

**AMENDMENT TO THE AREA 2 AND AREA 8 REDEVELOPMENT PLANS  
OF THE CITY OF KEARNEY, NEBRASKA**

**(Younes Redevelopment Project)**

The Community Redevelopment Authority for the City of Kearney, Nebraska (the "CRA") has undertaken a plan of redevelopment within the community pursuant to the adoption of Redevelopment Plans for blighted and substandard portions of the City of Kearney, Nebraska (the "City"), identified as Redevelopment Area 2 (the "Area 2 Plan") and Redevelopment Area 8 (the "Area 8 Plan"), as amended (collectively, the "Redevelopment Plans"). The City Council of the City (the "City Council") previously approved and adopted the Redevelopment Plans. Exhibits "A-1" and "A-2", attached hereto and incorporated herein by this reference, set forth the boundaries of Redevelopment Area 2 and Redevelopment Area 8, respectively.

The primary purpose of this Amendment to the Redevelopment Plans ("Plan Amendment") is to identify a redevelopment project located within Redevelopment Area 2 and Redevelopment Area 8. Pursuant to section 18-2103 of the Nebraska Community Development Law, Nebraska Revised Statutes sections 18-2101 et. seq., as amended (the "Act")<sup>1</sup>, a "redevelopment project" may span "one or more community redevelopment areas." Accordingly, this Plan Amendment shall supplement and amend both the Area 2 Plan and the Area 8 Plan. If the terms of the Redevelopment Plans and this Plan Amendment conflict, the terms of this Plan Amendment shall control and supersede such conflicting terms within the Redevelopment Plans.

Kearney Investment Corporation d/b/a Holiday Inn Hotel & Convention Center (referred to herein as "Redeveloper") intends to construct public and private improvements within the area shown on Exhibit "B" and incorporated herein (the "Project Site"). This Plan Amendment refers to the construction of such public and private improvements as the "Project". The Project includes, but is not limited to, Redeveloper's construction of a Holiday Inn hotel and a convention center. The hotel will be a five-story building with approximately 164 rooms. The hotel will include a restaurant, lounge, coffee shop, gift shop and swimming pool area. The convention center will be an approximately 100,000 square-foot facility with full industrial kitchen. It will accommodate groups from 100 to 2,500 people. The buildings will be steel and concrete construction, with a combination of stucco, brick, tile and stone for the exterior façade. The Project will be located at the northwest corner of 6th Avenue and Talmadge Street, to the west of the current Hampton Inn hotel. Once completed, the existing Holiday Inn hotel and convention center will close and Redeveloper will repurpose the buildings and/or land.

Redeveloper and the CRA anticipate the use of tax increment financing ("TIF") for the Project. The Project would not proceed but for the use of TIF due to the size of the Project and the capital required to complete the Project. In its application for TIF to the City, dated June 5, 2018, Redeveloper stated that it needs TIF to meet the cash flow requirements of the Project and ensure timely completion of the Project. It is the CRA's understanding that Redeveloper would not undertake the Project's public and private improvements without the assistance of TIF.

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<sup>1</sup> All statutory references are to the Act unless otherwise indicated.

Based upon the representations of Redeveloper, the CRA and Redeveloper further anticipate that the Project will result in approximately 75 new jobs within the Project Site. Accordingly, this Plan Amendment sets forth the designation of an enhanced employment area pursuant to sections 18-2103(22) and 18-2116(2).

**A. The Redevelopment Areas**

The redevelopment areas for Redevelopment Area 2 and Redevelopment Area 8 are unchanged from those set forth in Illustration 6 of the Area 2 Plan (as amended) and Illustration 5 of the Area 8 Plan. Exhibits "A-1" and "A-2" of this Plan Amendment depict the boundaries of the redevelopment areas. The Project Site is within Redevelopment Area 8. However, the EEA Site (defined below) spans, and is entirely encompassed within, Redevelopment Area 2 and Redevelopment Area 8. Redevelopment Area 2 and Redevelopment Area 8 remain blighted, substandard and in need of redevelopment.

**B. The Project Site**

The boundaries and existing condition of the Project Site are set forth in Exhibit "B". The City has designated all real property within the Project Site as blighted, substandard and in need of redevelopment. The CRA and Redeveloper anticipate that some of the TIF-eligible public improvements will be constructed outside of the Project Site for the purpose of serving the Project Site.

**C. Enhanced Employment Area**

Based on the application for TIF Redeveloper submitted on June 5, 2018, Redeveloper anticipates that the Project will result in approximately 75 new jobs and new investment of approximately \$34,635,000 within or serving the Project Site. As such, Redeveloper requested designation of the area shown on Exhibit "C", attached hereto and incorporated herein (the "EEA Site"), as an enhanced employment area via the City's adoption and approval of this Plan Amendment. Redeveloper owns all real property within the EEA Site boundaries. Section 18-2116(2) authorizes the City to designate an enhanced employment area as part of its approval of this Plan Amendment if it determines the Project will result in the creation of at least ten new employees and new investment of at least five hundred thousand dollars. Based upon the written undertakings of Redeveloper and the nature of the Project, the City and CRA anticipate that Redeveloper will meet the requirements under section 18-2116(2) with respect to both new investment and job creation. Upon completion of the Project and occupancy of the new hotel and convention center, Redeveloper will certify to the CRA and City, to the satisfaction of the CRA and City, that the Project met such thresholds. By adopting and approving this Plan Amendment, the City will designate the EEA Site shown on Exhibit "C" as an enhanced employment area, as defined under section 18-2103(22) and 18-2116(2). The EEA Site designation will be included in the resolution approving and adopting this Plan Amendment.

#### **D. Conformance with the Redevelopment Plans and the City's Comprehensive Plan**

Redeveloper and the CRA do not anticipate that Redeveloper will construct any of the private improvements for the Project within Redevelopment Area 2. However, the EEA Site encompasses a portion of Area 2, and the City, CRA and Redeveloper anticipate that the City will collect GBOT Revenues (defined below) within such portion to serve the Project. The Area 2 Plan aims to develop 2nd Avenue as a commercial corridor for visitors entering the City by phasing out residential areas and vacant land. The Area 2 Plan specifically proposes the construction of hotels and restaurants within the commercial corridor. The Project will transform a vacant area while also expanding commercial and retail use near the 2nd Avenue commercial corridor. As such, the Project meets the objectives of the Area 2 Plan.

Redeveloper and the CRA anticipate that Redeveloper will construct all of the private improvements for the Project within Redevelopment Area 8. The Area 8 Plan aims to expand and stimulate commercial and economic growth. The Area 8 Plan recommends commercial and recreational development in any vacant agricultural area. The Project meets the objectives of the Area 8 Plan by expanding the City's current hospitality market with the construction of a hotel and convention center on a vacant site. As completed, the Project will create new jobs, provide accommodations for more visitors and events, and increase money spent within the City. As such, the Project meets the objectives of the Area 8 Plan.

The City's comprehensive plan calls for the City to accommodate future commercial and business park development. The "Future Use Map" included within the comprehensive plan anticipates future use of the Project Site as a General Commercial Zoning District ("COM District"). The comprehensive plan's Future Use Map is attached hereto and incorporated herein as Exhibit "D". COM Districts encompass C-O, C-1 and C-2 zoning classifications. According to the comprehensive plan, COM Districts permit a variety of commercial and retail land uses within urban service areas, including hospitality, food service and retail. Permitted uses for COM Districts focus on serving high density, transient populations with high traffic volumes and access along commercial corridors, including 2nd Avenue. The construction of a hotel and convention center conforms to the comprehensive plan by developing a vacant lot for the use and purposes prescribed therein (i.e., uses compatible with high density, transient COM Districts). Once completed, the Project may spur further commercial and business park development in adjacent areas in furtherance of the objectives of the comprehensive plan.

#### **E. The Project**

Redevelopment of the Project Site pursuant to this Plan Amendment eliminates the blight and substandard conditions on the Project Site and will further the purposes of the Act in conformity with the Area 2 Plan, the Area 8 plan and the City's comprehensive plan. Additionally, the eligible public improvements that are part of the Project will facilitate further development of the surrounding blighted and substandard areas. The CRA and the City anticipate that the Project 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.

Redeveloper intends to complete the following private and public improvements as part of the Project:

## **1. Project Description and Implementation**

The Project involves the construction of two separate facilities: a Holiday Inn hotel and a convention center. The hotel will be a five-story building containing approximately 164 units and retail space. Redeveloper intends to construct the hotel with steel and concrete, and the exterior finishes will consist of stucco, brick, tile and stone. Redeveloper anticipates that additional hotel features will include:

- Indoor Swimming Pool
- Restaurant
- Lounge
- Coffee Shop
- Gift Shop

The convention center will be an approximately 100,000 square feet of indoor space and will include a full industrial kitchen. The convention center will be able to accommodate groups of 100 to 2,500 people. Redeveloper intends to construct the new convention center with steel and concrete, and the exterior finishes will consist of stucco, brick, tile and stone.

A preliminary site plan for the Project is attached hereto and incorporated herein as Exhibit "E". Redeveloper intends to begin construction on the Project in or about August 2018. Redeveloper anticipates construction will conclude in or about summer of 2020. No businesses or residents will be displaced as a result of the Project.

## **2. The Public Improvements**

As part of the Project, the CRA will capture the available tax increment revenues generated by redevelopment of the Project Site to assist in paying for public improvements that are eligible expenditures under the Act. The costs of the Project eligible for reimbursement via TIF include, but are not limited to, building demolition, financing costs, legal expenses, architect and engineering expenses, site preparation, construction of sidewalks, landscaping of public areas, construction of outdoor public spaces, utility connections, construction of streets, construction of water lines, storm sewer extensions and construction of public parking facilities. The CRA and Redeveloper anticipate that the public improvements will occur both within the Project Site and outside of the Project Site to serve the Project Site, Redevelopment Area 2 and Redevelopment Area 8.

## **F. Financing of the Project**

The City and the CRA contemplate the use of TIF for the Project. Section 18-2147 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 project redevelopment contract (as defined in the Act) or in the resolution of the authority authorizing the issuance of bonds 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, (referred to herein as "TIF Revenues") 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, 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 Project:

Based upon an estimated Base Tax Amount of \$305,120 and a post-redevelopment valuation of \$20,000,000 for the Project, Redeveloper and the CRA estimate that the Project will generate post-redevelopment annual TIF Revenues of approximately \$355,023. This equates to total estimated TIF Revenues of \$5,325,346 over the course of fifteen years. Of the estimated \$5,325,346 in TIF Revenues, the CRA and Redeveloper contemplate issuance of a TIF bond not to exceed \$4,300,000 at an interest rate determined by the CRA and set forth in the redevelopment contract or bond resolution for the Project (the "TIF Indebtedness").

In addition to issuance of the TIF Indebtedness, the CRA, the City and Redeveloper anticipate the designation of an enhanced employment area as described in section C of this Plan Amendment. Pursuant to section 18-2142.02, the City may levy a general business occupation tax ("GBOT") upon the businesses and users of space within an enhanced employment area for payment of eligible costs of the Project under the Act. Subject to a separate agreement between the City and Redeveloper (the "GBOT Agreement"), it is anticipated that the City will issue a limited obligation bond or note to Redeveloper ("GBOT Indebtedness") payable from the revenues collected from the GBOT ("GBOT Revenues"). Once collected by the City, the City would disburse the GBOT Revenues to Redeveloper as reimbursements for eligible costs under the Act for a period of years or until full payment of the GBOT Indebtedness. The express terms of the GBOT and issuance of the GBOT Indebtedness will be detailed in the GBOT Agreement and/or the ordinance passed by the City levying the GBOT. The City may require that all

businesses or occupants of property located within the EEA Site (regardless of ownership) join as parties to or ratify the GBOT Agreement.

The total estimated cost of the Project is \$34,635,000. Redeveloper anticipates that the balance of the public and private costs exceeding the TIF Indebtedness and GBOT Indebtedness will be financed by a mix of equity and traditional bank financing. Redeveloper and the CRA will provide a more detailed breakdown of the TIF and GBOT sources and uses in the redevelopment contract for the Project and the GBOT Agreement. The above figures are only projections and are subject to change as a result of market conditions and other extraneous factors.

A breakdown of the estimated Project costs and uses is attached hereto and incorporated herein as Exhibit "F". Exhibit "F" shows the estimated breakdown of those costs that are reimbursable from the TIF Revenues and the GBOT Revenues. The TIF and GBOT-eligible Project costs provided under Exhibit "F" are estimates and preliminary projections. Final costs will be determined upon received bids for work and subsequent invoicing. Redeveloper will certify the final costs to the CRA upon completion of the improvements associated with the construction of the Project.

#### **G. Statutory Elements**

As detailed above, the Project anticipates the capture of TIF Revenues generated by the Project on the Project Site to pay for eligible expenditures under the Act. Attached as Exhibit "G" and incorporated herein by this reference is a consideration of the statutory elements under the Act.

#### **H. Cost-Benefit Analysis**

Pursuant to Section 18-2113, the CRA must conduct a cost-benefit analysis for any redevelopment project that will utilize TIF. A cost-benefit analysis for the Project is attached hereto and incorporated herein as Exhibit "H".

#### Exhibits:

- Exhibit "A-1" – Legal description and depiction of Redevelopment Area 2
- Exhibit "A-2" – Legal description and depiction of Redevelopment Area 8
- Exhibit "B" – Boundaries and Existing Condition of Project Site
- Exhibit "C" – EEA Site
- Exhibit "D" – Future Use Map
- Exhibit "E" – Project Site Plan
- Exhibit "F" – Estimated Project Costs and Uses
- Exhibit "G" – Statutory Elements
- Exhibit "H" – Cost-Benefit Analysis

**EXHIBIT "A-1"**

**Redevelopment Area 2**

Legal Description of Redevelopment Area 2:

A parcel of land located in the City of Kearney, Buffalo County, Nebraska, more particularly described as:

Beginning south from the intersection of South Railroad Street and the alley between Central Avenue and "A" Avenue to the southern Right of Way (R.O.W.) of 8th Street, thence west one half block, thence south along the eastern R.O.W. of Central Avenue to a point 125' north of Landon Street, thence east to the corporate limits, thence south along the corporate limits to the southern bank of the north channel of the Platte River, thence west along the corporate limits to a point approximately 405' east of Central Avenue, thence south along the property line to the northern R.O.W. of Interstate 80, thence west and north along R.O.W. to the eastern 2nd Avenue R.O.W., thence north along R.O.W. to the southern bank of the north channel of the Platte River, thence east to western boundaries of the parcels adjacent to Central Avenue (approximately 200'), thence north along the property lines of the said parcels, thence east along the northern R.O.W. of 4th Street to a point 240' west of Central Avenue, thence north along the western boundaries of the parcels adjacent to Central Avenue, thence north along the eastern and the northern property line of lot 7 of H-D-R 2nd addition, thence north along the western edge of vacated 1st Avenue to the northern R.O.W. of 12th Street, thence east one half block to the center line of the alley, thence north to 14th Street's northern R.O.W. thence east to Western Central Avenue R.O.W., thence north along R.O.W. to southern R. O.W. of 16th Street, thence west one half block to the center line of the alley, thence north to South Railroad Street, thence east to the point of origin, all located in the City of Kearney, Buffalo County, Nebraska; AND south from the intersection of South Railroad Street and the alley between Central Avenue and "A" Avenue to the southern Right of Way (R.O.W.) of 8th Street, thence west one half block, thence south along the eastern R.O.W. of Central Avenue to a point 125' north of Landon Street, thence east to the corporate limits, thence south along the corporate limits to the southern bank of the north channel of the Platte River, thence west along the corporate limits to a point approximately 405' east of Central Avenue, thence south along the property line to the northern R.O.W. of Interstate 80, thence west and north along R.O.W. to 2nd Avenue, thence southwest along Interstate 80's northern R.O.W. to the city limits, thence generally north along the corporate limits to the southern bank of North Channel of the Platte River, thence east along said bank to eastern R.O.W. of 2nd Avenue, thence east to western boundaries of the parcels adjacent to Central Avenue (approximately 200'), thence north along the property lines of the said parcels, thence east along the northern R.O.W. of 4th Street to a point 240' west of Central Avenue, thence north along western boundaries of the parcels adjacent to Central Avenue, thence north along the eastern and the northern property line of lot 7 of H-D-R 2nd addition, thence north along the western edge of vacated 1st Avenue to the northern R.O.W. of 12th Street, thence east one half block to the center line of the alley, thence north to 14th Street's northern R.O.W. thence east to Western Central Avenue R.O.W., thence north along R.O.W. to southern R. O.W. of 16th Street, thence west one half block to the center line of the alley, thence north to South

Railroad Street, thence east to the point of origin, all located in the City of Kearney, Buffalo County, Nebraska.

Depiction of Redevelopment Area 2:

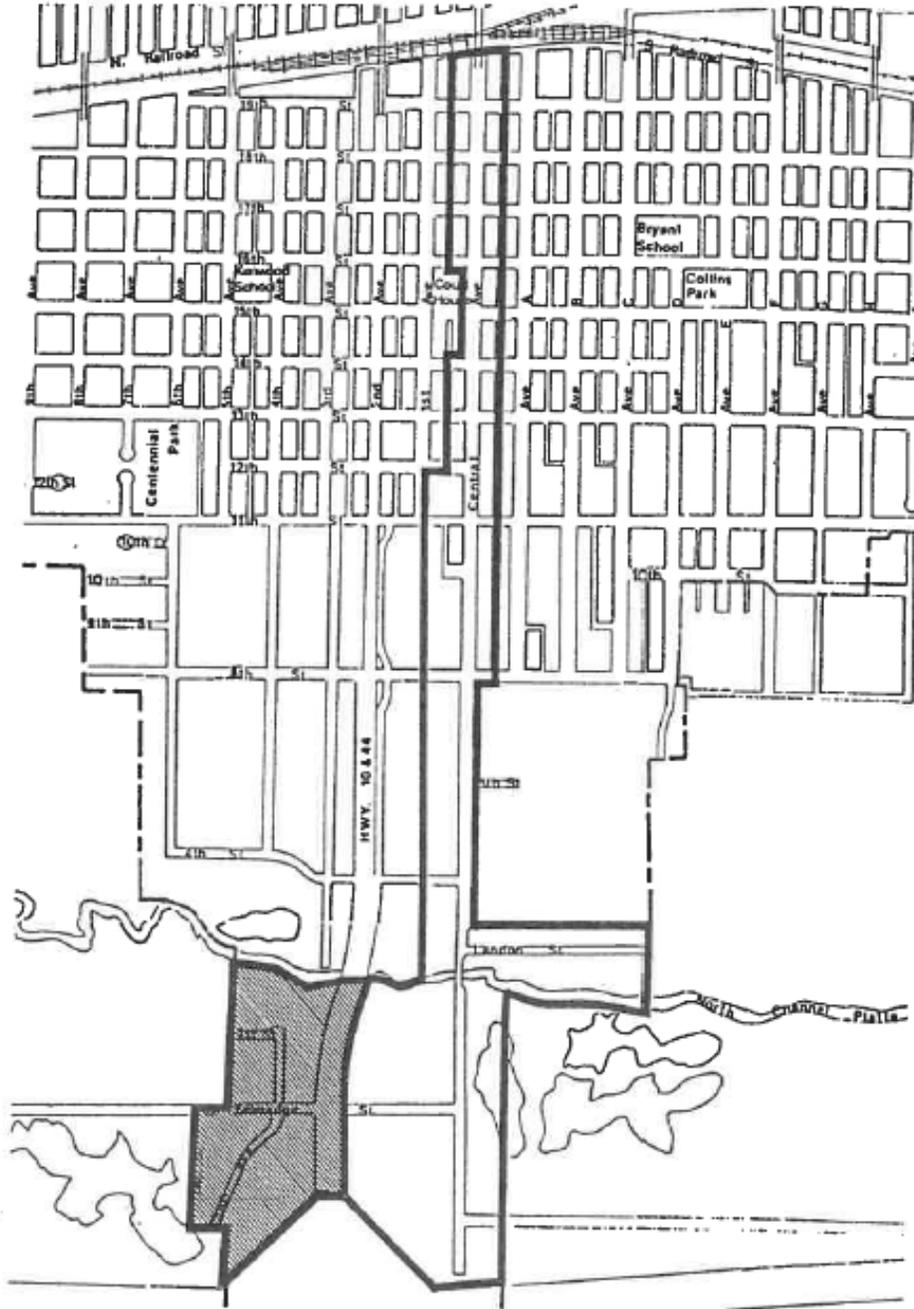


EXHIBIT "A-1"

**EXHIBIT "A-2"**

**Redevelopment Area 8**

Legal Description of Redevelopment Area 8:

A parcel of land located in the City of Kearney, Buffalo County, Nebraska, more particularly described as:

Beginning at the intersection of the north line of 8th Street W and the east line of 3rd Avenue, thence southward across 8th Street West, continuing south along the east line of 3rd Avenue to the south line of 4th Street West, thence slightly east along said line to the west line of the public right-of-way of 2nd Avenue, thence south along said line to the north banks of the North Branch of the Platte River, thence following the stream banks west for approximately 800', thence south along a line from said point to the north line of Talmadge Street, thence west for approximately 200', thence south across Talmadge Street, following along the Corporate Limits Line between the south line of Talmadge Street and the north boundary of the public Right-of-Way of Interstate 80, thence west along said north line for approximately 2,430' to a point, thence north along said extended line approximately 2,280' to its intersection with the north line of the concrete walking trail along the south side of the North Branch of the Platte River, thence meandering easterly along said north line of said concrete trail to its intersection with an extended west line of Lot 8, Block 4 of the Centennial Subdivision, thence north along said west line approximately 1,765' to its intersection with the south line of the Centennial Subdivision (also the Corporate Limit Line), thence east along said south line to its intersection with the west line of 6th Avenue, thence north along said line to its intersection with the north line of 8th Street West, thence east along said north line to its intersection with the east line of 3rd Avenue, also the point of beginning, all located in City of Kearney, Buffalo County, Nebraska.

EXHIBIT "A-2"

Depiction of Redevelopment Area 8:

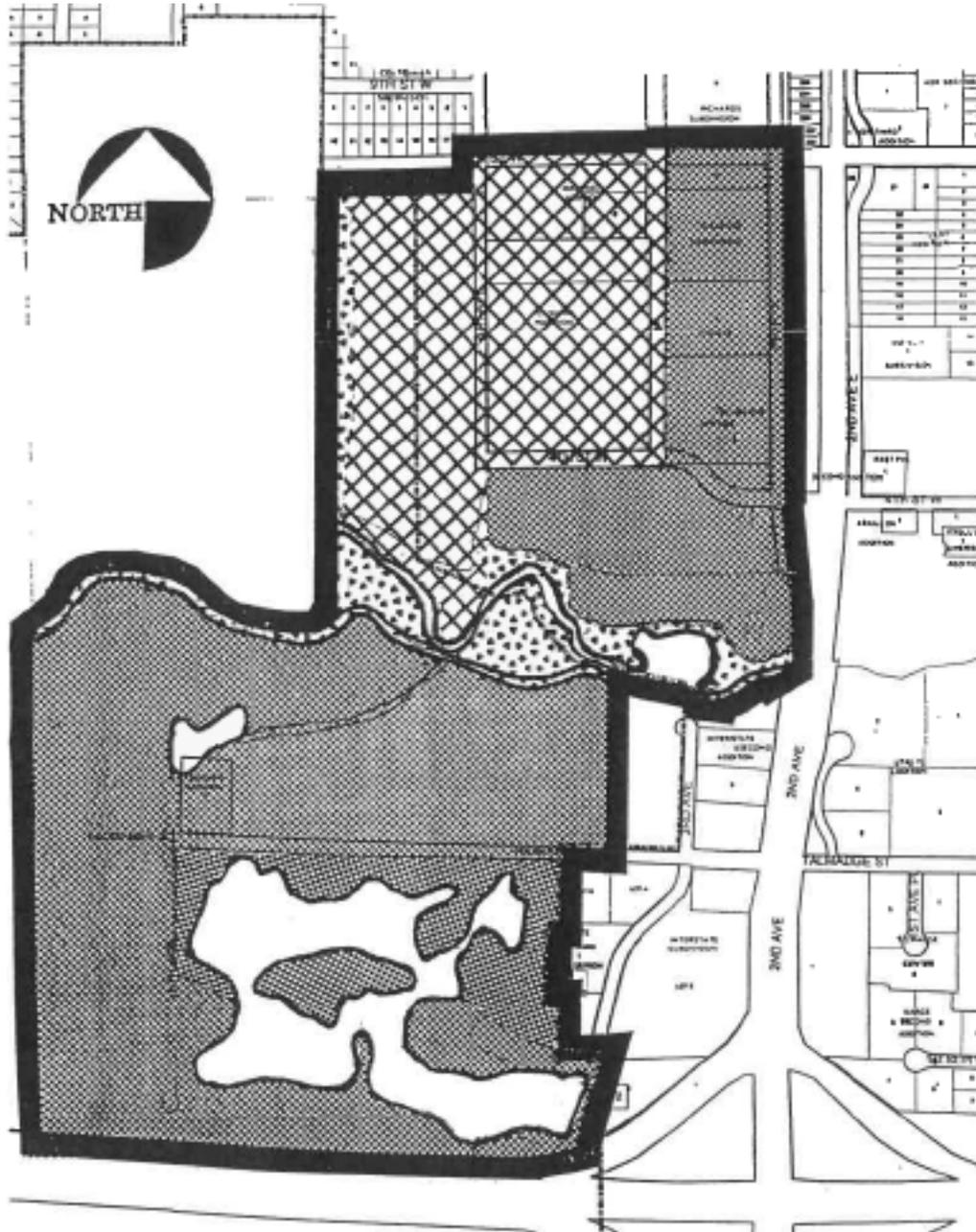


EXHIBIT "A-2"

## **Exhibit "B"**

### **Boundaries and Existing Condition of Project Site**

#### Legal Description:

An area of land being all of Younes Center Addition, an addition to the City of Kearney, all of Younes Center Third Addition, an addition to the City of Kearney, all of Younes Center Fourth Addition, an addition to the City of Kearney, all of Younes Center Fifth Addition, an addition to the City of Kearney, all of Gealy's Addition, a subdivision being part of Government Lot 6 and accretions, all of Lot E Interstate Subdivision, a Subdivision to the City of Kearney, all of Lot 1, Block Two, Interstate Third Subdivision, a Subdivision to the City of Kearney, and part of Government Lots 6, 7, and 9, and accretions thereto, all in Section Eleven (11), and part of the Northeast Quarter (NE 1/4) of Section Fourteen (14), all in Township Eight (8) North, Range Sixteen (16) West of the Sixth Principal Meridian, Buffalo County, Nebraska. And more particularly described as follows:

BEGINNING at the Northeast corner of Lot 1, Younes Center Fifth Addition, an addition to the City of Kearney, thence East to the Northwest Corner of DANCO KN Addition, an addition to the City of Kearney; thence South on the West line of said DANCO KN Addition, and the North line of Lot E Interstate Subdivision, a Subdivision to the City of Kearney to the Southwest corner of said DANCO KN Addition; thence East on the South line of said DANCO KN Addition, and continuing on the North line of Lot E Interstate Subdivision to the Southeast corner of said DANCO KN Addition, and the Northeast corner of said Lot E, Interstate Subdivision; thence Southerly on the East line of said Lot E to the Southeast corner of said Lot E, and the Northeast corner of Lot 1, Block Two, Interstate Third Subdivision, a Subdivision to the City of Kearney; thence Southwesterly on the Southerly line of said Lot 1, Block Two, Interstate Third Subdivision to the Southwest corner of said Lot 1, Block Two, and the Southeast corner of Lot 6, Younes Center Fifth Addition, an addition to the City of Kearney; thence Westerly on the South line of said Lot 6, Younes Center Fifth Addition to the Southwest corner of said Lot 6; thence North on the West line of said Lot 6 and its Northerly extension also being the East line of Government Lot 7 of Section 11 to the North line of Talmadge Street in the City of Kearney; thence Westerly on the Westerly extension of the North line of said Talmadge Street a distance of 150.00 feet; thence North parallel with the East line of said Government Lot 7 a distance of 290 feet to an existing fence line as referenced in Warranty Deed recorded as Instrument 2014-04739, in the Buffalo County Register of Deeds Office; thence Westerly on said existing fence line a distance of 498.71 feet and west line of Area 8 CRA boundary; thence North parallel with the East line of said Government Lot 7 and Government Lot 9 of said section 11 and on the west line of Area 8 CRA boundary to the North line of the concrete walking trail along the South side of the North Channel of the Platte River; thence meandering Easterly along said North line of the concrete trail to the Southerly extension of the West line of Lot 8, Block 4, Centennial Subdivision, a subdivision to the City of Kearney; thence North on said Southerly extension of the West line of Lot 8, Block 4, Centennial Subdivision to the centerline of said North Channel of the Platte River; thence meandering Easterly along said centerline of said North Channel of the Platte River to the Northerly extension of the West line of Younes Center fourth Addition, an addition to the City of Kearney; thence South on said Northerly extension of the West line of

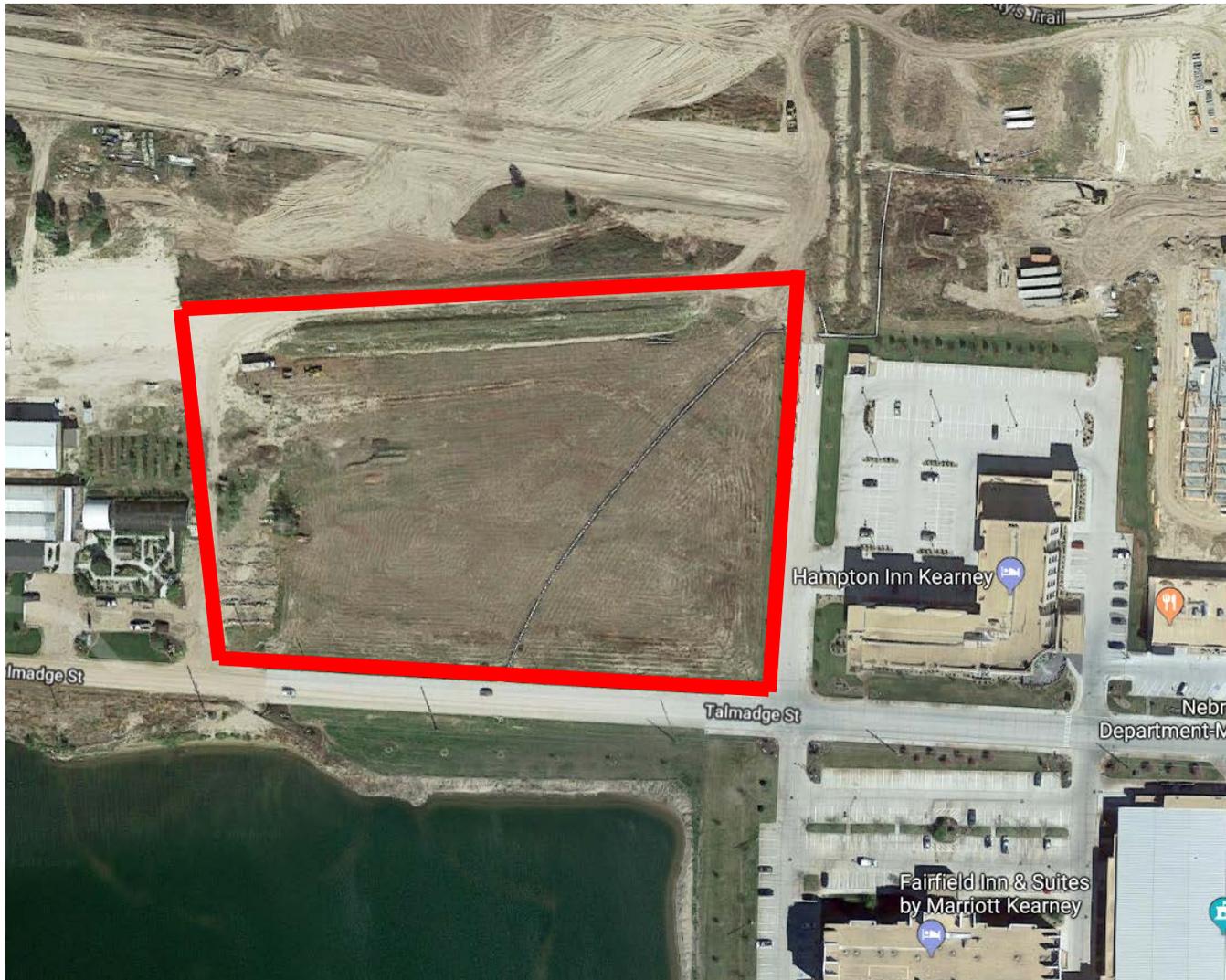
EXHIBIT "B"

Younes Center Fourth Addition to the South high bank of said North Channel of the Platte River and the Northwest corner of said Younes Center Fourth Addition; thence Easterly on the North line of said Younes Center Fourth Addition, and the North line of Younes Center Third Addition to the Northeast corner of Lot 2, Block Two of said Younes Center Third Addition; thence South on the East line of said Lot 2, Block Two of Younes Center Third Addition to the Southeast corner of said Lot 2 and the North line of 3rd Street, as platted in the City of Kearney; thence West on the North line of Third Street and the South line of said Lot 2 and the South line Lot 1 of said Younes Center Third Addition to the Northerly extension of the West line of 4th Avenue; thence South on said Northerly extension and the West line of 4th Avenue and its Southerly extension to the South line of said Talmadge Street and the North line of said Younes Center Fifth Addition; thence East on said South line of Talmadge Street and the North line of Younes Center Fifth Addition to the Point of Beginning.

\* Redeveloper intends to replat the Project Site as part of the Project. Any discrepancies between the above legal description and the replat shall be decided in favor of and superseded by the replat approved by the City.

EXHIBIT "B"

Boundaries and Depiction of Existing Condition (outlined in red):



\* Redeveloper intends to replat the Project Site as part of the Project. Any discrepancies between the above depiction or boundaries and the replat shall be decided in favor of and superseded by the replat approved by the City.

EXHIBIT "B"

**EXHIBIT “C”**  
**EEA Site**

Legal Description:

An area of land being all of Younes Center Addition, an addition to the City of Kearney, all of Younes Center Third Addition, an addition to the City of Kearney, all of Younes Center Fourth Addition, an addition to the City of Kearney, all of Younes Center Fifth Addition, an addition to the City of Kearney, all of Gealy’s Addition, a subdivision being part of Government Lot 6 and accretions, all of Lot E Interstate Subdivision, a Subdivision to the City of Kearney, all of Lot 1, Block Two, Interstate Third Subdivision, a Subdivision to the City of Kearney, and part of Government Lots 6, 7, and 9, and accretions thereto, all in Section Eleven (11), and part of the Northeast Quarter (NE 1/4) of Section Fourteen (14), all in Township Eight (8) North, Range Sixteen (16) West of the Sixth Principal Meridian, Buffalo County, Nebraska. And more particularly described as follows:

BEGINNING at the Northeast corner of Lot 1, Younes Center Fifth Addition, an addition to the City of Kearney, thence East to the Northwest Corner of DANCO KN Addition, an addition to the City of Kearney; thence South on the West line of said DANCO KN Addition, and the North line of Lot E Interstate Subdivision, a Subdivision to the City of Kearney to the Southwest corner of said DANCO KN Addition; thence East on the South line of said DANCO KN Addition, and continuing on the North line of Lot E Interstate Subdivision to the Southeast corner of said DANCO KN Addition, and the Northeast corner of said Lot E, Interstate Subdivision; thence Southerly on the East line of said Lot E to the Southeast corner of said Lot E, and the Northeast corner of Lot 1, Block Two, Interstate Third Subdivision, a Subdivision to the City of Kearney; thence Southwesterly on the Southerly line of said Lot 1, Block Two, Interstate Third Subdivision to the Southwest corner of said Lot 1, Block Two, and the Southeast corner of Lot 6, Younes Center Fifth Addition, an addition to the City of Kearney; thence Westerly on the South line of said Lot 6, Younes Center Fifth Addition to the Southwest corner of said Lot 6; thence North on the West line of said Lot 6 and its Northerly extension also being the East line of Government Lot 7 of Section 11 to the North line of Talmadge Street in the City of Kearney; thence Westerly on the Westerly extension of the North line of said Talmadge Street a distance of 150.00 feet; thence North parallel with the East line of said Government Lot 7 a distance of 290 feet to an existing fence line as referenced in Warranty Deed recorded as Instrument 2014-04739, in the Buffalo County Register of Deeds Office; thence Westerly on said existing fence line a distance of 498.71 feet and west line of Area 8 CRA boundary; thence North parallel with the East line of said Government Lot 7 and Government Lot 9 of said section 11 and on the west line of Area 8 CRA boundary to the North line of the concrete walking trail along the South side of the North Channel of the Platte River; thence meandering Easterly along said North line of the concrete trail to the Southerly extension of the West line of Lot 8, Block 4, Centennial Subdivision, a subdivision to the City of Kearney; thence North on said Southerly extension of the West line of Lot 8, Block 4, Centennial Subdivision to the centerline of said North Channel of the Platte River; thence meandering Easterly along said centerline of said North Channel of the Platte River to the Northerly extension of the West line of Younes Center fourth Addition, an addition to the City of Kearney; thence South on said Northerly extension of the West line of Younes Center Fourth Addition to the South high bank of said North Channel of the Platte River

EXHIBIT “C”

and the Northwest corner of said Younes Center Fourth Addition; thence Easterly on the North line of said Younes Center Fourth Addition, and the North line of Younes Center Third Addition to the Northeast corner of Lot 2, Block Two of said Younes Center Third Addition; thence South on the East line of said Lot 2, Block Two of Younes Center Third Addition to the Southeast corner of said Lot 2 and the North line of 3rd Street, as platted in the City of Kearney; thence West on the North line of Third Street and the South line of said Lot 2 and the South line Lot 1 of said Younes Center Third Addition to the Northerly extension of the West line of 4th Avenue; thence South on said Northerly extension and the West line of 4th Avenue and its Southerly extension to the South line of said Talmadge Street and the North line of said Younes Center Fifth Addition; thence East on said South line of Talmadge Street and the North line of Younes Center Fifth Addition to the Point of Beginning.

\* Any discrepancies between the above legal description and the below depiction with respect to the boundaries of the EEA Site shall be decided in favor of the depiction.

EXHIBIT "C"

Depiction:

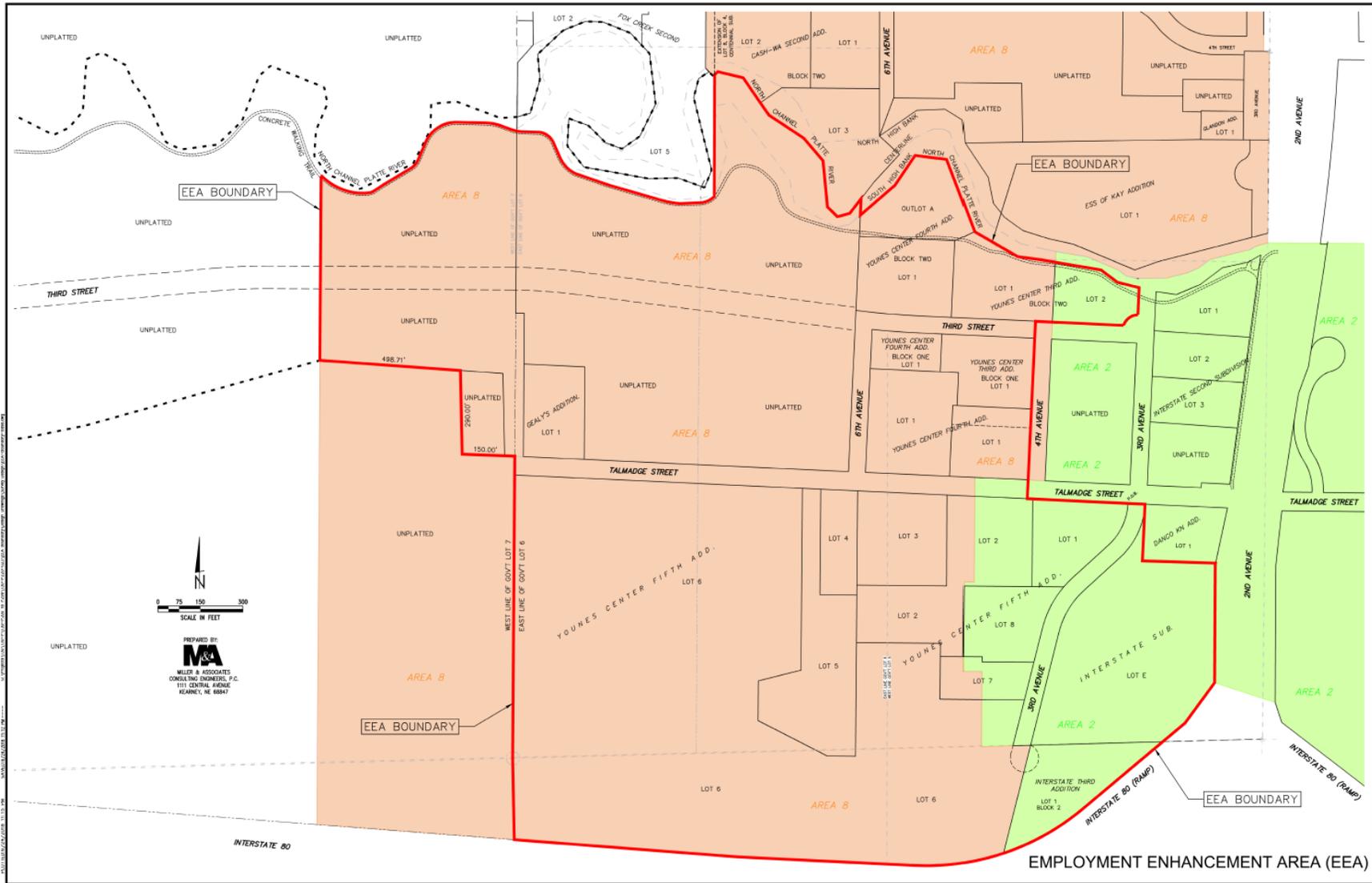
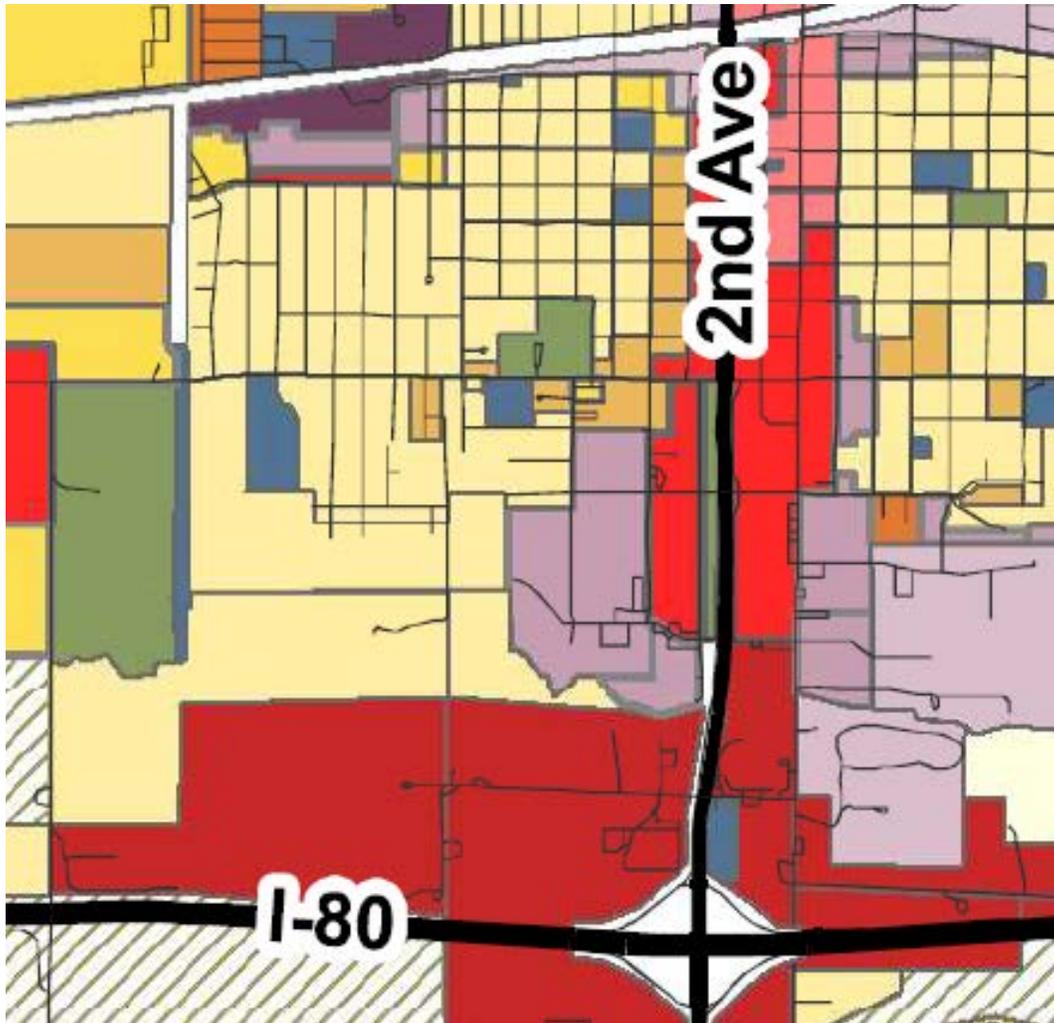


EXHIBIT "C"

# EXHIBIT "D"

## Future Land Use Map

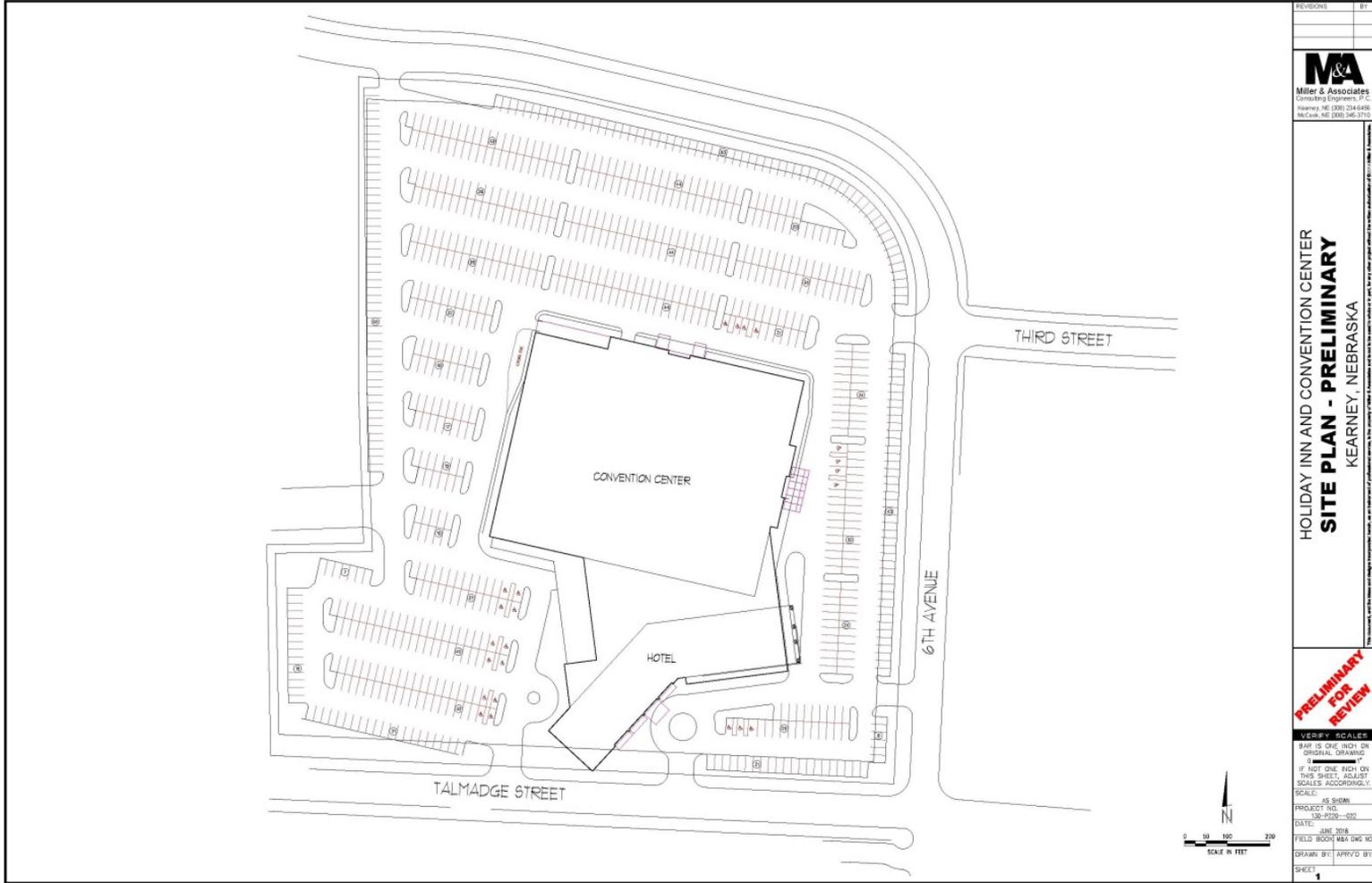


Legend	
<b>Transportation</b>	
	Major Roads
	Potential Interchange
	Roadway Network
<b>Future Land Uses</b>	
	RE - Rural Estates and Agriculture
	UR - Urban Reserve
	LDR - Low Density Residential
	MDR - Medium Density Residential
	HDR - High Density Residential
	COM - General Commercial
	BP - Business Park
	LI - Light Industrial
	GI - General Industrial
	MU1 - Neighborhood Mixed Use
	MU2 - Office/Comm. Retail Mixed Uses
	MU3 - Commercial Mixed Use
	CBD - Central Business District
	PROS - Parks, Recreation and Open Space
	CV - Civic

EXHIBIT "D"

# EXHIBIT "E"

## Project Site Plan



\* The Project Site Plan is preliminary in nature and subject to supplementation and change.

# EXHIBIT "E"

**EXHIBIT "F"**

**Estimated Project Costs and Uses**

	Total Costs	GBOT	TIF	Younes Hospitality
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Land-building location</b>	\$ 500,000			\$ 500,000
Building demolition	\$ 500,000	\$ 500,000		
Financing costs	\$ 400,000	\$ 400,000		
Legal	\$ 50,000	\$ 50,000		
Architect & Engineering	\$ 1,100,000	\$ 300,000		\$ 800,000
<b>Site Development:</b>				
Dirt work	\$ 400,000	\$ 400,000		
Utility connections	\$ 60,000	\$ 60,000		
Streets, water lines, storm sewer	\$ 3,500,000	\$ -	\$ 3,500,000	
<b>Public Areas:</b>				
Public parking	\$ 1,600,000	\$ 800,000	\$ 800,000	
Sidewalks	\$ 50,000	\$ 50,000		
Exterior lighting and security	\$ 300,000	\$ 300,000		
Trash compactors & recepticals	\$ 160,000			\$ 160,000
Landscaping & seawall	\$ 175,000	\$ 175,000		
Public spaces,fountain/pavillion	\$ 200,000	\$ 200,000		
<b>Buildings and interior finishes:</b>				
Convention center	\$ 10,000,000			\$ 10,000,000
Convention center FF &E	\$ 1,640,000			\$ 1,640,000
Holiday Inn Hotel-building	\$ 10,000,000			\$ 10,000,000
Holiday InnHotel-furn. And fixtures	\$ 3,000,000			\$ 3,000,000
Holiday Inn Hotel-intangibles	\$ 1,000,000			\$ 1,000,000
<b>TOTALS</b>	<u>\$ 34,635,000</u>	<u>\$ 3,235,000</u>	<u>\$ 4,300,000</u>	<u>\$ 27,100,000</u>

\* The above figures and uses are preliminary in nature and subject to change.

\*\* The GBOT uses are based upon estimated revenues of businesses within the EEA Site over a 20-year period.

EXHIBIT "F"

## EXHIBIT “G”

### Statutory Elements

#### A. **Property Acquisition, Demolition and Disposal**

No public acquisition of private property or relocation of families of business is necessary to accomplish the Project. Redeveloper owns all real estate within the Project Site and EEA Site.

#### B. **Population Density**

The project will not affect population density.

#### C. **Land Coverage and Building Intensities**

The hotel and convention center will be located on approximately 10 acres of land that currently sits vacant. The hotel will be five stories, with a footprint of approximately 30,000 square feet. The convention center is an approximately 100,000 square-foot facility. In addition, both buildings will include sufficient parking to accommodate hotel and convention center guests. The hotel and convention center will comply with all applicable land coverage ratios required by the City.

#### D. **Traffic Flow, Street Layouts and Street Grades**

The CRA and Redeveloper anticipate that the Project will increase traffic to and from the Project Site. There will be additional traffic from employees, customers, and visitors traveling to and from the hotel and convention center.

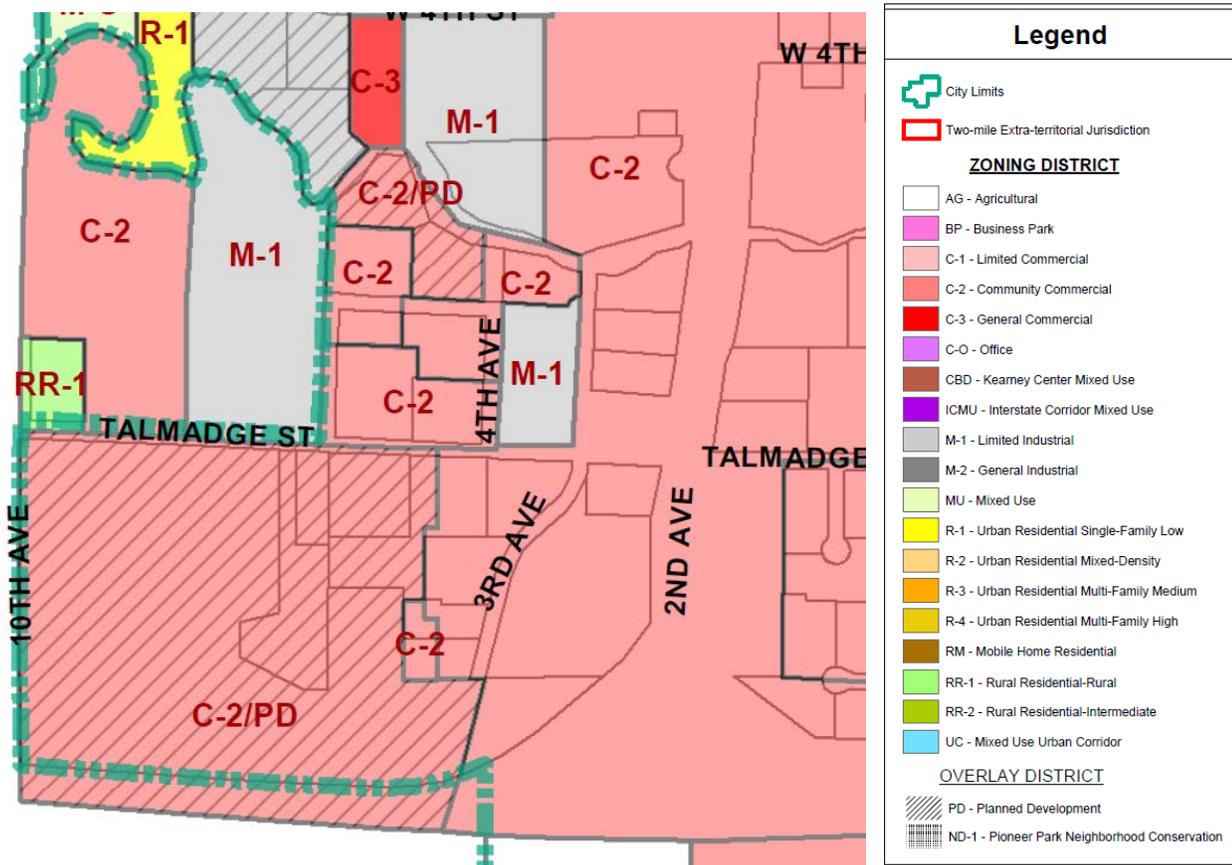
While the surrounding area is compatible with high traffic flow, Redeveloper will construct internal private roadways to address the increase in traffic and the accessibility of the private improvements. Redeveloper intends to extend 6th Avenue around the boundaries of the Project Site and construct additional access points from Talmadge Street to account for increased traffic flow. All public rights-of-way will remain under the ownership of the City. The public improvements for the Project will address any traffic and street infrastructure concerns that would otherwise be created by the Project. All streets and other public infrastructure constructed will comply with the laws of the City and be subject to review and approval by the City's engineers.

#### E. **Parking**

The Project will include parking facilities that will meet or exceed the parking requirements set forth in the applicable zoning district. The design and development of the Project should increase the efficiencies and beneficial traffic flow of the parking for all the uses located within the Project Site. The Project will also include designated public parking.

**F. Zoning, Building Code and Ordinances**

The Project Site is currently located within an M-1 Zoning District. The applicable land use map is set forth below:



As part of the Project, Redeveloper will replat and rezone the Project Site as C-2 – Community Commercial. The following uses, among others, are permitted uses in a Community Commercial Zoning District:

- Lodging (e.g., hotel)
- Public Assembly (e.g., convention center)
- Retail Services
- Restaurants

All of the uses anticipated by the Project fall within the permitted uses in a Community Commercial Zoning District. Redeveloper will be responsible for all zoning, building code, or ordinance changes that are necessary for the Project.

EXHIBIT “G”

**EXHIBIT “H”**

**Cost Benefit Analysis**

**Amendment to the Area 2 and Area 8 Redevelopment Plans  
for the City of Kearney, Nebraska**

**(Younes Redevelopment Project)**

This cost-benefit analysis for this Plan Amendment and the Project set forth therein has been undertaken pursuant to section 18-2113 of the Act.

**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 Project Site will 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 for eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of the Project is a positive shift in taxes after fifteen years. Additionally, because of the need for significant additional public infrastructure to develop the vacant lot, it is not anticipated that there will be any valuation increase on the Project Site without approval of a redevelopment project utilizing TIF. Accordingly, any valuation increase is deemed to be a benefit to the City, even considering the fifteen-year TIF period.

With respect to the tax shifts for the Project:

a.	Anticipated Project Site Base Valuation (2018):	\$305,120.00
b.	Projected Completed Project Assessed Valuation:	\$20,000,000.00
c.	Projected Tax Increment Base (b. minus a.):	\$19,694,880.00
d.	Estimated Tax Levy:	1.802616
e.	Annual Projected Tax Shift:	\$355,023.00

*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 2017 levy rate. There has been no accounting for incremental growth 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:

There are no anticipated negative public infrastructure impacts from the Project. The Project will require the extension and relocation of the public utilities to serve the Project Site, but the project should not create a burden on public resources. Redeveloper intends to construct internal private roadways to provide the necessary ingress and egress for the Project. Additionally, Redeveloper intends to extend 6th Avenue around the boundaries of the Project Site and construct additional access points from Talmadge Street to account for increased traffic flow. All public rights-of-way will remain under the ownership of the City. Redeveloper will construct public sanitary sewer and water improvements as part of the Project. Drainage and detention improvements required for the Project will benefit the public and surrounding properties.

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

The CRA and Redeveloper anticipate that the Project will provide several million dollars in additional sales tax revenues to Buffalo County and the City. Additionally, the hotel should provide significant lodging tax revenue to Buffalo County and the City. Overall, the Project should have a positive impact on local taxes.

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

Currently, there are no employers or employees within the Project Site. As such, the CRA expects that the public and private improvements associated with the Project will attract businesses and employees to the area. The Project will provide additional retail and lodging amenities to surrounding businesses that will make the area more desirable to potential businesses in the surrounding area.

Construction of the Project will require a number of construction employees and managers. Redeveloper intends to use as many local construction trades as possible during construction. Those contractors that come from outside the City will use other hotels, apartments, restaurants, gas stations and other services and facilities in the City during the construction time frame.

The Project will bring an estimated total of 75 new jobs to the Project Site. Redeveloper estimates that the hotel and convention center alone will create 40 new jobs. In addition, the hotel restaurant and coffee shop should result in approximately 35 new jobs. Most of the individuals that will fill these jobs already live in or around the City. In light of the above, Redeveloper and the CRA anticipate that the Project will have a positive impact on employers and employees of firms locating or expanding within the boundaries of the Project Site.

**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 CRA and Redeveloper anticipate that the Project will have a positive impact on the other employers and employees within the City or surrounding area. With respect to employees, the Project is expected to result in approximately 75 new jobs and should not cause any job decreases in the surrounding area.

With respect to the surrounding businesses, the hotel is projected to draw 64,000 visitors annually to the area. The Project is projected to increase event attendance at the Holiday Inn and Younes Conference Center from 760,000 to 1,000,000 in annual attendees. A significant number of these visitors are from outside the local community. As such, the increase in visitors should lead to an increase in money spent in the City, directly benefitting other businesses within the City.

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

The Project will not impact student populations of school districts within the City.

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

Redeveloper and the CRA anticipate the following relevant impacts on the City:

- The Project will occupy and develop land that is vacant, has been determined to be blighted and substandard, and has limited assessed tax value in its current state.
- The Project should help promote the development of future projects around the Project Site and along 2nd Avenue – an important commercial corridor for the City.
- The Project should bring significant consumer spending to other area businesses from hotel guests currently staying in other markets. Most notably, restaurants and gas stations will receive an immediate and direct benefit from the Project.
- The larger convention center will be able to accommodate larger groups of people, leading to a growth in visitors and tourist. The City's exposure should lead to an increase in business development and economic growth.

**6. Cost Benefit Analysis Conclusion:**

Based upon the findings presented in this cost-benefit analysis, the benefits outweigh the costs of the proposed Project.

EXHIBIT "H"