

**FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT
(21st and N Streets)**

This First Amendment to Redevelopment Agreement (21st and N Streets) is entered into this ___ day of _____, 2014, by and between the CITY OF LINCOLN, NEBRASKA, a municipal corporation (hereinafter referred to as “City”), the HOPPE BROTHERS, LLC, a Nebraska limited liability company (hereinafter referred to as “Redeveloper”).

RECITALS

A. City and Redeveloper previously entered into that Redevelopment Agreement dated November 4, 2013 (the “Redevelopment Agreement”), in which Redeveloper agreed to undertake a redevelop project in the Redevelopment Project Site, as described in the Redevelopment Agreement.

B. Pursuant to Section 204 of the Redevelopment Agreement, the City granted a Right of Entry to Redeveloper to enter upon the Retail/Rental Housing site and the Row Homes site to commence the demolition of the existing improvements prior to the Closing Date.

C. As part of this demolition and site preparation, Redeveloper discovered certain soil compaction issues on the Property that require remediation.

D. Said soil compaction remediation is an eligible public expenditure under the Community Development Law, and the parties desire to identify and include this expenditure as an eligible use for the Project.

E. Redeveloper has further identified significant changes in the costs of public infrastructure improvements and changes in the anticipated final valuation of the Project components, which affects the TIF Sources and Uses for this Project.

F. Additionally, subsequent to the execution of the Redevelopment Agreement, the parties have reassessed the Effective Date for the Redevelopment Project and desire to amend the Effective Date to better achieve the purposes of the Redevelopment Agreement.

G. The parties desire to amend the Redevelopment Agreement to reflect the revisions in the recitals above and to further clarify the completion of certain obligations set forth in the Redevelopment Agreement.

NOW, THEREFORE, inconsideration of the above Recitals which are hereby made a part of this First Amendment to Redevelopment Agreement, the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Section 101(A). Evidence of Redeveloper's Financial Ability.** Section 101(A) is hereby revised to provide that within sixty (60) days of the approval and signature of this Amendment, Redeveloper shall provide the City with evidence of his financing commitment for the construction and completion of the Private Improvements.

2. **Section 202. Closing.** Section 202(A) is revised to provide for a closing date of May 15, 2014 or once all the contingencies of closing of 202(B) are satisfied, whichever is later.

3. **Section 5.01. Valuation of Project Sites.** The first paragraph of Section 501 shall be deleted and replaced with the following paragraph:

The City intends to use the Tax Increment Provision to generate a tax increment in the estimated amount of Six Million One Hundred Thirteen Thousand and No/100 Dollars (\$6,113,000.00) as more particularly described on the "Sources and Uses of TIF" schedule attached as Exhibit C and incorporated by this reference which tax increment revenues ("**TIF Tax Revenues**") when collected shall be used to pay debt service of the TIF Indebtedness to be incurred as provided below. The TIF Tax Revenues for each Part of the Project is projected to be:

A. Retail/Rental Housing Project:	\$1,200,000.00
B. Row Homes Project:	\$4,050,000.00
C. Grocery Store Project:	\$863,000.00
Total:	\$6,113,000.00

4. **Section 502. Issuance of TIF Indebtedness.** The following paragraph shall be added to the end of Section 502:

"With respect to the Row Homes Project, the City shall issue and facilitate funding of the Series A TIF Indebtedness and shall issue the Series B TIF Indebtedness upon the issuance of certificates of occupancy for each building that is part of the Row Homes Project."

5. **Section 914. Effective Date of Ad Valorem Tax Provision.** Section 914 of the Redevelopment Agreement is hereby deleted and replaced in its entirety by the following:

"The Effective Date of the Ad Valorem Tax Provision (the "Effective Date") of the Private Improvements portion of the Exchange at Antelope Valley Project shall be January 1 following the date when

rehabilitation, acquisition, and redevelopment, to the extent that any of the three are involved in this Project, is completed for each part or phase of the Project (“Project Completion Date”), provided, however, if there is or will be a partial value assessed to the Private Improvements in the year of the Project Completion Date, then the Effective Date shall be January 1 of the year of the Project Completion Date. The City will deliver written notice to the County Assessor on or before August 1st of the year in which the Effective Date occurs to divide the property taxes in the Project Area and use the last certified valuation to divide the taxes for the remaining portion of the fifteen (15) year period as described in Section 18-2147 (3) of the Nebraska Revised Statutes.

Redeveloper agrees to defend, indemnify, and hold harmless the City of Lincoln against any claims, damages, losses, expenses, or challenges, including associated litigation costs and attorney fees, arising out of the establishment of the Effective Date as set forth in this Section. Further, to the extent that this provision is deemed invalid, void, unconstitutional, or otherwise unenforceable, the Redeveloper agrees to assume any and all risk associated with such an outcome and any effect it might have on the availability of proceeds otherwise allowed for repayment of indebtedness associated with this Agreement as described in Article V. Tax Agreement of this Agreement without any recourse against the City of Lincoln.”

6. **Exhibit C. Projected TIF Sources and Uses.** Exhibit “C” of the Redevelopment Agreement is hereby deleted and replaced in its entirety by Exhibit “C” attached to this First Amendment.

7. **Reconfirm all other Terms.** All provisions of the Redevelopment Agreement not expressly amended herein shall remain in full force and effect.

[Signature and notary page follows]

This First Amendment to Redevelopment Agreement is dated as of the date first written above.

“CITY”

CITY OF LINCOLN, NEBRASKA,
a municipal corporation

ATTEST:

By: _____
City Clerk

By: _____
Chris Beutler, Mayor

STATE OF NEBRASKA)
) ss
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014 by Chris Beutler and Teresa J. Meier, Mayor and City Clerk, respectively, of the City of Lincoln, Nebraska, a municipal corporation, on behalf of the municipal corporation.

Notary Public

“REDEVELOPER”

HOPPE BROTHERS, LLC, a
Nebraska limited liability
company

By: _____
Ward F. Hoppe, Manager

STATE OF NEBRASKA)
) ss
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014 by Ward F. Hoppe, Manager, of Hoppe Brothers, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

**EXHIBIT “C”
PROJECTED TIF SOURCES AND USES**

I. TIF SOURCES AND USES

TIF Sources

	Series A	Series B	Total
Part One	\$700,000	\$500,000	\$1,200,000
Part Two	\$3,337,000	\$713,000	\$4,050,000
Part Three	\$363,000	\$500,000	\$863,000
Total	\$4,400,000	\$1,713,000	\$6,113,000

TIF Uses

Priority	Description	TIF Amount	Redeveloper Amount
1	Cost of Issuance	\$10,000.00	
2	“N” Street Protected bikeway between 17th Streets and the Antelope Creek	\$380,000.00	
3	Relocation of City facilities currently located on the Project Site as well as costs associated with removing an underground storage tank located on the Project Site	\$600,000.00	
4	Land Acquisition	\$2,850,000.00	\$2,157,000.00
5	Demolition and Asbestos Abatement	\$275,750.00	
6	Infrastructure Improvements	\$1,100,000.00	
7	Soil Compaction Remediation	\$600,000	
8	Land Acquisition Carryback Cost Shortfall and Capitalized Interest	\$297,250.00	
	Total TIF Uses	\$6,113,000	\$ 2,157,000

II. PROJECT SOURCES AND USES

Project Uses - Redeveloper Anticipated Investment (approximate):

Part One:	\$4,104,000
Part Two:	\$16,000,000
Part Three:	\$7,793,000
Total:	\$27,897,000

Project Sources:

TIF:	\$6,113,000
<u>Debt/Equity:</u>	<u>\$21,784,000</u>

Total: \$27,897,000