (3), or (4) or (A)(b)(1), (2), or (3) of this section. (Neb. RS 60-1907)

(J) No person other than one authorized by the municipality or appropriate state agency shall destroy, deface, or remove any part of a vehicle which is left unattended on a highway or other public place without license plates affixed or which is abandoned. Anyone violating this division shall be guilty of an offense. (Neb. RS 60-1908)

(K) The last-registered owner of an abandoned vehicle shall be liable to the municipality for the costs of removal and storage of such vehicle. (Neb. RS 60-1909)

(L) Any person violating the provisions of this section shall be guilty of an offense, subject to penalty provided in Section 130.99.

SECTION 2. Any other ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

SECTION 3. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED THIS _____ day of _____, 2020.

Michael D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk

Publish:

**CITY MANAGER'S REPORT
MARCH 2, 2020 MCCOOK CITY COUNCIL MEETING**

ITEM NO. **4.F** Approve Ordinance No. 2020-3003 on first reading amending 130.32 to the City of McCook Code of Ordinances; Chapter 130: General Offenses.

BACKGROUND:

Every year, the League of Nebraska Municipalities Codification Service reviews legislation passed during the year and prepares model ordinances based on the legislation. Staff and the city attorney have reviewed the recently proposed model ordinances. Based on our review, there are some ordinance changes staff recommends. We will present each recommendation separately, with its own individual staff report.

Staff recommends amending Section 130.32: Abandoned Automobiles. This section regulates the process for removing abandoned vehicles. On review, staff found that Nebraska law has significantly changed regarding abandoned vehicles. Some of the changes include:

- A change in the definition of abandoned vehicles to include vehicles left for more than 30 days in the custody of the City's police department after the department sends a letter to the last-registered owner;
- Provisions for the removal of vehicles from private property;
- A definition for mobile homes; and
- Provisions regarding how to give notice of vehicles in law enforcement custody for investigatory purposes that are no longer needed, and if nobody claims the vehicle, how to dispose of the vehicles.

APPROVALS:



Nathan A. Schneider, City Manager

February 27, 2020



Lea Ann Doak, City Clerk

February 27, 2020

Nathaniel J. Mustion, City Attorney

February 27, 2020

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: **5.G.**

Approve Ordinance No. 2020-3004 on its third and final reading, amending 33.03 of the City of McCook Code of Ordinances, Chapter 33: Budget Regulations.

BACKGROUND:

The City Manager's Report prepared for the March 2 meeting is attached for your reference.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

March 24, 2020



Nathan A. Schneider, City Manager

March 24, 2020

ORDINANCE NO. 2020-3004

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 30: BUDGET REGULATIONS, OF THE CITY OF MCCOOK CODE OF ORDINANCES; SECTION 33.03 - PROPOSED BUDGET STATEMENT; HEARING; ADOPTION; CERTIFICATION OF TAX AMOUNT; RELATING TO BUDGET HEARING NOTICE; CHANGING BUDGET HEARING NOTICE PROVISIONS FROM FIVE TO FOUR CALENDAR DAYS; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA:

SECTION 1. That Chapter 30: Budget Regulations, of the City of McCook Code of Ordinances, Section 33.03 - Proposed Budget Statement; Hearing; Adoption; Certification of Tax Amount, shall be amended to read as follows:

§ 33.03 PROPOSED BUDGET STATEMENT; BEARING; ADOPTION; CERTIFICATION OF TAX AMOUNT.

(A) The governing body shall each year or biennial period conduct a public hearing on its proposed budget statement. Notice of the place and time of the hearing, together with a summary of the proposed budget statement, shall be published four calendar days prior to the date set for hearing in a newspaper of general circulation within the municipality's jurisdiction. For purposes of such notice, the four calendar days shall include the day of publication but not the day of hearing. When the total operating budget, not including reserves, does not exceed \$10,000 per year or \$20,000 per biennial period, the proposed budget summary may be posted at the governing body's principal headquarters.

(B) After the hearing, the proposed budget statement shall be adopted, or amended and adopted as amended, and a written record shall be kept of the hearing. The amount to be received from personal and real property taxation shall be certified to the levying board after the proposed budget statement is adopted or is amended and adopted as amended. The certification of the amount to be received from personal and real property taxation shall specify separately the amount to be applied to the payment of principal or interest on bonds issued by the governing body and the amount to be received for all other purposes.

(C) If the adopted budget statement reflects a change from that shown in the published proposed budget statement, a summary of the changes shall be published within 20 calendar days after its adoption in the manner provided in this section, but without provision for hearing, setting forth the items changed and the reasons for the changes.

(D) Upon approval by governing body, the budget shall be filed with the Auditor of Public Accounts. The Auditor may review the budget for errors in

mathematics, improper accounting, and noncompliance with the Nebraska Budget Act or Neb. RS 13-518 to 13-522. If the Auditor detects such errors, he or she shall immediately notify the Governing body of such errors. The governing body shall correct any such error as provided in § 35.34. Warrants for the payment of expenditures provided in the budget adopted under this section shall be valid notwithstanding any errors or noncompliance for which the Auditor has notified the governing body.

(Neb. RS 13-506)

(E) When a levy increase has been authorized by vote of the electors, the adopted budget statement shall indicate the amount of the levy increase.

(Neb. RS 13-507)

SECTION 2. Any other ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

SECTION 3. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED THIS _____ day of _____, 2020.

Michael D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk

Publish:

**CITY MANAGER'S REPORT
MARCH 2, 2020 MCCOOK CITY COUNCIL MEETING**

ITEM NO. 4.G Approve Ordinance No. 2020-3004 on first reading amending 33.03 to the City of McCook Code of Ordinances; Chapter 33: Budget Regulations.

BACKGROUND:

Every year, the League of Nebraska Municipalities Codification Service reviews legislation passed during the year and prepares model ordinances based on the legislation. Staff and the city attorney have reviewed the recently proposed model ordinances. Based on our review, there are some ordinance changes staff recommends. We will present each recommendation separately, with its own individual staff report.

Staff recommends amending Section 33.03: Proposed Budget Statement; Hearing; Adoption; Certification of Tax Amount. This section contains the process for providing printed notice of the annual budget hearing. Nebraska law requires notice of the public hearing to be published four days prior to the date set for the hearing in a newspaper of general circulation within McCook's jurisdiction. Originally, the State of Nebraska required publication to occur five days prior to the date set for the hearing. The City of McCook needs to amend its ordinance to reflect the notice requirement change.

APPROVALS:



Nathan A. Schneider, City Manager

February 27, 2020



Lea Ann Doak, City Clerk

February 27, 2020

Nathaniel J. Mustion, City Attorney

February 27, 2020

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: 5.H.

Approve Ordinance No. 2020-3005 on its first reading, amending Chapter 31: City of McCook Policies, of the City of McCook Code of Ordinances, Section 31.56 - Sale or Conveyance of Property.

BACKGROUND:

LB 133 made numerous changes to update and modernize the language in Neb. RS Chapter 17 and revised provisions related to sale and conveyance of real property. Staff recommends amending Section 31.56 to harmonize with state law.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

March 23, 2020



Nathan A. Schneider, City Manager

March 23, 2020

ORDINANCE NO. 2020-3005

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 31: CITY POLICIES, OF THE CITY OF MCCOOK CODE OF ORDINANCES; SECTION 31.56 - SALE OR CONVEYANCE OF PROPERTY; TO UPDATE LANGUAGE REGARDING REMONSTRANCE AND PETITION; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA:

SECTION 1. That Chapter 31: City of McCook Polices, of the City of McCook Code of Ordinances, Section 31.56 - Sale or Conveyance of Property, shall be amended to read as follows:

§ 31.56 SALE AND CONVEYANCE; REAL PROPERTY.

(A) Except as provided in division (G) of this section, the power of the municipality to convey any real property owned by it, including land used for park purposes and public squares, except real property used in the operation of public utilities, shall be exercised by resolution, directing the sale at public auction or by sealed bid of that property and the manner and terms of such sales, except that the property shall not be sold at public auction or by sealed bid when:

(1) The property is being sold in compliance with the requirements of federal or state grants or programs;

(2) The property is being conveyed to another public agency; or

(3) The property consists of streets and alleys.

(B) The governing body may establish a minimum price for real property at which bidding shall begin or shall serve as a minimum for a sealed bid.

(C) After the passage of the resolution directing the sale, notice of all proposed sales of property described in division (A) of this section and the terms of such sales shall be published once each week for three consecutive weeks in a legal newspaper published in or of general circulation in the municipality.

(D) (1) If within 30 days after the third publication of the notice a remonstrance petition against the sale is signed by registered voters of the municipality equal in number to 30% of the registered voters of the municipality voting at the last regular municipality election held therein and is filed with the governing body, that property shall not then, nor within one year thereafter, be sold. If the date for filing the petition falls upon a Saturday, Sunday, or legal holiday, the signatures shall be collected within the 30-day period, but the filing shall be considered timely if filed or postmarked on or before the next business day.

(2) Upon the receipt of the remonstrance, the governing body, with the aid and assistance of the Election Commissioner or County Clerk, shall determine the validity and sufficiency of signatures on the petition. The governing body shall deliver the petition to the Election Commissioner or County Clerk by hand carrier, by use of law enforcement officials, or by certified mail,

return receipt requested.

(3) Upon receipt of the petition, the Election Commissioner or County Clerk shall issue to the governing body a written receipt that the petition is in the custody of the Election Commissioner or County Clerk. The Election Commissioner or County Clerk shall compare the signature of each person signing the petition with the voter registration records to determine if each signer was a registered voter on or before the date on which the petition was filed with the governing body. The Election Commissioner or County Clerk shall also compare the signer's printed name, street and number or voting precinct, and municipality or post office address with the voter registration records to determine whether the signer was a registered voter. The signature and address shall be presumed to be valid only if the Election Commissioner or County Clerk determines that the printed name, street and number or voting precinct, and municipality or post office address match the registration records and that the registration was received on or before the date on which the petition was filed with the governing body. The determinations of the Election Commissioner or County Clerk may be rebutted by any credible evidence which the governing body finds sufficient. The express purpose of the comparison of names and addresses with the voter registration records, in addition to helping to determine the validity of the petition, the sufficiency of the petition, and the qualifications of the signer, shall be to prevent fraud, deception, and misrepresentation in the petition process.

(4) Upon completion of the comparison of names and addresses with the voter registration records, the Election Commissioner or County Clerk shall prepare in writing a certification under seal setting forth the name and address of each signer found not to be a registered voter and the signature page number and line number where the name is found, and if the reason for the invalidity of the signature or address is other than the nonregistration of the signer, the Election Commissioner or County Clerk shall set forth the reason for the invalidity of the signature. If the Election Commissioner or County Clerk determines that a signer has affixed his or her signature more than once to the remonstrance and that only one person is registered by that name, the Election Commissioner or County Clerk shall prepare in writing a certification under seal setting forth the name of the duplicate signature and shall count only the earliest dated signature.

(5) The Election Commissioner or County Clerk shall certify to the governing body the number of valid signatures necessary to constitute a valid remonstrance. The Election Commissioner or County Clerk shall deliver the remonstrance and the certifications to the governing body within 40 days after the receipt of the remonstrance from the governing body. The delivery shall be by hand carrier, by use of law enforcement officials, or by certified mail, return receipt requested. Not more than 20 signatures on one signature page shall be counted.

(6) The governing body shall, within 30 days after the receipt of the remonstrance and certifications from the Election Commissioner or County Clerk, hold a public hearing to review the remonstrance and certifications and receive testimony regarding them. The governing body shall, following the hearing, vote on whether or not the remonstrance is valid and shall uphold the remonstrance if sufficient valid signatures have been received.

(E) Real estate now owned or hereafter owned by the municipality may be conveyed without consideration to the state for state armory sites or, if acquired for state armory sites, shall be conveyed strictly in accordance with the conditions of Neb. RS 18-1001 through 18-1006.

(F) Following passage of the resolution directing a sale, publishing of the notice of the proposed sale, and passing of the 30-day right-of-remonstrance period, the property shall then be sold. The sale shall be confirmed by passage of an ordinance stating the name of the purchaser and terms of the sale. (Neb. RS 17-503)

(G) Divisions (A) through (F) of this section shall not apply to the sale of real property if the authorizing resolution directs the sale of real property, the total fair market value of which is less than \$5,000. Following passage of the resolution directing the sale of the property, notice of the sale shall be posted in three prominent places within the municipality for a period of not less than seven days prior to the sale of the property. The notice shall give a general description of the property offered for sale and state the terms and conditions of sale. Confirmation of the sale by passage of an ordinance may be required. (Neb. RS 17-503.01)

SECTION 2. Any other ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

SECTION 3. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED THIS _____ day of _____, 2020.

Michael D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk-Treasurer
(Mayor/Chairperson)

**CITY MANAGER'S REPORT
APRIL 6, 2020 CITY COUNCIL MEETING**

ITEM: 5.I.

Approve Ordinance No. 2020-3006 on its first reading, amending Chapter 30: Government Officials, of the City of McCook Code of Ordinances, Section 30.002 - Bonds Required and Section 30.040 - City Clerk.

BACKGROUND:

LB 311 pertained to elected and appointed officials. It made revisions to the time frames in which elected and appointed officials must file bonds or insurance for the faithful performance of duties. The League of Nebraska Municipalities Codification Service review recommended the proposed revisions. Council and appointed officials with remain under the City's Blanket Policy.

Staff recommends amending Section 30.040: City Clerk. The proposed change clarifies that the Clerk is appointed by the Council, but is under the direction of the City Manager.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

March 24, 2020



Nathan A. Schneider, City Manager

March 24, 2020

ORDINANCE NO. 2020-3006

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 30: GOVERNMENT OFFICIALS, OF THE CITY OF MCCOOK CODE OF ORDINANCES; SECTION 30.002 - BONDS REQUIRED; RELATING TO OFFICIAL BONDS AND OATHS; TO CHANGE PROVISIONS RELATING TO FILING REQUIREMENTS; SECTION 30.040 - CITY CLERK; TO CLARIFY CLERK IS UNDER THE DIRECTION OF THE CITY MANAGER; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA:

SECTION 1. That Chapter 30: Government Officials, of the City of McCook Code of Ordinances, Section 30.002 - Bonds Required, shall be amended to read as follows:

§ 30.002 BONDS; REQUIREMENTS.

(A) The city may enact ordinances or bylaws to require from all officers and servants, elected or appointed, bonds and security or evidence of equivalent insurance for the faithful performance of their duties. The city may pay the premium for such bonds or insurance coverage. (Neb. RS 17-604)

(B) (1) All official bonds of officers of the city shall be in form joint and several and made payable to the city in such penalty as the City Council may fix.

(2) In place of the individual bonds required to be furnished by municipal officers, a schedule, position, blanket bond or undertaking, or evidence of equivalent insurance may be given by municipal officers, or a single corporate surety fidelity, schedule, position, or blanket bond or undertaking, or evidence of insurance coverage covering all the officers, including officers required by law to furnish an individual bond or undertaking, may be furnished. The municipality may pay the premium for the bond or insurance coverage. The bond or insurance coverage shall be, at a minimum, an aggregate of the amounts fixed by law or by the City Council, and with such terms and conditions as may be required. (Neb. RS 11-104)

(3) The penalty amount on any bond shall not fall below the legal minimum, when one has been set by the state, for each particular official.

(C) (1) Official bonds, with the oath endorsed thereon, shall be filed in the City Clerk's office within the following time:

(a) Of all officers elected at any general election, following receipt of their election certificate and not later than ten days before the first Thursday after the first Tuesday in January next succeeding the election;

(b) Of all appointed officers, within 30 days after their appointment; and

(c) Of officers elected at any special election and city officers, within 30 days after the canvass of the votes of the election at which they were chosen.

(2) The filing of the bond with the oath endorsed thereon does not authorize a person to take any official action prior to the beginning of his or her term of office pursuant to Article XVII, section 5, of the Constitution of Nebraska. (Neb. RS 11-105)

(D) All official bonds of city officers shall be executed by the principal named in such bonds and by at least two sufficient sureties who shall be freeholders of the county in which such bonds are given, or any official bond of a city officer may be executed by the officer as principal and by a guaranty, surety, fidelity, or bonding company as surety, or by two or more such companies. Only such companies as are legally authorized to transact business in this state shall be eligible to suretyship on the bond of a city/village officer. (Neb. RS 11-109)

(E) The City Clerk shall carefully record and preserve the bonds in his or her office and shall give certified copies thereof, when required, under the seal of his or her office, and shall be entitled to receive for the same the usual fee allowed by law for certified copies of records in other cases. (Neb. RS 11-110)

(F) (1) The approval of each official bond shall be endorsed upon such bond by the officer approving the same, and no bond shall be filed and recorded until so approved. (Neb. RS 11-111)

(2) No bond shall be deemed to be given or complete until the approval of the City Council and all sureties are endorsed in writing on the instrument by the Mayor and City Clerk pursuant to the approval of the City Council.

(G) All official bonds shall obligate the principal and sureties for the faithful discharge of all duties required by law of such principal and shall inure to the benefit of any persons injured by a breach of the conditions of such bonds. (Neb. RS 11-112)

(H) No official bond shall be rendered void by reason of any informality of irregularity in its execution or approval. (Neb. RS 11-113)

(I) No city official shall be taken as security on the bond of any administrator, executor, or other officer from whom by law bond is or may be required. (Neb. RS 11-114)

(J) If any person elected or appointed to any office neglects to have his or her official bond executed and approved as provided by law and filed for record within the time limited by this section, the City Clerk shall immediately issue an order to such person to show cause why he or she has failed to properly file such bond and why his or her office should not be declared vacant. If such person properly files the official bond within ten days of the issuance of the show cause order for appointed officials or before the date for taking office for elected officials, such filing shall be deemed to be in compliance with this section. If such person does not file the bond within ten days of the issuance of such order for appointed officials or before the date for taking office for elected officials and sufficient cause is not shown within that time, his or her office shall thereupon ipso facto become vacant and such vacancy shall thereupon immediately be filled by election or appointment as the law may direct in other cases of vacancy in the same office. (Neb. RS 11-115)

(K) Any person appointed to fill a vacancy, before entering upon the duties of the office, must give a bond corresponding in substance and form with the bond required of the officer originally elected or appointed, as herein provided. (Neb. RS 11-116)

(L) When the incumbent of an office is reelected or reappointed, he or she shall qualify by taking the oath and giving the bond as above directed, but when such officer has had public funds or property in his or her control, his or her bond shall not be approved until he or she has produced and fully accounted for such funds and property. When it is ascertained that the incumbent of an office holds over by reason of the nonelection or nonappointment of a successor or of the neglect or refusal of the successor to qualify, he or she shall qualify anew within 10 days from the time at which his or her successor, if elected, should have qualified. (Neb. RS 11-117)

(M) No person shall be surety for the same officer for more than two successive terms of the same office, but this provision shall not apply to incorporated surety companies.
(Neb. RS 11-118)

(N) If the sureties on the official bond of any appointed officer of the city, in the opinion of the City Council, become insufficient, the Council may, by resolution, fix a reasonable time within which the officer may give a new bond or additional sureties as directed. If the officer fails, refuses, or neglects to give a new bond or additional sureties to the satisfaction and approval of the Council, the office shall, by such failure, refusal, or neglect, become vacant and it shall be the duty of the Council to appoint a competent and qualified person to fill the office.

SECTION 2. That Chapter 30: Government Officials, of the City of McCook Code of Ordinances, Section 30.002 - Bonds Required, shall be amended to read as follows:

§ 30.040 CITY CLERK.

(A) The City Clerk shall be appointed by the City Council and under the direction of the City Manager. Except when some other person is specifically appointed, the Clerk shall be, and assume the duties of, the City Treasurer. It shall be the duty of the City Clerk to attend every meeting of the Council and keep a record of the proceedings thereof. Whenever required by the Mayor, or requested by two members of the Council, or the City Manager, he or she shall deliver a notice to the members of the Council of any special meeting thereof, and shall notify any and all committees of the Council of the business entrusted to them. The Clerk shall keep and carefully preserve all papers and books which may come into his or her possession as Clerk, filing and arranging them in a manner convenient for reference. The Clerk shall keep the seal of the city and duly attest thereby the Mayor's signature to all ordinances and all deeds and papers required to be attested, when ordered by the governing body. The Clerk shall keep a register of all licenses granted and the purpose for which they were issued, and report to the Council at every meeting. At the beginning of each month, he or she shall, if required by the governing body, furnish the Police Department with a true copy of the register of all licenses then in force. He or she shall issue licenses and collect license fees connected therewith as provided by the laws of the state or the city.

(B) Within 30 days after any meeting of the Council, the Clerk shall prepare and publish the proceedings of the Council in a legal newspaper, or more than one legal newspaper if directed by the Council. The charge for the publication shall not exceed the rates provided by law. The publication charge shall be paid and allowed as other claims against the General Fund. Wherever the Clerk is required to issue licenses, occupation tax receipts, or permits, the City Collector shall collect the amount required to be paid by the applicant therefor. The Clerk shall have additional duties and receive a salary as the governing body may prescribe. (Prior Code, § 1-311)

(C) The City Clerk shall publish within 30 days after the close of each month the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item. Between July 15 and August 15 of each year, the employee job titles and the current annual, monthly, or hourly salaries corresponding to such job titles shall be published. Each job title published shall be descriptive and indicative of the duties and functions of the position.

(Prior Code, § 1-312)

(Ord. 1680, passed 4-4-1983)

Statutory reference:

Authority, see Neb. RS 19-618

Similar state law provisions, see Neb. 16-317, 19-615, 19-1102 through 19-1104

SECTION 3. Any other ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

SECTION 4. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED THIS ____ day of _____, 2020.

Michael, D. Gonzales, Mayor

ATTEST:

Lea Ann Doak, City Clerk-Treasurer

**CITY MANAGER'S REPORT
APRIL 6, 2020 MCCOOK CITY COUNCIL MEETING**

ITEM NO. 5.J. Approve Ordinance No. 2020-3007 under suspension of the rules, repealing Ordinance No. 2020-3000 in its entirety and providing for the amendment of Chapter 130: General Offenses, of the City of McCook Ordinance, in order to avoid two sections numbered 130.34.

BACKGROUND:

Last month, the City Council passed Ordinance No. 2020-3000 which created a new general offense that made it illegal to harass and obstruct a police officer/police animal. The code section for this new law was 130.33. On review, Staff discovered that 130.33 had already been assigned to a general offense dealing with vaping. Ordinance No. 2020-3000 needs to be repealed in order to assign a new section number to the harassment general offense. The new number will be section 130.34.

Staff asks that Ordinance No. 2020-3007 be passed under suspension of the rules. The City Council already approved the content of the harassment ordinance. The content will remain the same.

APPROVALS:



Nathan A. Schneider, City Manager

April 1, 2020

Lea Ann Doak, City Clerk

April 1, 2020

ORDINANCE NO. 2020-3007

AN ORDINANCE PROVIDING FOR THE REPEAL OF ORDINANCE NO. 2020-3000 IN ITS ENTIRETY; PROVIDING FOR THE AMENDMENT OF CHAPTER 130: GENERAL OFFENSES, OF THE CITY OF MCCOOK CODE OF ORDINANCES; ADDING SECTION 130.34 - OBSTRUCTING/HARASSING A PEACE OFFICER; AMENDING SECTION 130.99 - PENALTY; TO PROVIDE THAT OBSTRUCTION OF A POLICE ANIMAL IS AN OFFENSE; TO PROVIDE THAT HARASSMENT OF A POLICE ANIMAL IS AN OFFENSE; TO CLARIFY THE DEFINITION OF "POLICE ANIMAL"; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MCCOOK NEBRASKA:

SECTION 1. That Ordinance No. 2020-3000 is here repealed and abrogated in its entirety.

SECTION 2. That Chapter 130: General Offenses, of the City of McCook Code of Ordinances, Section 130.34 - Obstructing/Harassing A Peace Officer, shall be added to read as follows:

§ 130.34 OBSTRUCTING/HARASSING A PEACE OFFICER.

(A) A person commits the offense of obstructing a peace officer when, by using or threatening to use violence, force, physical interference, or obstacle, he or she intentionally obstructs, impairs, or hinders:

(1) The enforcement of the penal law or the preservation of the peace by a peace officer or judge acting under color of his or her official authority; or

(2) A police animal assisting a peace officer acting pursuant to the peace officer's official authority.

(B) A person commits harassment of a police animal if he or she knowingly and intentionally teases or harasses a police animal in order to distract, agitate, or harm the police animal for the purpose of preventing such animal from performing its legitimate official duties. (Neb. RS 28-1009).

(C) For purposes of this section, POLICE ANIMAL means a horse or dog owned or controlled by the state or any county, city, or village for the purpose of assisting a peace officer acting pursuant to his or her official authority. (Neb. RS 28-906).

SECTION 3. That Chapter 130: General Offenses, of the City of McCook Code of Ordinances, Section 130.99 - Penalty, shall be amended to read as follows:

§ 130.99 PENALTY.

(A) Any person violating any provision of this chapter for which no specific penalty is prescribed shall be subject to § 10.99.

(B) Any person violating § 130.01 shall, upon conviction therefore, be punished as follows:

(1) If the conviction is for a first offense, the person shall be punished by a fine of not less than \$100;

(2) If the conviction is for a second offense, the person shall be punished by a fine of not less than \$100 and shall be confined jail for not less than six days nor more than 30 days; and

(3) If the conviction is for a third offense, or subsequent offense thereafter, the person shall be punished by a fine of not less than \$100 and confinement, with or without hard labor, in the city jail for not less than six days nor more than three months.

(Prior Code, § 6-409)

(C) Any person who violates any of the prohibitions or provisions of §§ 130.30 through 130.32 shall be deemed guilty of a misdemeanor. Unless otherwise specified in this particular section, the penalty for the violation shall be in any amount not less than \$25 and not to exceed \$1,000 and/or imprisonment for any length of time not to exceed three months, in the discretion of the court, provided whenever §§ 130.30 through 130.32 shall declare a nuisance, a violation of that section shall be penalized by a fine of not more than \$1,000, in which case a new violation shall be deemed to have been committed every 24 hours of the failure to comply.

(Prior Code, § 6-412)

(D) Any person who violates § 130.34 Shall, upon conviction therefore, be guilty of a misdemeanor and be punished as follows:

(1) If the conviction is for a first offense, the person shall be punished by a fine of not less than \$750 and not to exceed \$1,000.00.

(2) If the conviction is for a second offense or for any offense thereafter, the person shall be punished by a fine of not less than \$1,500.00.

(E) Whenever a nuisance exists as defined in this chapter, the municipality may proceed by a suit in equity to enjoin and abate the same, in the manner provided by law. Whenever, in any action, it is established that a nuisance exists, the court may, together with the fine or penalty imposed, enter an order of abatement as a part of the judgment in the case.

(Prior Code, § 6-413)

Statutory reference:

Authority, see Neb. RS 16-227, 16-228, 18-1720, 18-1722

Similar state law provisions, see Neb. RS 28-519

SECTION 4. Any other ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

SECTION 5. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED this _____ day _____, 2020.

Mayor

ATTEST:

Lea Ann Doak, City Clerk-Treasurer

ORDINANCE NO. 2020-3000

AN ORDINANCE PROVIDING FOR THE AMENDMENT OF CHAPTER 130: GENERAL OFFENSES, OF THE CITY OF MCCOOK CODE OF ORDINANCES; ADDING SECTION 130.33 - OBSTRUCTING/HARASSING A PEACE OFFICER; AMENDING SECTION 130.99 - PENALTY; TO PROVIDE THAT OBSTRUCTION OF A POLICE ANIMAL IS AN OFFENSE; TO PROVIDE THAT HARASSMENT OF A POLICE ANIMAL IS AN OFFENSE; TO CLARIFY THE DEFINITION OF "POLICE ANIMAL"; TO HARMONIZE WITH STATE LAW; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MCCOOK NEBRASKA:

SECTION 1. That Chapter 130: General Offenses, of the City of McCook Code of Ordinances, Section 130.33 - Obstructing/Harassing A Peace Officer, shall be added to read as follows:

§ 130.33 OBSTRUCTING/HARASSING A PEACE OFFICER.

(A) A person commits the offense of obstructing a peace officer when, by using or threatening to use violence, force, physical interference, or obstacle, he or she intentionally obstructs, impairs, or hinders:

(1) The enforcement of the penal law or the preservation of the peace by a peace officer or judge acting under color of his or her official authority; or

(2) A police animal assisting a peace officer acting pursuant to the peace officer's official authority.

(B) A person commits harassment of a police animal if he or she knowingly and intentionally teases or harasses a police animal in order to distract, agitate, or harm the police animal for the purpose of preventing such animal from performing its legitimate official duties. (Neb. RS 28-1009).

(C) For purposes of this section, POLICE ANIMAL means a horse or dog owned or controlled by the state or any county, city, or village for the purpose of assisting a peace officer acting pursuant to his or her official authority. (Neb. RS 28-906).

SECTION 2. That Chapter 130: General Offenses, of the City of McCook Code of Ordinances, Section 130.99 - Penalty, shall be amended to read as follows:

§ 130.99 PENALTY.

(A) Any person violating any provision of this chapter for which no specific penalty is prescribed shall be subject to § 10.99.

(B) Any person violating § 130.01 shall, upon conviction therefore, be punished as follows:

(1) If the conviction is for a first offense, the person shall be punished by a fine of not less than \$100;

(2) If the conviction is for a second offense, the person shall be punished by a fine of not less than \$100 and shall be confined jail for not less than six days nor more than 30 days; and

(3) If the conviction is for a third offense, or subsequent offense thereafter, the person shall be punished by a fine of not less than \$100 and confinement, with or without hard labor, in the city jail for not less than six days nor more than three months.

(Prior Code, § 6-409)

(C) Any person who violates any of the prohibitions or provisions of §§ 130.30 through 130.32 shall be deemed guilty of a misdemeanor. Unless otherwise specified in this particular section, the penalty for the violation shall be in any amount not less than \$25 and not to exceed \$1,000 and/or imprisonment for any length of time not to exceed three months, in the discretion of the court, provided whenever §§ 130.30 through 130.32 shall declare a nuisance, a violation of that section shall be penalized by a fine of not more than \$1,000, in which case a new violation shall be deemed to have been committed every 24 hours of the failure to comply.

(Prior Code, § 6-412)

130-34

(D) Any person who violates § 130.33 shall, upon conviction therefore, be guilty of a misdemeanor and be punished as follows:

(1) If the conviction is for a first offense, the person shall be punished by a fine of not less than \$750 and not to exceed \$1,000.00.

(2) If the conviction is for a second offense or for any offense thereafter, the person shall be punished by a fine of not less than \$1,500.00.

(E) Whenever a nuisance exists as defined in this chapter, the municipality may proceed by a suit in equity to enjoin and abate the same, in the manner provided by law. Whenever, in any action, it is established that a nuisance exists, the court may, together with the fine or penalty imposed, enter an order of abatement as a part of the judgment in the case.

(Prior Code, § 6-413)

Statutory reference:

Authority, see Neb. RS 16-227, 16-228, 18-1720, 18-1722

Similar state law provisions, see Neb. RS 28-519

SECTION 3. Any other ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

SECTION 4. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED this 16th day of March, 2020.

Mayor

ATTEST:

Lea Ann Doak, City Clerk-Treasurer