

- DRAFT -
LANDOWNER AGREEMENT
NOT TO PROTEST TAX ASSESSMENTS AND TO PAY TAXES

This Landowner Agreement Not to Protest Tax Assessments and to Pay Taxes is made and entered into by and between _____

_____ (collectively “Landowners”),
and the City of Lincoln, Nebraska, a municipal corporation (“City”).

RECITALS

A. The City has undertaken a program for the redevelopment of blighted and substandard areas in the City of Lincoln, Nebraska. As part of that program, the City has prepared and approved the North 56th Street and Arbor Road Redevelopment Plan as amended (Redevelopment Plan), a copy of which, together with any and all amendments thereto, is on file in the Office of the City Clerk of the City (City Clerk).

B. The Redevelopment Plan calls for the City to support commercial redevelopment efforts in community redevelopment areas (1) north and west of the intersection of Interstate 80 and North 56th Street, (2) on the west side of North 56th Street south of Arbor Road, and (3) on the west side of North 56th Street south of proposed Alvo Road.

C. In order to support the above-described commercial redevelopment efforts, it is necessary to construct the following public improvements in the following priorities:

(a) First Priority Public Improvements.

- (1) A trunk sanitary sewer line extending from a point south of Salt Creek and west of North 70th Street, extending northward under Salt Creek to a point on the north side of Salt Creek, thence westerly to a point near North 56th Street and Alvo Road, as provided and described in the City of Lincoln Wastewater Capital

Improvements Programs for fiscal year 2008/2009 (hereinafter “Phase I Sanitary Sewer”).

- (2) A trunk sewer line (“Phase II Sewer”) extending from the Phase I Sanitary Sewer, northward along North 56th Street to a point north of the north right-of-way line of Interstate 80.
- (3) A water line (“Phase I Water Line”) extending from a point south of Salt Creek along North 56th Street to Arbor Road and west along Arbor Road approximately _____ feet as provided and described in the Water System Capital Improvements Program for fiscal year 2006/2007.
- (4) A water line (“Phase II Water Line”) extending from Arbor Road northward to the north line of Interstate 80 right-of-way as provided and described in the Water System Capital Improvements Program for fiscal year 2009/2010.

- (b) Second Priority Improvements. Alvo Road Improvements west of North 56th Street abutting a portion of Lots 20 and 21, Irregular Tracts, located in the S 1/2 of Section 32, Township 11 North, Range 7 East of the 6th P.M., to be replatted as Lots 1, 2, 3, and 4, Northbank Junction, Lincoln, Lancaster County, Nebraska.

The First Priority Public Improvements are depicted on the attached Exhibit A.

D. Pursuant to *Neb. Rev. Stat.* § 18-2147, et seq., the Redevelopment Plan contains provisions which provide that “any ad valorem tax levied upon real property in the Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen years after the effective date of such provision by the governing body as follows:

- That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such 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; and

- That portion of the ad valorem tax on real property in the Redevelopment Project in excess of such 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 principle 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. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon taxable real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.

Said provisions are hereinafter referred to as the “Ad Valorem Tax Provision.”

E. *Neb. Rev. Stat.* §§ 18-2107 and 18-2150 (Reissue 1997) authorize the City to arrange or contract for the furnishing of the First Priority Public Improvements and Second Priority Public Improvements as a Redevelopment Project for or in connection with redevelopment of community redevelopment areas. The City believes it is necessary to use the tax increment revenues (tax increment financing (TIF) funds) under the Ad Valorem Tax Provision to pay for all or a portion of the First Priority Public Improvements.

F. The City is only willing to support redevelopment of the Community Redevelopment Area served by the First Priority Public Improvements in accordance with the Redevelopment Plan by constructing the First Priority Public Improvements as a Redevelopment Project with the use of TIF funds.

G. Landowners' properties are within the proposed Community Redevelopment Area and said properties are not sewerable and are without adequate fire protection until the First Priority Public Improvements are installed.

H. Landowners desire the First Priority Public Improvements to be constructed as soon as possible in order to facilitate redevelopment of their blighted and substandard properties and therefore, as an inducement for the City to designate said First Priority Public Improvements as a Redevelopment Project to be funded from TIF funds and enter into this Agreement, Landowners are willing to be included with the Redevelopment Project and agree not to contest any taxable valuation assessed against their respective properties which do not cumulatively exceed \$2.00 per square foot for land value.

NOW, THEREFORE, in consideration of the above recitals which are hereby made a part of this Agreement and the mutual covenants contained herein, the parties do agree as follows:

1. City Obligations. The City agrees to designate the First Priority Public Improvements as a Redevelopment Project and to issue TIF bonds to pay for the construction of the First Priority Public Improvements. The City further agrees to cause said First Priority Public Improvements to be constructed in fiscal year 20___/20___.

2. Grant of Right-of-way or Other Easements to City. Landowners agree to dedicate, grant, or convey to the City without additional consideration the appropriate easements and right-of-way as may be required by applicable City specifications or construction standards related to the First Priority Public Improvements in a form acceptable to the City Attorney.

3. Valuation of Property Within the Redevelopment Project Area. Landowners understand and agree that their respective properties will be included within the Redevelopment Project Area. Owners further understand that the tax increment revenues (TIF) funds which are to be used by the City to pay for construction of the First Priority Public Improvements will be derived from the increased valuation from redeveloping the Redevelopment Project Area as

provided in this Agreement. So long as any reimbursement for the First Priority Public Improvements remains outstanding and unpaid, Landowners agree not to contest any taxable valuation assessed against their property which does not cumulatively exceed \$2.00 per square foot provided that the construction of the First Priority Public Improvements is completed as provided in this Agreement.

4. Restriction on Transfer. Landowners will not, for a period of fifteen (15) years after the effective date of the Ad Valorem Tax Provision or so long as a reimbursement for the First Priority Public Improvements remains outstanding, whichever period of time is shorter (tax increment period), convey any portion of their property within the Community Redevelopment Area or any part thereof to any entity which results in the Redevelopment Project Area being exempt from ad valorem taxes levied by the State of Nebraska or any of its subdivisions.

5. Agreement to Pay Taxes. Landowners agree to pay all real property taxes levied upon their respective properties prior to the time the taxes become delinquent. A contractual obligation to pay such taxes prior to delinquency shall cease upon expiration of the tax increment period, but the City in no way waives Landowners' statutory obligation to continue to pay real estate taxes. This provision shall not be deemed a waiver of the right to protest or contest the valuation of Landowners' property or improvements for tax purposes.

6. Provisions Run with the Land. This Agreement shall run with the property of each Landowner and shall inure and bind the parties and their successors in interest.

7. Expiration of Agreement. This Agreement shall expire upon expiration of the tax increment period or retirement of the tax increment indebtedness, whichever occurs first.

Landowner

By: _____

CITY OF LINCOLN, NEBRASKA

By: _____
Coleen J. Seng, Mayor

STATE OF NEBRASKA)
) ss.
LANCASTER COUNTY)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by Coleen J. Seng, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

Notary Public