

# **MCCOOK CITY COUNCIL**

## **REGULAR MEETING**

**Monday, November 14, 2022  
5:15 PM - City Council Chambers**

Open Meetings Act Announcement.

Items

1. Approve the minutes of the October 10, 2022 regular Planning Commission meeting.
2. Public Hearings and Regular Agenda.
  - A. Public Hearing - Regarding the Redevelopment Plan for the Engineering International 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. Approve Resolution No. PC2022-04 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 Engineering International Redevelopment Project.

Adjournment.

**CITY MANAGER'S REPORT  
NOVEMBER 14, 2022 PLANNING COMMISSION MEETING**

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**ITEM:**          1  

**RECOMMENDATION:**

Approve the minutes of the October 10, 2022 regular meeting.

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**BACKGROUND:**

Receive and approve the minutes.

**FISCAL  
IMPACT:**     None.

**APPROVALS:**



\_\_\_\_\_  
Lea Ann Doak, City Clerk

November 10, 2022

McCook Planning Commission  
October 10, 2022  
5:15 P.M.

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: Vice Chair Hilker; Commissioners Davidson, Dueland, Friehe, Lyons, McDowell, Stevens, Mockry.

Absent: Chair Vosburg; Commissioner Bradley.

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 October 6, 2022, 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.

Vice Chair Hilker 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 September 26, 2022 Planning Commission meeting.

Motion to approve the minutes of the September 26, 2022 Planning Commission meeting. This motion, made by Dueland and seconded by Friehe, passed.

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

2. Public Hearings and Regular Agenda.

2.A. Public Hearing - Regarding a request from Northrop Grumman, by and through its project sponsor Jennifer Hiatt of Baird Holm, LLP, to rezone two lots from Agricultural (AG) to Highway Commercial (HC), said lots legally described as follows: 1) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299500), and 2) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299700), property located within the two mile extra-territorial jurisdiction of the City of McCook.

Motion to recess as a Planning Commission and convene a public hearing for the purpose of receiving public comment with respect to a request from Northrop Grumman, by and through its project sponsor Jennifer Hiatt of Baird Holm, LLP, to rezone two lots from Agricultural (AG) to Highway Commercial (HC), said lots legally described as follows: 1) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299500), and 2) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299700), property located within the two mile extra-territorial jurisdiction of the City of McCook, with the City Attorney to act as hearing officer. This motion, made by Hilker and seconded by McDowell, passed.

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

The City Attorney received into evidence Exhibit #1 - City Manager's Report prepared for the October 10, 2022 Planning Commission meeting (1 page), Exhibit #2 - Notice of Hearing published (1 page); Exhibit #3 - Notice of Hearing posted and mailed (1 page); Exhibit #4 - ownership list for mailing of Notice of Hearing (1 page); Exhibit #5 - Land Use Action Request Form and attachments (4 pages); Exhibit #6 - area map indicating Tract 1 and Tract 2 (1 page); Exhibit #7 - Future Land Use Map (1 page); Exhibit #8 - Quit Claim Deed for Red Willow County Parcel No. 000299500 (11 pages); and Exhibit #9 - Quit Claim Deed for Red Willow County Parcel No. 000299700 (7 pages).

City Manager Schneider reviewed the information presented in Exhibit #1.

Jennifer Hiatt, Baird Holm LLP - 1700 Farnam Street, Suite 1500, Omaha Nebraska, presented the request to the Commission.

Commissioners questioned if the monitoring period is over on the two parcels and what effect the rezone has on other agricultural property in the area.

With no one else present to comment, motion to adjourn the public hearing and to reconvene as a Planning Commission. This motion, made by McDowell and seconded by Friehe, passed.

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

2.B. Recommend the approval of a rezone from Agricultural (AG) to Highway Commercial (HC) for two lots, said lots legally described as follows: 1) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299500), and 2) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299700), property located within

the two mile extra-territorial jurisdiction of the City of McCook.

Commissioner Friehe expressed concerns with what effect the rezone would have on other agricultural land in the area.

Motion to recommend to the McCook City Council approval of a rezone from Agricultural (AG) to Highway Commercial (HC) for two lots, said lots legally described as follows: 1) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299500), and 2) A tract of land located in the Southeast Quarter of Section 28, Township 3 North, Range 29 Willow Grove Precinct West of the 6th P.M. in Red Willow County, Nebraska (a/k/a Red Willow County Parcel No. 000299700), property located within the two mile extra-territorial jurisdiction of the City of McCook. This motion, made by Hilker and seconded by McDowell, passed.

Bradley: ABSENT, Davidson: YEA, Dueland: YEA, Friehe: NAY, Hilker: YEA, Lyons: YEA, McDowell: YEA, Mockry: YEA, Stevens: YEA, Vosburg: ABSENT  
YEA: 7, NAY: 1, ABSENT: 2

Adjournment

With no further business, Vice Chair Hilker declared the Planning Commission meeting adjourned at 5:37 P.M.

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Lea Ann Doak  
City Clerk/Recording Secretary

**CITY MANAGER'S REPORT  
NOVEMBER 14, 2022 PLANNING COMMISSION MEETING**

**2.A.**  
ITEM NO. \_\_\_ Public Hearing - Regarding the Redevelopment Plan for the Engineering International Redevelopment Project as to its conformity with the general plan for the development of the City as a whole.

**2.B.**  
ITEM NO. \_\_\_ Approve Resolution No. PC2020-~~04~~ 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 Engineering International Redevelopment Project.

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**BACKGROUND:**

In 2013, a Blight and Substandard Determination Study for the Redevelopment Area #3 was approved, said Study including property adjacent to Highway 6 and 34. An application has been received from Engineering International requesting Tax Increment Financing (TIF) consideration for a project along Highway 6 and 34 and within Redevelopment Area #3. City Staff has reviewed Engineering International's application and it has been determined that the request is eligible for Tax Increment Financing (TIF).

The project site at issue is located on a lot at the southwest intersection of Highway 6 and 34 and East 4<sup>th</sup> Street. The site currently is home to a commercial structure that was used as a mechanic's shop. The Redeveloper would like to redevelop the structure in order to provide a location for an engineering/architectural firm and a kitchen remodeling company. Based upon the application it is apparent to Staff that "but for" TIF, the project will not occur and the structure will not be improved.

The Redeveloper intends to create professional office and retail space in order to expand two existing commercial businesses in the City of McCook. The redevelopment of the current building/site will help eliminate the current blight and substandard conditions of the Project Site and further the purposes of the Nebraska Community Development Law. As part of the Project, the CDA would capture available tax increment from the Project Site improvements to assist in payment for the public improvements listed as eligible expenses within the Redevelopment Plan and acceptable under the Community Development Law. A copy of the eligible expenses can be found on page 5 of the Redevelopment Plan.

The Redevelopment Plan contains a recitation of the Statutory Elements required to be satisfied in Exhibit B. The Plan also contains a Cost-Benefit Analysis that illustrates the breakdown of the tax shift resulting from the proposed Plan. Currently, the property at issue is valued at \$109,600. It is anticipated that the property will be valued at \$625,000 following completion of the improvements. The difference between the current valuation and estimated valuation is \$515,400. Based upon the estimated tax levy of 1.929606, it is estimated that the annual projected tax shift will be \$9,945. These funds are the eligible amounts available to pay back the TIF note over a period of 15 years.

**EXHIBIT #1**

**PAGE(S) - 2**

With respect to the City's Comprehensive Plan, the Redeveloper's Redevelopment Plan addresses several important goals in the Comprehensive Plan. The Redevelopment Plan promotes job creation, encourages business diversification, aids in community development, and assists in the rehabilitation of a structure in need of attention.

**APPROVALS:**



November 10, 2022

Nathan A. Schneider, City Manager



November 10, 2022

Lea Ann Doak, City Clerk

## NOTICE OF PUBLIC HEARINGS

Public notice is hereby given that a public hearing will be held by the City of McCook Planning Commission on November 14, 2022, at 5:15 P.M. and by the McCook City Council on November 21, 2022 at 5:30 P.M. The hearings will be held in the City Council Chambers at the McCook Municipal Center, 505 West "C" Street, McCook, Nebraska.

The purpose of the hearings is to obtain public comment prior to the review and consideration of a proposed amendment to the redevelopment plan for the City of McCook, which amendment shall include a redevelopment project that will utilize tax increment financing.

The property which is the subject of this Notice and of the public hearings is located at 410 East "B" Street in McCook, Nebraska and legally described as follows:

Lot One (1) and the East Ninety feet (E90') of Lots Two (2) and Three (3)  
EXCEPT 634.57 square feet to the Department of Roads, Block Twenty-six (26),  
First Addition to the City of McCook, Red Willow County, Nebraska

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

-s- Lea Ann Doak, City Clerk

Publish: October 28 and November 4, 2022.

COPY OF NOTICE MAILED TO:

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

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

Chairman of the Board  
Middle Republican NRD  
208 Center Ave  
PO Box 81  
Curtis, NE 69025

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

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

**EXHIBIT #3**

**PAGE(S) - 6**

November 4, 2022

CERTIFIED MAIL

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

Re: **NOTICE OF PUBLIC HEARING**

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Respectfully,

Lea Ann Doak  
City Clerk

November 4, 2022

CERTIFIED MAIL

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

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Respectfully,

Lea Ann Doak  
City Clerk

November 4, 2022

CERTIFIED MAIL

Chairman of the Board  
Middle Republican NRD  
PO Box 81 - 208 Center Ave  
Curtis, NE 69025

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Respectfully,

Lea Ann Doak  
City Clerk

November 4, 2022

CERTIFIED MAIL

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

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The property which is the subject of this Notice and of the public hearings is located at 410 East "B" Street in McCook, Nebraska and legally described as follows:

Lot One (1) and the East Ninety feet (E90') of Lots Two (2) and Three (3) EXCEPT 634.57 square feet to the Department of Roads, Block Twenty-six (26), First Addition to the City of McCook, Red Willow County, Nebraska

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

Respectfully,

Lea Ann Doak  
City Clerk

November 4, 2022

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

CERTIFIED MAIL

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

Respectfully,

Lea Ann Doak  
City Clerk

**PLANNING COMMISSION  
CITY OF MCCOOK, NEBRASKA**

**RESOLUTION NO. PC2022-04**

(Redevelopment Plan–Engineering International Redevelopment Project)

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MCCOOK, NEBRASKA, MAKING A RECOMMENDATION TO THE COMMUNITY DEVELOPMENT AGENCY AND THE CITY COUNCIL OF THE CITY OF MCCOOK, NEBRASKA, WITH RESPECT TO THE REDEVELOPMENT PLAN FOR THE CITY OF MCCOOK, NEBRASKA, INCLUDING THE ENGINEERING INTERNATIONAL REDEVELOPMENT PROJECT.**

**RECITALS**

A. The Community Development Agency of the City of McCook, Nebraska (“CDA”) has submitted the question of whether a Redevelopment Plan for the City of McCook, should be approved for the redevelopment of certain real property within the Redevelopment Area #3 identified in said plan (the “Project Site”). A copy of the proposed Redevelopment Plan is on file and available for public inspection with the McCook City Clerk (the “Redevelopment Plan”).

B. Notice of public hearing regarding the question of whether the Redevelopment Plan should be recommended to the City Council and ultimately be adopted and approved by the City 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.

C. On November 14, 2022, the Planning Commission held a public hearing relating to the question of whether the Redevelopment Plan should be recommended to the City Council and ultimately 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.

D. The Planning Commission has reviewed the Redevelopment Plan and has duly considered all statements made and material submitted related to the submitted question.

NOW THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of McCook, Nebraska, in accordance with the Community Development Law, Neb. Rev. Stat. §§ 18-2101 to 18-2155 (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 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.

**EXHIBIT #4**

3. The Redevelopment Plan 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.

BE IT FURTHER RESOLVED, that pursuant to the provisions of the Act and in light of the foregoing findings and determinations, the Planning Commission does hereby recommend: (i) recommendation of the Redevelopment Plan by the CDA to the City Council; and (ii) approval of the Redevelopment Plan by the City Council as the governing body for the City of McCook.

Passed and approved by the Planning Commission on this 14th day of November, 2022.

PLANNING COMMISSION OF THE  
CITY OF MCCOOK, NEBRASKA

By: \_\_\_\_\_  
Kurt Vosburg, Chairman

ATTEST:

By: \_\_\_\_\_  
Chad Lyons, Secretary

**REDEVELOPMENT PLAN FOR THE  
ENGINEERING INTERNATIONAL 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"). A Blight and Substandard Determination Study for the Redevelopment Area was prepared in January, 2013 by Hanna:Keelan Associates, P.C., and the Redevelopment Area was declared blighted and substandard in January, 2013. This Redevelopment Plan is a project-specific 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 18-2155 (the "Act"), the City created the Community Development Authority of the City of McCook ("CDA"), which has administered the overall plan of redevelopment 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 legally described on the attached and incorporated Exhibit "A" (the "Project Site").

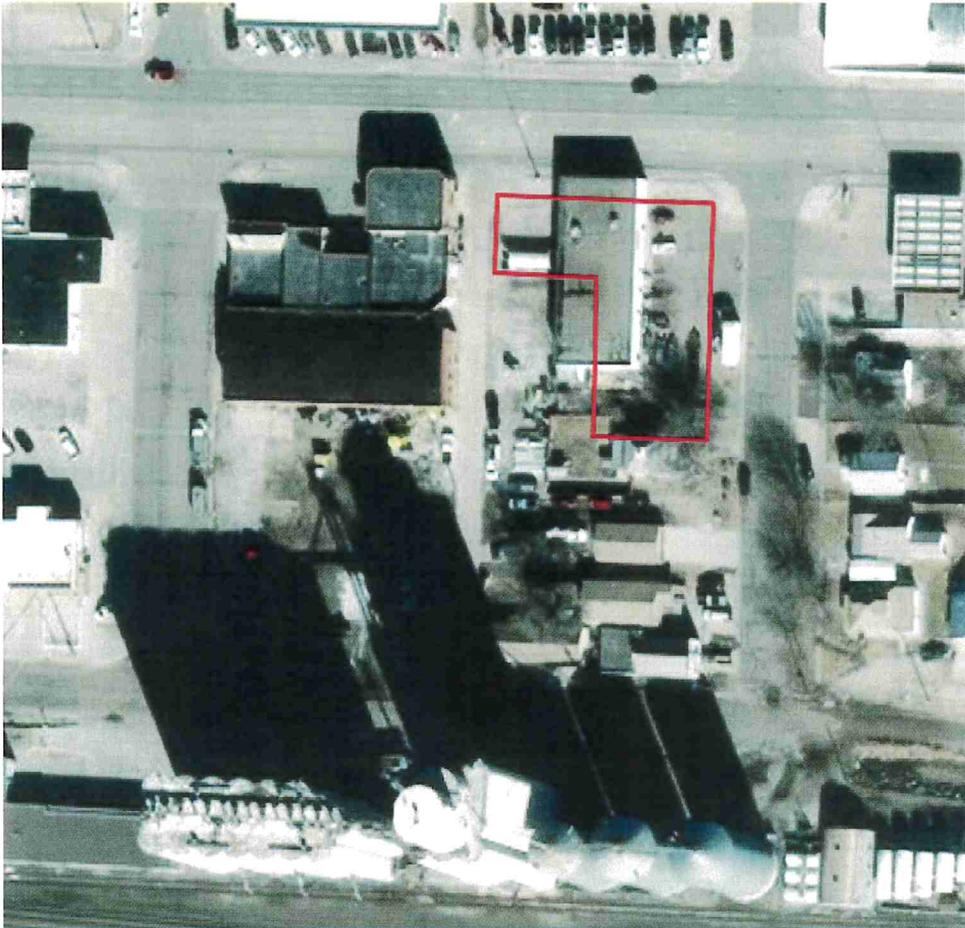
**The Project Site**

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.

An approximately 6,126 square foot commercial building is currently located on the Project Site. The existing building was formerly occupied by an automotive repair shop. The existing building was built in 1952 and is no longer suitable for modern business due to its age and obsolescence. 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.

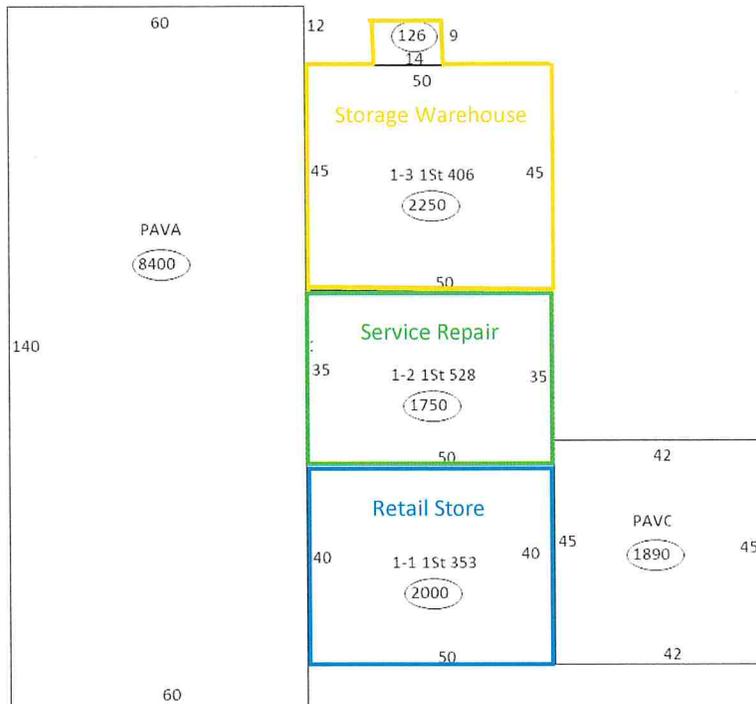
**EXHIBIT #5**

A general depiction of the Project Site is set forth below:



A recent photograph and sketch of the existing building on the Project Site are set forth below:





### Description of the Project

Restored Homes LLC, a Nebraska limited liability company (the “Redeveloper”), has submitted a proposal for the redevelopment of the Project Site. The project under consideration will consist of the renovation and rehabilitation of the commercial building on the Project Site and associated improvements on the Project Site to create professional office and retail space (the “Project”). Upon completion, Redeveloper intends to lease space in the building to Engineering International, an architectural design and engineering firm, and Kitchen Solvers, a kitchen remodeling company.

The Project is intended to create professional office and retail space in order to expand two existing commercial businesses in the City. The redevelopment of the Project Site pursuant to this Redevelopment Plan will help eliminate the current blight and substandard conditions of the Project Site, and further the purposes of the Act.

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, site preparation, energy efficiency enhancements, architectural and engineering fees, 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.

Redeveloper intends to commence construction in November, 2022 and complete construction before the end of 2023. The base year for the Project is anticipated to be 2023 and the effective date for the division of taxes shall be January 1, 2024.

### **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 \$109,600. The projected completed valuation of the Project is \$625,000, based on Redeveloper’s calculations and estimates. The final value will ultimately be decided by the Red Willow County Assessor, but the CDA will use Redeveloper’s assumption for the TIF Projections for the Project.

Based upon the anticipated completed valuation of \$625,000 and a 5.0% interest rate for the TIF Note, the Project will yield TIF Indebtedness in the amount of approximately \$104,000. Redeveloper estimates that the total Project costs shall be approximately \$800,000. 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 \$326,120 TIF-eligible expenditures. The estimated TIF uses are set forth below:

CDA Administrative Fee	\$3,120
Cost of Issuance	TBD
Land Acquisition	\$250,000
Site Preparation	\$15,000
Energy Efficiency Enhancements	\$10,000
Architectural Fees	\$24,000
Engineering Fees	\$18,000
Legal Fees	\$6,000
<hr/>	
Total estimated TIF uses:	\$326,120

All TIF uses identified above are estimated amounts and the actual TIF Uses shall be determined based upon actual costs and documented invoices for all eligible public uses. The list of TIF uses identified above is not exhaustive and additional documented eligible public uses may be considered by the CDA.

### **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 “B” 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 “C” 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 2:** Create up to 200 new jobs in McCook by 2023. This should be achieved by expanding exiting and adding commercial businesses and industrial companies, “light manufacturing” in nature 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. . . .

**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 selections from the McCook Comprehensive Plan are supported and implemented by the Project:

- Downtown McCook needs to focus on the development and retention of specialty retail, professional office and services.
- Specialty retail, cafes/restaurants, and professional offices are encouraged to further diversify commercial venues in Downtown McCook.
- 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.

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 ImagineNE Nebraska Act.

**EXISTING LAND USE MAP**

CORPORATE LIMITS  
MCCOOK, NEBRASKA

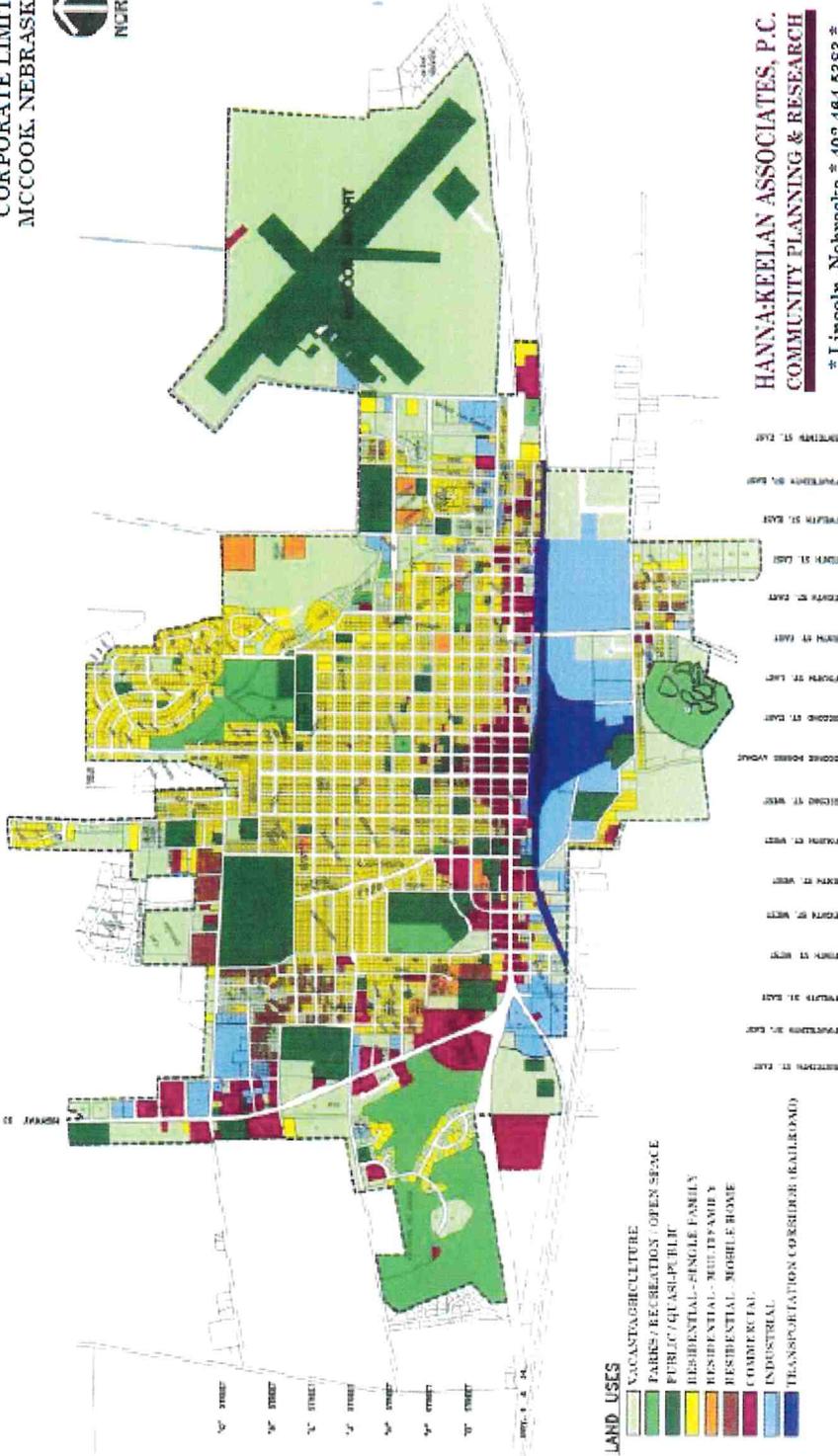
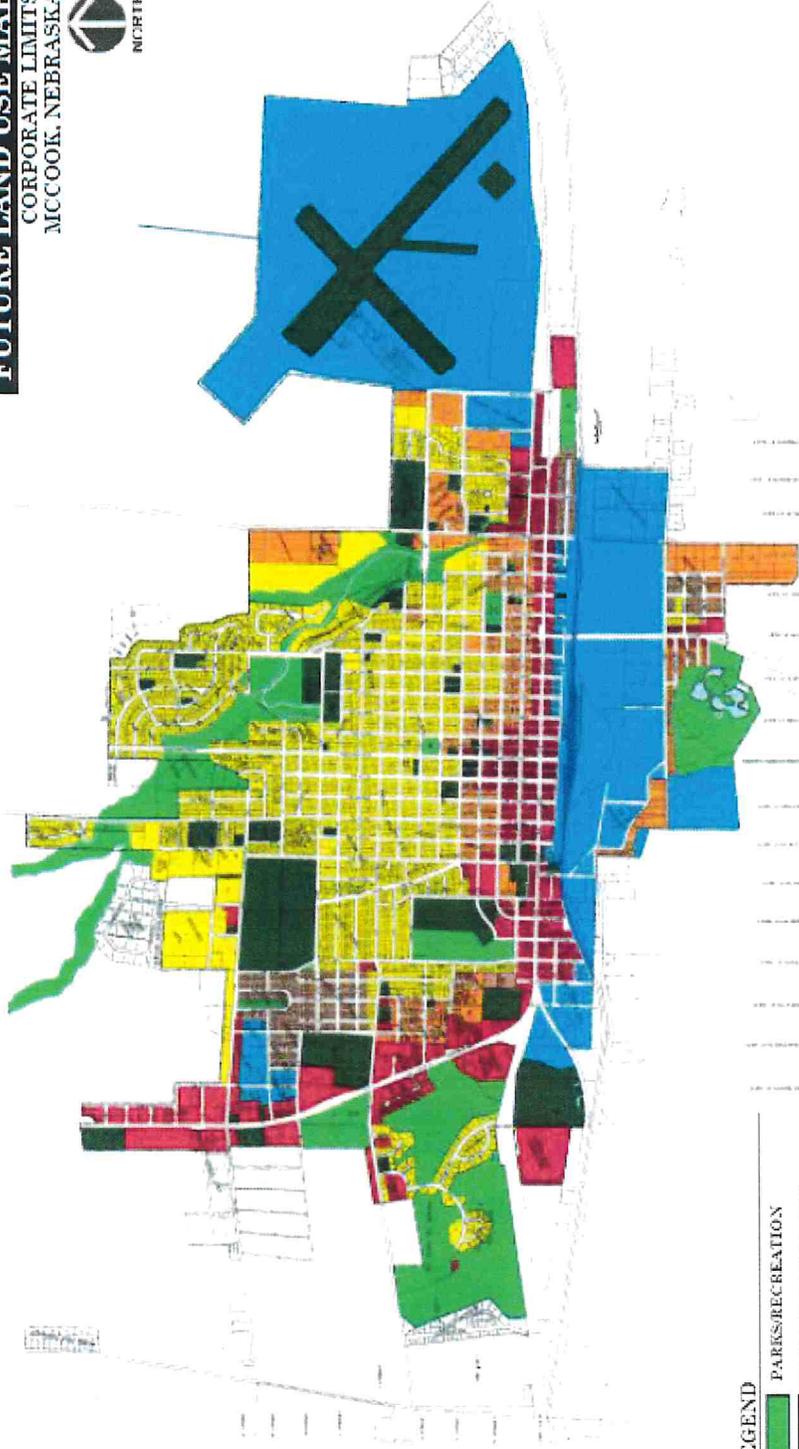


ILLUSTRATION 4.2

**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

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 COMMUNITY PLANNING & RESEARCH  
 \* Lincoln, Nebraska \* 402.464.6883 \*

ILLUSTRATION 4.4

**EXHIBIT "A"**  
**Legal Description of the Project Site**

The Project Site is located at 410 East B Street in McCook, Nebraska and legally described as follows:

Lot One (1) and the East Ninety feet (E90') of Lots Two (2) and Three (3) EXCEPT 634.57 square feet to the Department of Roads, Block Twenty-six (26), First Addition to the City of McCook, Red Willow County, Nebraska.

The general location of the Project Site is depicted below:



**Exhibit “B”**  
**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 recently purchased the Project Site in preparation to undertake the Project.

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 6,126 square foot commercial building on the Project Site. 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

The Project Site has approximately 10,290 square feet of paved parking areas. The Project will be required to meet or exceed the parking requirements set forth in the applicable zoning district.

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 “C”**  
**Cost-Benefit Analysis**  
**(Pursuant to Neb. Rev. Stat. § 18-2113)**

The cost-benefit analysis for the Engineering International 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:	\$109,600
b.	Projected Completed Project Assessed Valuation:	\$625,000
c.	Projected Tax Increment Base:	\$515,400
d.	Estimated Tax Levy:	1.929606
e.	Annual Projected Tax Shift:	\$9,945

*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 2021 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 public infrastructure serving the Project Site is sufficient for the Project. No 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 \$800,000 for the Project. It is anticipated that approximately \$104,000 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 Nebraska Community Development 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 professional office and retail 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. The Project is a commercial project that does not involve housing.

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

The Project will retain and create jobs in the City by expanding two existing commercial businesses. There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project.

**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.