

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF FRIEND, NEBRASKA**

RESOLUTION NO. 08-17

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF FRIEND, NEBRASKA, RECOMMENDING A SECOND AMENDMENT TO THE GENERAL REDEVELOPMENT PLAN FOR REDEVELOPMENT AREA #1; RATIFYING CERTAIN REDEVELOPMENT PROJECTS WITHIN REDEVELOPMENT AREA #1; APPROVING A COST BENEFIT ANALYSIS FOR SUCH PROJECTS; AND APPROVING RELATED MATTERS.

WHEREAS, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the Mayor and Council of the City of Friend, Nebraska (the “**City**”), pursuant to Resolution No. 07-34, previously declared the area described in **Attachment 1** (the “**Redevelopment Area**”) to be blighted and substandard and in need of redevelopment pursuant to the Act;

WHEREAS, the City previously adopted and has in place a comprehensive plan, which includes a general plan for development of the City within the meaning of Section 18-2110 of the Act;

WHEREAS, upon the recommendation of the Community Redevelopment Authority of the City (the “**Authority**”) and of the Planning Commission of the City (the “**Planning Commission**”), the City, pursuant to Resolution No. 08-08, approved a general redevelopment plan in the form attached as **Attachment 2** (the “**Redevelopment Plan**”) for the Redevelopment Area;

WHEREAS, upon the recommendation of the Authority and of the Planning Commission, the City, pursuant to Resolution No. 08-09, approved an amendment to the Redevelopment Plan in the form attached as **Attachment 3** (the “**Plan Amendment**”) the purpose of which was to authorize certain community redevelopment projects (collectively, the “**Project**”) within that portion of the Redevelopment Area described in **Attachment 4** (the “**Project Area**”);

WHEREAS, pursuant to the Plan Amendment, the Authority agreed to incur indebtedness for the purposes specified in the Plan Amendment, in accordance with and as permitted by the Act, and to secure such indebtedness with a pledge of tax increment financing revenue received from the county and attributable to the increase in the current equalized assessed valuation of taxable real property in the Project Area over and above the initial equalized assessed value of each such unit of property in the Project Area;

WHEREAS, the Authority has not yet incurred such indebtedness;

WHEREAS, the Authority received a proposal for the development of a new community redevelopment project not contemplated by the Plan Amendment (the “**Stutzman Project**”), and the Stutzman Project is to be constructed on real property currently situated within the boundaries of the Project Area (the “**Stutzman Project Area**”);

WHEREAS, the boundary of the Stutzman Project Area, and a map depicting the same, are attached as **Attachment 5** and **Attachment 6**, respectively;

WHEREAS, in order to promote development of the Stutzman Project, the Authority recommends to approve an amendment to the Plan Amendment in the form attached as **Attachment 7** (the "**Second Plan Amendment**"), remove from the Project Area the real property situated in the Stutzman Project Area, amend the boundaries of the Project Area to include only such real property described on **Attachment 8** (the "**Amended Project Area**"), and ratify the remaining portions of the Plan Amendment;

WHEREAS, the Authority conducted a cost-benefit analysis for the Project (the "**Cost-Benefit Analysis**") in accordance with Section 18-2113 of the Act, a copy of which is attached as **Attachment 9**; and

WHEREAS, the Authority has determined that it is in the best interests of the City to approve the Second Plan Amendment, to ratify the remaining portions of the Plan Amendment, to carry out the Project, and to take certain actions to adopt and implement the Second Plan Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF FRIEND, NEBRASKA AS FOLLOWS:

Section 1. The Authority finds that the proposed land uses and building requirements in the Redevelopment Area, including the Amended Project Area, are in conformance with the general plan of the City and designed with the general purposes of accomplishing a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and communitive facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

Section 2. The Redevelopment Area on the whole was declared blighted and substandard pursuant to Resolution No. 07-34. The Redevelopment Area includes the Amended Project Area and the Stutzman Project Area, the blighted and substandard conditions have not yet been cured in the Amended Project Area and the Stutzman Project Area, and therefore the Amended Project Area and the Stutzman Project Area remain blighted and substandard under the Redevelopment Plan.

Section 3. The Authority approves the Cost-Benefit Analysis and finds that (a) the Second Plan Amendment is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Act, and the Second Plan Amendment provides for the use of funds authorized in section 18-2147 because (b)(i) the Project would not be economically feasible without the use of tax-increment financing, (ii) the Project would not occur in the Amended Project Area without the use of tax-increment financing, and (iii) the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analysed and are in the long-term best interest of the City.

Section 4. As required by Section 18-2114 of the Act, the Authority finds as follows: the Authority anticipates to acquire title to certain real property in the Amended Project Area as set forth in the Second Plan Amendment, prepare the same for redevelopment, and retain title to such real property until the same is sold for further private development, but the associated costs for acquisition and

redevelopment are unknown; additional real property rights or interests are not anticipated to be acquired or disposed of by the Authority or the City in the Amended Project Area; the Project is proposed to be financed with the revenues received pursuant to Section 18-2147 of the Act in the amount of \$96,711; and no families are to be displaced from the Amended Project Area.

Section 5. The Authority adopts all findings and recommendations made previously in connection with its recommendation to approve the Redevelopment Plan and the Plan Amendment, and recommends approval of the Second Plan Amendment and ratification of the remaining portions of the Plan Amendment unchanged by the Second Plan Amendment.

Section 6. The Chair, Secretary, the Authority's special legal counsel, and any other Authority officials are hereby authorized and directed to execute such documents and take such further actions as are necessary to carry out the intent of this resolution.

Section 7. All prior resolutions of the Authority in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

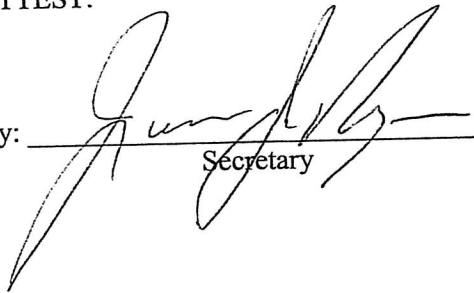
Section 8. This resolution shall be in full force and effect from and after its passage and approval.

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PASSED AND APPROVED this 14th day of October, 2008.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF FRIEND,
NEBRASKA**

ATTEST:

By:  _____
Secretary

By:  _____
Chair

ATTACHMENT 1

BOUNDARY DESCRIPTION OF THE REDEVELOPMENT AREA

An area that begins at the intersection of "A" Street and the west line of State Street, thence eastward along the north line of "A" Street, to its intersection with the extended west line of Cedar Street, southwest corner of the southwest quarter (SW ¼) of Section 14-8-1, thence north to the northern line of the Burlington Northern Railroad right of way line, thence easterly along the right of way to the intersection of the west line of Cedar Street, thence north along the extended west line of Cedar Street to the extended north line of "C" Street (also the north Corporate Limit Line), thence continuing generally east along the north line of "C" Street, and including all real property between the north Corporate Limit Line and "C" Street, to its intersection with the east line of the J.K. Friend Addition (also known as the east Corporate Limit Line), thence south along said Corporate Limit Line to its intersection with the north line of the Burlington Northern Railroad corridor (which is also the north Corporate Limit Line), thence east along said north line to its intersection with the west line of Page Street, thence south along said west line to its intersection with the south line of 2nd Street, thence west along said south line to its intersection with the east line of Race Street, thence south along said east line to its intersection with the south line of 3rd Street, thence west along said south line to its intersection with the west line of Sycamore Street, thence north along said west line to its intersection with the south line of 2nd Street, thence west along said south line to the intersection with the east line of Chestnut Street, thence south along said east line to its intersection with the south line of 4th Street, thence west along said south line to its intersection with the west line of Main Street, thence north along said west line to its intersection with the south line of 2nd Street, thence west along said south line to its intersection with the east line of State Street, thence south along said east line to its intersection with the south line of 3rd Street, thence west along said south line to its intersection with the west line of the Street located on the western boundary of McLean's Addition, thence north along the west line of McLean's Addition to the intersection with the south line of the Highway 6 right of way, thence eastwardly to the east line of the northeast quarter (NE ¼) of Section 22-8-1, thence north along the east line of section 22-8-1 to the point of beginning, also known as the southwest quarter corner of Section 14-8-1.

ATTACHMENT 2

GENERAL REDEVELOPMENT PLAN

REDEVELOPMENT PLAN

Purpose of Plan/Conclusion

The purpose of this Redevelopment Plan is to serve as a guide for implementation of redevelopment activities within Redevelopment Area #1, in the City of Friend, Nebraska. Redevelopment activities associated with the Community Development Law, State Statutes, 18-2101 through 18-2154 should be utilized to promote the general welfare, the enhancement of the tax base, the economic and social well being, the development of any public activities and promotion of public events in the Area, along with any and all other purposes, as outlined in the Community Development Law.

A Redevelopment Plan prepared for the Friend Community Redevelopment Authority (CRA) must contain the general planning elements required by Nebraska State Revised Statutes, Section 18-2111 re-issue 1991 items (1) through (6). A description of these items are as follows:

- (1) The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property therein; (2) a land-use plan showing proposed uses of the area; (3) information showing the standards of population densities, land coverage and building intensities in the area after redevelopment; (4) a statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances; (5) a site plan of the area; and (6) a statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

Furthermore, the Redevelopment Plan must further address the items required under Section 18-2113, "Plan; considerations", which the CRA must consider prior to recommending a redevelopment plan to the Planning Commission and City Council for adoption. These "considerations" are defined as follows:

"...whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate

provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewage, and other public utilities, schools, parks, recreational and community facilities and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or conditions of blight."

Conclusion

The Redevelopment Plan applies to Redevelopment Area #1 in Friend, Nebraska, which consists of the Blight and Substandard Determination Area. The area included in the Redevelopment Plan equals an estimated 218 total acres. The Central Business District, the 1st Street (Highway 6) commercial corridor and the area located north of the Burlington Northern Santa Fe Railroad, as well as vacant parcels and highway commercial uses adjacent, and beyond the incorporated areas of Friend, are included in the Redevelopment Area. The official boundary description of Redevelopment Area #1 is as follows:

In general, Redevelopment Area #1 consists of an estimated 218 acre area that begins at the intersection of the extended north line of "C" Street and the extended west line of State Street, thence eastward along the extended north line of "C" Street, to its intersection with the west line of Cedar Street, thence continuing generally east along the north line of "C" Street (also now the beginning of the north Corporate Limits) to its intersection with the east line of the J.K. Friend Addition (also known as the east Corporate Limit Line), thence south along said east line to its intersection with the south line of "B" Street, thence east along said south line to its intersection with the west line of Paige Street and also the north line of the Burlington Northern Railroad Right-of-Way, thence northeasterly along said north Right-of-Way line approximately 2,640' to its intersection with the half-section line of Section 28, Township 8N, Range 1E, thence south along said half-section line to its intersection with the south line of Highway 6, thence west along said south line to its intersection with the east line of Page Street, thence south along said east line to its intersection with the south line of 2nd Street, thence west along said line to its intersection with the east line of Chestnut Street, thence south along said east line to its intersection with the south line of 4th Street, thence west along said south line to its intersection with the west line of Main Street, thence north along said west line to its intersection with the south line of 2nd Street, thence west along said south line to its intersection with the east line of State Street, thence south along said east line to its intersection with the south line of 3rd Street, thence west along said south line to its intersection with the west line of the Street located on the western boundary of McLean's Addition, thence north along said west line to its intersection with the north line of the Highway 6 Right-of-Way, thence east along said north line to its intersection with the extended west line of State Street, thence north along said line to its intersection with the extended north line of "C" Street, also the point of beginning. Illustration 1 delineates Redevelopment Area #1 in relation to the City of Friend.

Friend Redevelopment Area #8
Redevelopment Plan

The redevelopment planning process for Redevelopment Area #1 has resulted in a listing of planning and implementation recommendations. As discussed in the Blight and Substandard Determination Study, there are several existing land uses and properties in substandard condition, which are nonconforming in nature, detrimental to the health, safety and general welfare of the Community and generally obsolete in respect to the development and living environment norms of today's Nebraska communities and the City of Friend. To eliminate these conditions and enhance private development activities within the Redevelopment Area, the City of Friend will need to consider the following general planning and redevelopment actions:

- * Encourage removal and replacement of *substantially* dilapidated and substandard structures within the Redevelopment Area.
- * Rehabilitation of public/quasi-public, residential, commercial and industrial properties that are cost effective to revitalize.
- * Provide incentives for existing businesses within the Redevelopment Area to expand in place and/or make needed improvements to their properties.
- * Improve public infrastructure to better service industrial and vacant agricultural areas north of the Highway 6 Corridor, by upgrading the existing primary water and sewer lines along 1st and 2nd Streets, and the north-south Main Street, east to the Municipal Sewer Treatment Plant. Currently, the nearest primary sewer serving this area is located along 1st Street, but most of the properties north of the Highway are not connected to the City's sewer system and are on individual septic tanks.
- * Establish a facade improvement program throughout the Central Business District of Friend, where structures front on streets and have a zero front yard setback. The front facades of structures are the only exception in which Tax Increment Financing is an allowable expense for improvements of buildings;
- * Develop a plan for screening and/or buffering of industrial outside storage areas from residential and commercial land uses;

- * Expand and improve existing pedestrian routes throughout Redevelopment Area #1. Sidewalks should be extended to enhance safe pedestrian routes to new commercial and industrial areas, in the east and west portions of the Area. Additionally, require all new construction to install sidewalks to improve pedestrian safety throughout the Redevelopment Area;
- * Enforce property setbacks to remove equipment and vehicles from street Right-of-Ways, install sidewalks, hard surface parking lots and outside storage areas to improve commercial and industrial businesses appearance along 1st Street (Highway 6) and the area north of the Highway Corridor; and
- * Concrete paving should replace all gravel surfaced streets as development and redevelopment efforts progress throughout Redevelopment Area #1

Implementation

Both a time-line and budget should be developed for the implementation of the Redevelopment Plan. Each of these processes should be designed in conformance with the resources and time available to the City. A reasonable time-line to complete the redevelopment activities identified in the Plan would be 7 to 10 years.

Various funding sources exist for the preparation and implementation of a capital improvement budget designed to meet the funding needs of proposed redevelopment activities. These include city and federal funds commonly utilized to finance street improvement funds, i.e. Community Development Block Grants, Special Assessments, General Obligation Bonds and Tax Increment Financing (TIF). The use of TIF for redevelopment projects in the Redevelopment Area is deemed to be an essential and integral element of the Redevelopment Area and use of TIF in connection with such projects is contemplated by the Plan and such designation and use of TIF will not constitute a substantial modification to the Plan.

The City agrees, when approving the Plan, to the utilization of TIF for redevelopment projects and agrees to pledge the taxes generated in redevelopment projects for such purposes in accordance with the Act. Any redevelopment program receiving TIF is subject to a cost benefit analysis. TIF, as a source of public financing, ultimately impacts taxing authorities in the City of Friend and Saline County. Proposed redevelopment projects using TIF must meet the cost benefit analysis and the "But for" test. Accordingly, "But for TIF" a redevelopment project could not be fully executed and constructed in the Community.

1. Future Land Use Patterns

The existing land use patterns within Redevelopment Area #1 were depicted and described in detail in the Blight and Substandard Determination Study. In general, Redevelopment Area #1 consists of several land use types. The primary existing land uses are single family residential, industrial, commercial, vacant/agricultural and public open spaces. The Field Survey identified properties and structures in substandard condition, as well as vacant lands that have remained undeveloped in spite of available utilities.

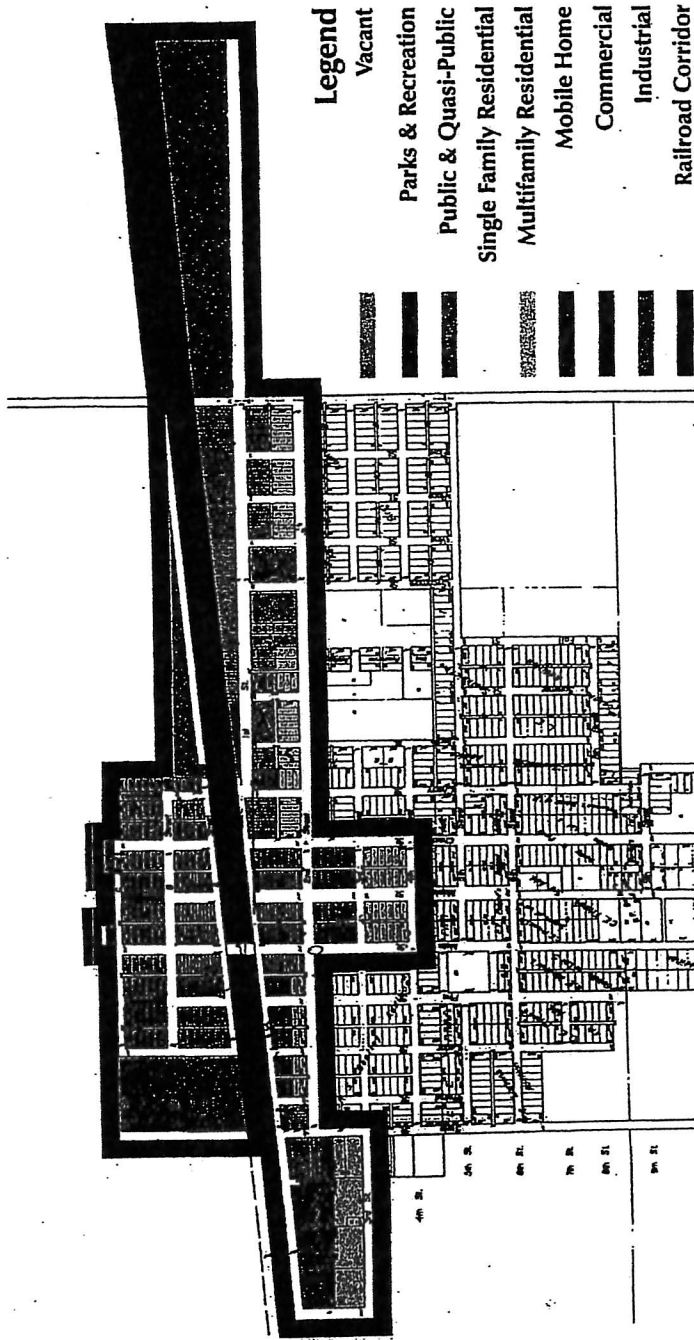
Illustration 5, the Future Land Use Map, represents an effort to encourage land uses that stimulate future growth opportunities in the Redevelopment Area, while creating compatible land uses resulting in the efficient use of the physical features of the landscape. The recommended future land use classifications are generally in conformance with "The Friend Comprehensive Plan."

In Illustration 5, commercial land uses are planned to remain in their current locations, throughout the Downtown and along the 1st Street (Highway 6) Corridor. Industrial uses are primarily proposed to be located in their current locations, north of the Highway 6 Corridor. An expansion of commercial and residential uses are recommended in the mostly vacant agricultural area west of State Street and south of the Highway. Multifamily residential uses are recommended to be utilized as a buffer between commercial and industrial uses adjacent the Highway 6 corridor, from single family neighborhoods, generally located south of 2nd Street.

The private sector should be attracted to these areas, with the offering of public incentive programs such as Tax Increment Financing and Community Development Block Grants. Once finalized, Redevelopment Area #1 will provide the mechanism by which these public programs can be made available to the City of Friend.

Lastly, areas beyond the current Corporate Limits of Friend, specifically the area east of Page Street, on the north side of the Highway, are recommended as highway commercial growth areas, to facilitate the continued growth and development of the City of Friend. Lands and parcels, located beyond the current Corporate Limits, will need to be annexed into the City, prior to the use of TIF as an incentive for development.

Generalized Future Land Use Map



- Legend**
- Vacant
 - Parks & Recreation
 - Public & Quasi-Public
 - Single Family Residential
 - Multifamily Residential
 - Mobile Home
 - Commercial
 - Industrial
 - Railroad Corridor

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ILLUSTRATION 4
 Friend Redevelopment Area #1
 Redevelopment Plan

2. Future Zoning Districts

The recommended Future Zoning Districts Map for Redevelopment Area #1 is identified as **Illustration 6**. Areas are generally in conformance with the Friend Comprehensive Plan and, specifically, with the proposed Future Land Use Plan, **Illustration 5** of this Redevelopment Plan.

Lands currently outside of the Corporate Limits of the City of Friend, north of Highway 6 and east of Page Street, are recommended for annexation by the City and should be zoned B-1 Highway Commercial. Land uses in the area consist of vacant agricultural lands and industrial/highway commercial transportation warehousing land use types. An area of B-1 Highway Commercial presently exists between Vine and Page Streets, along 1st Street (Highway 6). Extending this zone to the east would allow for the expansion of highway-related commercial uses along the Highway 6 Corridor.

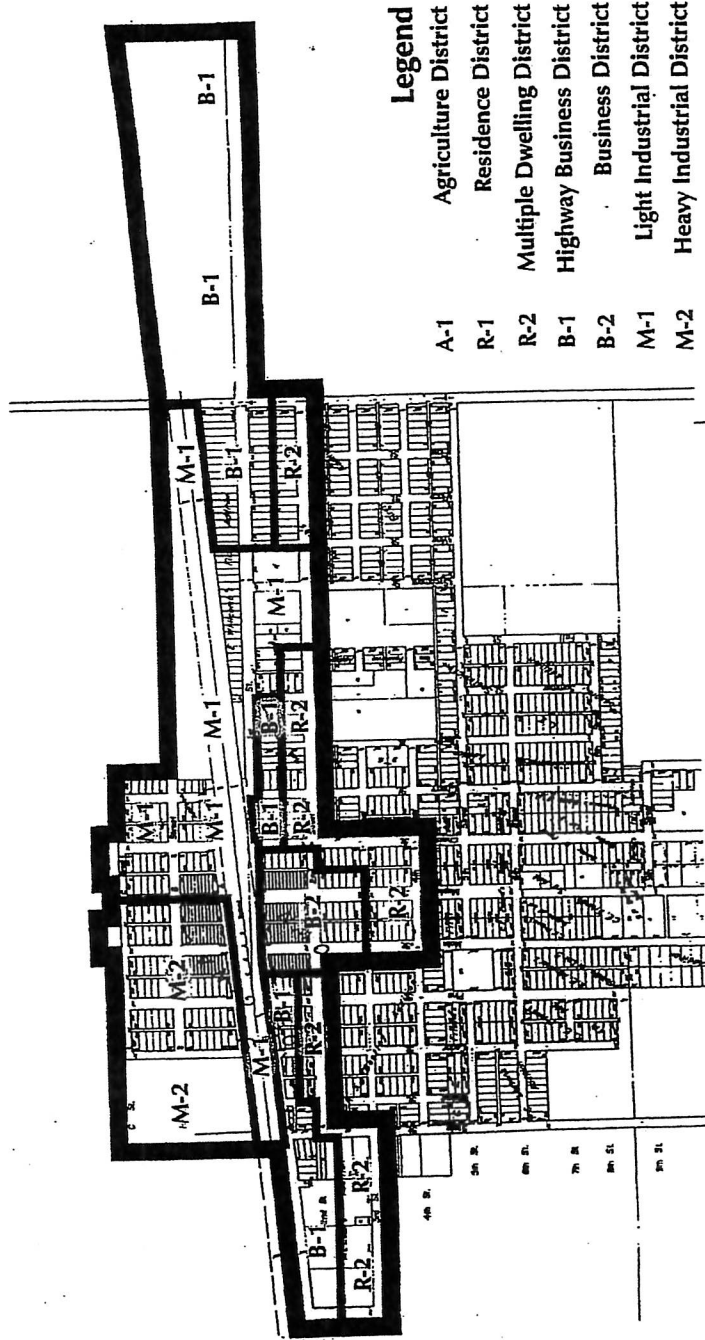
The Redevelopment Plan recommends re-zoning an area currently designated M-1 Limited Industrial, located between Vine and Page Streets on the north side of 2nd Street, to R-2 Multiple Dwelling. This would serve as a buffer between uses associated with the Highway Corridor and single family residential neighborhoods, generally located to the south of 2nd Street. The Redevelopment Plan also recommends the planting of trees, bushes and the use of soil berms to serve as buffering between industrial and highway commercial uses and single family areas, beyond 2nd Street.

The only other recommended change, for the portion of the Redevelopment Area located along of the Highway 6 Corridor, is for the land currently zoned A-1 Agricultural to the west of State Street, also known as McLean's Addition. The land is currently vacant, and it is recommended to change to B-1 Highway Commercial. Commercial uses should focus on services to Highway 6 travelers and unique businesses related to sporting activities, automotive and recreational vehicles. These should expand to the west along the Highway, after the re-zoned vacant land is graded to account for sloping along the Sucker Creek flood prone area.

The portion of the Redevelopment Area located north of the Railroad Corridor and west of Cedar Street, currently zoned B-1 Highway Business, should be re-designated M-2 Heavy Industrial, due to poor accessibility from the Highway and lack of adequate infrastructure.

The above recommendations are proposed to be in conformance with the Future Land Use Plan, **Illustration 5**, all in an effort to support existing building types and maintain the integrity of the neighborhoods.

Future Zoning Map



- Legend**
- A-1 Agriculture District
 - R-1 Residence District
 - R-2 Multiple Dwelling District
 - B-1 Highway Business District
 - B-2 Business District
 - M-1 Light Industrial District
 - M-2 Heavy Industrial District

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ILLUSTRATION 5
 Friend Redevelopment Area #1
 Redevelopment Plan
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3. Recommended Public Improvements

The primary purpose for a Redevelopment Plan, accompanied with the preceding Blight and Substandard Determination Study, is to allow for the use of public financing in a specific area. This public financing is planned and implemented to serve as a "first step" for public improvements and encourage private development within the Redevelopment Area. The most common form of public improvements occur with infrastructure, specifically streets, water, sanitary sewer and storm sewer systems, sidewalks, open space and recreational uses. The primary infrastructure concerns in the Redevelopment Area #1 are street improvements, sidewalks, the need for improvements to underground water, and sanitary sewer systems.

Streets throughout the Redevelopment Area, overall, are in "fair" condition with 102, or 64.9 percent of the parcels fronting on streets identified as being in "fair" condition. Furthermore, 50 parcels front on gravel surfaced streets in need of hard surfacing, while 60 properties front on concrete surfaced streets. A total of 120 parcels (57%) have no sidewalks adjacent the property. A planned program of sidewalk improvement should be established in Redevelopment Area #1, in conjunction with improvements planned within the One- and Six Year Road Plan and the City's Capital Improvement Program. This process would allow Community Development Block Grants and Tax Increment Financing to be used to finance public improvements.

As identified in the Blight and Substandard Determination Study, underground sanitary sewer mains, in the Redevelopment Area, are generally limited to the area south of the Highway, and where they do exist, are 75+ years of age. In order for the Redevelopment Area to develop, a new primary sewer main needs to be constructed along the 1st Street corridor, east to the Sanitary Sewer Treatment Plant.

Redevelopment Planning tools, such as Tax Increment Financing, will provide incentives to facilitate development. As identified in the City's current Comprehensive Plan, Friend should identify regions of greatest priority and budget for selective reconstruction projects. Tax Increment Financing can serve as a valuable source of additional monies to defer the cost of reconstruction projects within the Redevelopment Area #1. The Community Development Block Program is one example of State and Federal programs that become economically viable in designated Blighted and Substandard areas.

Conclusions

A design improvement program should call attention to Redevelopment Area #1 in the City of Friend, with emphasis upon serving Friend residents, as well as highway travelers. The role of Redevelopment Area #1 as a commercial and industrial highway corridor in combination with civic and public/quasi-public uses, will foster an appreciation for its image, character and uniqueness in Friend.

A successful Redevelopment Plan for Redevelopment Area #1 should guide redevelopment and development opportunities, while basing the viability of the Highway Corridor as a commercial and industrial service area. New construction should not imitate existing styles or characteristics, but rather be compatible by similar materials, colors and heights exhibited by existing structures within, and adjacent to, Redevelopment Area #1.

The Community Redevelopment Authority (CRA) and the City of Friend should seek funding sources to create a revolving loan and/or grant program for the rehabilitation and improvement of buildings and public uses in the Redevelopment Area. The rehabilitation of buildings would prolong the life of structures and enhance the visual appearance of the community. To prevent further decay, the Consultant recommends investment in all infrastructure systems to secure the entire Redevelopment Area. Prior to the transportation network improvements, the City and the CRA should develop a plan in conjunction with the City's Capital Improvement Plan and the One- and Six Year Street Plan to accommodate efficient infrastructure development and improvements.

The following identifies estimated costs for the improvement of various infrastructure features in Redevelopment Area #1.

Normal Street Replacement

Costs are dependent on street width and thickness of pavement or overlay. Concrete paving of 6" thick with integral curbs costs an estimated \$45 per square yard. Asphalt overlay has a cost of \$3 per square yard, per inch of thickness of asphalt overlay.

The cost to construct a 6" thick, 30' wide concrete street is \$150 per linear foot
The cost to construct a 6" thick, 60' wide concrete street is \$300 per linear foot

The cost to construct a 2" thick, 30' wide asphalt overlay is \$20 per linear foot
The cost to construct a 2" thick, 60' wide asphalt overlay is \$40 per linear foot

Ramped Curb Cuts

\$1,250 each

Sanitary Sewer

\$50 to \$60 per linear foot

Water Valves

\$750 each

Fire Hydrants

\$2,500 each

Overlay of Parking Lots

Asphalt overlay costs \$3 per square yard per inch of thickness of asphalt overlay. Therefore the cost of a 2" overlay of a 150 x 150 foot parking lot is \$15,000.

Paved Alleys

The cost for paved alleys is dependent on alley width and pavement thickness. A 6" thick concrete alley would cost \$45 per square yard.

The cost of a 6" thick, 16 foot wide concrete alley is \$80 per linear foot.
The cost of a 6" thick, 20 foot wide concrete alley is \$100 per linear foot.

Storm Sewers

The cost of Storm Sewers is dependent upon the size of the storm sewer pipe and on the number of inlets required. A breakdown of approximate unit prices is as follows:

- 15" RCP costs \$22 per linear foot
- 18" RCP costs \$26 per linear foot
- 24" RCP costs \$35 per linear foot
- 30" RCP costs \$44 per linear foot
- 36" RCP costs \$52 per linear foot
- 42" RCP costs \$61 per linear foot
- 48" RCP costs \$70 per linear foot

Inlets cost an estimated \$2,500 each. Therefore, assuming 470 linear feet of 30" storm sewer and four inlets per block, a block of storm sewer would cost \$30,680.

Public and Private Foundations

This Redevelopment Plan addresses numerous community and economic development activities for Redevelopment Area #1 in Friend, Nebraska. The major components of this Redevelopment Plan will be accomplished as individual projects, however, a comprehensive redevelopment effort is recommended. Just as the redevelopment efforts should be tied together, so should the funding sources to ensure a complete project. The use of state and federal monies, local equity and tax incentives coupled with private funding sources, can be combined for a realistic and feasible funding package. The following provides a summary listing of the types of funding to assist in implementing this Redevelopment Plan. Each selected redevelopment project should be accompanied with a detailed budget of both sources and uses of various funds.

- Building Improvement District
- Tax Increment Financing
- LB 840 or LB 1240
- Historic Preservation Tax Credits
- Low Income Housing Tax Credits
- Sales Tax
- Community Development Block Grants - Re-Use Funds
- Local Lender Financing
- Owner Equity
- Small Business Association-Micro Loans
- Community Assistance Act
- Donations and Contributions
- Intermodal Surface Transportation Efficiency Act

Friend Redevelopment Area #1
Redevelopment Plan

Private Foundations

American Express Foundation
Kellogg Corporate Giving Program
Marietta Philanthropic Trust
Monroe Auto Equipment Company Foundation
Norwest Foundation
Piper, Jaffray & Hopwood Corporate Giving
Target Stores Corporate Giving
Pitney Bowes Corporate Contributions
Union Pacific Foundation
US West Foundation
Woods Charitable Fund, Inc.
Abel Foundation
ConAgra Charitable Fund, Inc.
Frank M. and Alice M. Farr Trust
Hazel R. Keene Trust
IBP Foundation, Inc.
Mid-Nebraska Community Foundations, Inc.
Northwestern Bell Foundation
Omaha World-Herald Foundation
Peter Kiewit and Sons Inc. Foundation
Thomas D. Buckley Trust
Valmont Foundation
Quivey-Bay State Foundation

ATTACHMENT 3

**AMENDMENT TO GENERAL REDEVELOPMENT PLAN
FOR REDEVELOPMENT AREA #1**

WHEREAS, pursuant to the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “Act”), and Resolution No. 07-34, the City has duly declared Redevelopment Area #1 of the City (the “Redevelopment Area”) to be blighted and substandard and in need of redevelopment pursuant to the Act; and

WHEREAS, pursuant to the Act and Resolution No. 08-08 the City has approved a General Redevelopment Plan for Redevelopment Area #1 of the City; and

WHEREAS, the City and the Community Redevelopment Authority of the City of Friend, Nebraska (the “Authority”) desire to amend the General Redevelopment Plan in the manner described herein (the “Plan Amendment”) for the purpose of providing a plan for the completion of certain community redevelopment projects in Redevelopment Area #1;

WHEREAS, the City and the Authority have reviewed the attached Plan Amendment and determined that the proposed land uses and building requirements described in the Plan Amendment are designed with the general purpose of accomplishing a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and communitive facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight; and

WHEREAS, the City has conducted a cost-benefit analysis pursuant to Section 18-2113(2) with respect to the community redevelopment projects identified herein, and finds as follows:

- The redevelopment projects would not be economically feasible without the use of tax increment financing;
- The redevelopment projects would not occur in Redevelopment Area #1 without the use of tax increment financing; and
- The costs and benefits of the redevelopment projects, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the City and the Authority and have been found to be in the long-term best interests of the City.

PLAN AMENDMENT

Section 1. The City and the Authority hereby identify the following specific community redevelopment projects within Redevelopment Area #1:

- Acquisition and clearing for redevelopment the following legally described parcels:

Lots 19, 20, 21, 28, 29, 30, 31, 32, 33, 34, and 35, E Witcombs's First Addition, City of Friend, Saline County, Nebraska
- Installation of all necessary streets, water and sewer mains, electrical lines, and other public infrastructure on or about the parcels identified above necessary or incident to preparing such sites for redevelopment
- Additional repairs, improvements, replacements and construction of all items necessary and incidental to the foregoing, to the extent permitted by the Act.

Section 2. The information required by Section 18-2111, Reissue Revised Statutes of Nebraska, as amended, remains unchanged for the Project Area from that described in the General Redevelopment Plan for Redevelopment Area #1, except the following:

Section 3. In accordance with Section 18-2147 of the Act, the City hereby amends the Redevelopment Plan by providing that any ad valorem tax on real property in Redevelopment Area #1 for the benefit of any public body be divided as follows for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act, which effective date shall be January 1, 2008:

(a) That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That proportion of the ad valorem tax on real property in Redevelopment Area #1 in excess of such amount (the Redevelopment Project Valuation), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Community Redevelopment Authority of the City of Friend, Nebraska (the "Authority") 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 Projects. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Community Redevelopment Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in Project Area #1 shall be paid into the funds of the respective public bodies.

Section 4. For the purposes of paying all or a portion of the costs of the Project, the Authority shall issue, from time to time, bonds, notes, or other indebtedness to pay such costs. Such bonds, loans, notes, or other indebtedness shall be represented by such instruments, drafts, or warrants as are authorized by the Authority from time to time, and shall be payable from the allocation and pledge of ad valorem taxes on the real property in Redevelopment Area #1 and from such other funds as are authorized and approved by the Authority from time to time.

ATTACHMENT 4

BOUNDARY DESCRIPTION OF THE PROJECT AREA

The Project Area shall include all real property that is (1) within the boundaries described as follows and (2) also situated within the corporate limits of the City, and no other real property:

An area that begins at the intersection of "A" Street and the west line of State Street, thence eastward along the north line of "A" Street, to its intersection with the extended west line of Cedar Street, southwest corner of the southwest quarter (SW ¼) of Section 14-8-1, thence north to the northern line of the Burlington Northern Railroad right of way line, thence easterly along the right of way to the intersection of the west line of Cedar Street, thence north along the extended west line of Cedar Street to the extended north line of "C" Street (also the north Corporate Limit Line), thence continuing generally east along the north line of "C" Street, and including all real property between the north Corporate Limit Line and "C" Street, to its intersection with the east line of the J.K. Friend Addition (also known as the east Corporate Limit Line), thence south along said Corporate Limit Line to its intersection with the north line of the Burlington Northern Railroad corridor (which is also the north Corporate Limit Line), thence east along said north line to its intersection with the west line of Page Street, thence south along said west line to its intersection with the south line of 2nd Street, thence west along said south line to its intersection with the east line of Race Street, thence south along said east line to its intersection with the south line of 3rd Street, thence west along said south line to its intersection with the west line of Sycamore Street, thence north along said west line to its intersection with the south line of 2nd Street, thence west along said south line to the intersection with the east line of Chestnut Street, thence south along said east line to its intersection with the south line of 4th Street, thence west along said south line to its intersection with the west line of Main Street, thence north along said west line to its intersection with the south line of 2nd Street, thence west along said south line to its intersection with the east line of State Street, thence south along said east line to its intersection with the south line of 3rd Street, thence west along said south line to its intersection with the west line of the Street located on the western boundary of McLean's Addition, thence north along the west line of McLean's Addition to the intersection with the south line of the Highway 6 right of way, thence eastwardly to the east line of the northeast quarter (NE ¼) of Section 22-8-1, thence north along the east line of section 22-8-1 to the point of beginning, also known as the southwest quarter corner of Section 14-8-1.

ATTACHMENT 5

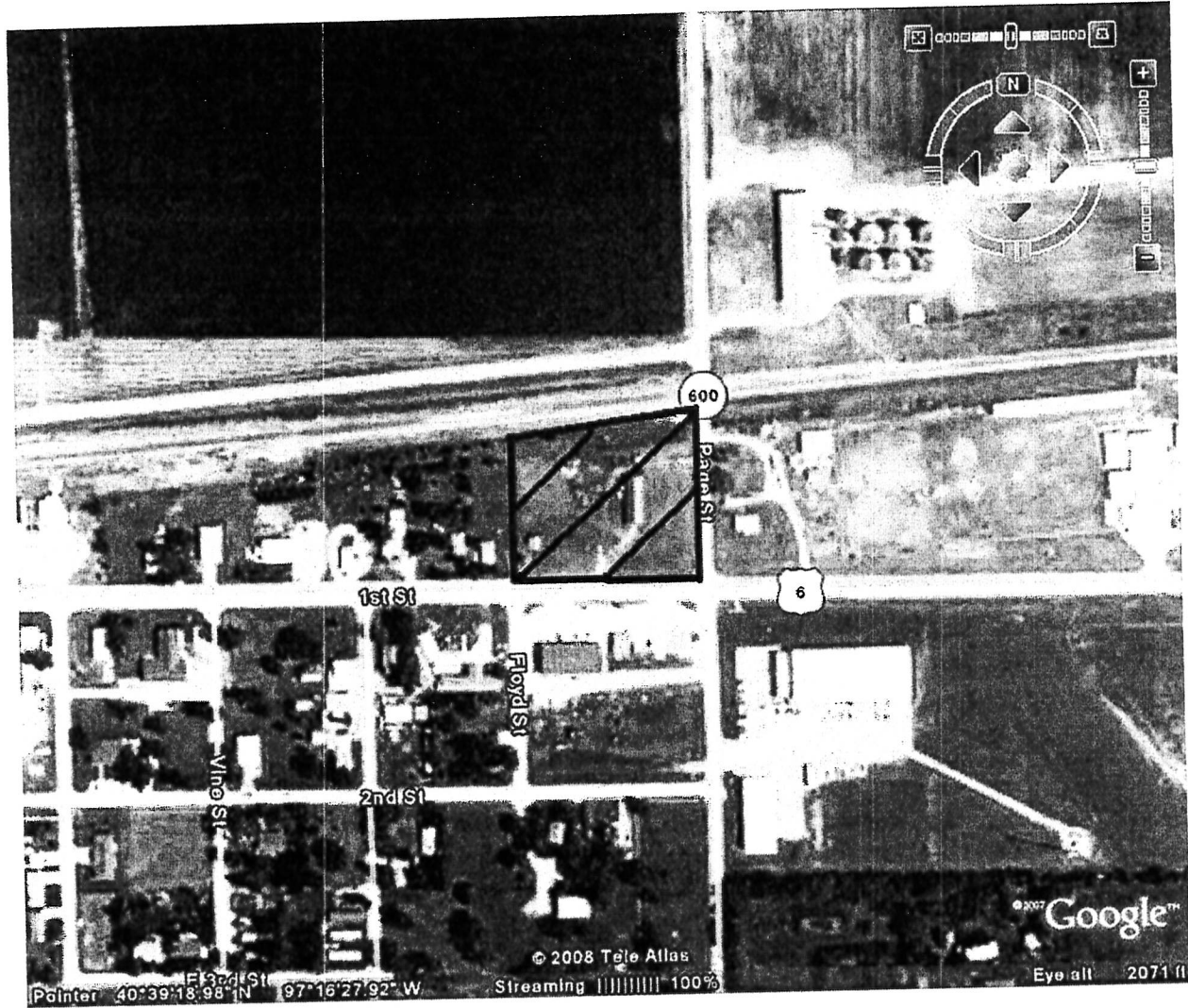
BOUNDARY DESCRIPTION OF STUTZMAN PROJECT AREA

The Stutzman Project Area shall include all real property that is (1) within the boundaries described as follows and (2) also situated within the corporate limits of the City, and no other real property:

Lots 36, 37, 38, 39, 40, 41, and 42, E. Whitcombs First Addition to the City of Friend, Saline County, Nebraska.

ATTACHMENT 6

MAP OF STUTZMAN PROJECT AREA



SECOND PLAN AMENDMENT

Section 1. Included within the definition of Project, the Authority identifies the following specific community redevelopment projects within the Amended Project Area:

- Acquisition and clearing for redevelopment of the following legally described parcels:

Lots 19, 20, 21, 28, 29, 30, 31, 32, 33, 34, and 35, E Witcombs's First Addition, City of Friend, Saline County, Nebraska;
- Installation of all necessary streets, water and sewer mains, electrical lines, and other public infrastructure on or about the parcels identified above necessary or incident to preparing such sites for redevelopment; and
- Additional repairs, improvements, replacements and construction of all items necessary and incidental to the foregoing, to the extent permitted by the Act.

Section 2. The information required by Section 18-2111, Reissue Revised Statutes of Nebraska, as amended, remains unchanged for the Amended Project Area from that described in the General Redevelopment Plan for the Redevelopment Area and in the Plan Amendment.

Section 3. In accordance with Section 18-2147 of the Act, the City hereby amends the Redevelopment Plan and the Plan Amendment by providing that any ad valorem tax on real property in the Amended Project Area for the benefit of any public body be divided as follows for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act, which effective date as set forth in the Plan Amendment is January 1, 2008:

(a) That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That proportion of the ad valorem tax on real property in the Amended Project Area in excess of such amount (the Redevelopment Project Valuation), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority 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 Projects. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in Amended Project Area shall be paid into the funds of the respective public bodies.

Section 4. For the purposes of paying all or a portion of the costs of the Project, the Authority shall issue, from time to time, bonds, notes, or other indebtedness to pay such costs. Such bonds, loans, notes, or other indebtedness shall be represented by such instruments, drafts, or warrants as are authorized by the Authority from time to time, and shall be payable from the allocation and pledge of ad valorem taxes on the real property in the Amended Project Area and from such other funds as are authorized and approved by the Authority from time to time. Ad valorem taxes on the real property in the Stutzman

Project Area* are no longer allocated or pledged to pay any indebtedness issued pursuant to the Plan Amendment.

* The boundaries of which are defined in the Second Plan Amendment Resolution of the Authority.

ATTACHMENT 8

BOUNDARY DESCRIPTION OF AMENDED PROJECT AREA

The Amended Project Area shall include all real property that is (1) within the boundaries described as follows and (2) also situated within the corporate limits of the City, and no other real property:

An area that begins at the intersection of "A" Street and the west line of State Street, thence eastward along the north line of "A" Street, to its intersection with the extended west line of Cedar Street, southwest corner of the southwest quarter (SW ¼) of Section 14-8-1, thence north to the northern line of the Burlington Northern Railroad right of way line, thence easterly along the right of way to the intersection of the west line of Cedar Street, thence north along the extended west line of Cedar Street to the extended north line of "C" Street (also the north Corporate Limit Line), thence continuing generally east along the north line of "C" Street, and including all real property between the north Corporate Limit Line and "C" Street, to its intersection with the east line of the J.K. Friend Addition (also known as the east Corporate Limit Line), thence south along said Corporate Limit Line to its intersection with the north line of the Burlington Northern Railroad corridor (which is also the north Corporate Limit Line), thence east along said north line to its intersection with the west line of Page Street, thence south along said west line to its intersection with the south line of 2nd Street, thence west along said south line to its intersection with the east line of Race Street, thence south along said east line to its intersection with the south line of 3rd Street, thence west along said south line to its intersection with the west line of Sycamore Street, thence north along said west line to its intersection with the south line of 2nd Street, thence west along said south line to the intersection with the east line of Chestnut Street, thence south along said east line to its intersection with the south line of 4th Street, thence west along said south line to its intersection with the west line of Main Street, thence north along said west line to its intersection with the south line of 2nd Street, thence west along said south line to its intersection with the east line of State Street, thence south along said east line to its intersection with the south line of 3rd Street, thence west along said south line to its intersection with the west line of the Street located on the western boundary of McLean's Addition, thence north along the west line of McLean's Addition to the intersection with the south line of the Highway 6 right of way, thence eastwardly to the east line of the northeast quarter (NE ¼) of Section 22-8-1, thence north along the east line of section 22-8-1 to the point of beginning, also known as the southwest quarter corner of Section 14-8-1;

and EXCLUDING, the following real property:

Lots 36, 37, 38, 39, 40, 41, and 42, E. Whitcombs First Addition to the City of Friend, Saline County, Nebraska.

ATTACHMENT 9

COST-BENEFIT ANALYSIS

COMMUNITY REDEVELOPMENT AUTHORITY
CITY OF FRIEND, NEBRASKA
(BUCKET TIF PROJECT)
October 14, 2008

COST-BENEFIT ANALYSIS
(PURSUANT TO NEB. REV. STAT. SECTION 18-2113)

The cost-benefit analysis for the above referenced project, which will utilize funds authorized by Neb. Rev. Stat. §18-2147, is summarized as follows:

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

a.	Estimated Redevelopment Project Valuation:	\$8,938,200
b.	Projected Completed Project Assessed Valuation :	\$9,206,346
c.	Projected Tax Increment Base (b. minus a.):	\$268,146
d.	City Tax Levy (2007):	\$0.58178
e.	County Tax Levy (2007):	\$0.41332
f.	School District Tax Levy (2007):	\$1.28254
g.	Community College Tax Levy (2007):	\$0.06890
h.	Educational Service Unit Tax Levy (2007):	\$0.01500
l.	Natural Resource District Tax Levy (2007):	\$0.03368
j.	Other applicable Real Estate Tax Levies (2007):	\$0.00922
k.	Total levy (all jurisdictions including City)	\$2.40444
l.	Total Projected Tax Shift	
	(k. divided by 100) times c. x maximum of 15 years:	\$96,711

Note: The Projected Tax shift 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.

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

- a. Public infrastructure improvements and impacts:
none identified

b. Community public service needs impacts:

none identified

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

none identified

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

Describe: Unknown at this time. The properties identified in the Second Plan Amendment may be acquired and resold to commercial developers that would have an impact on other firms located in the redevelopment area.

Estimated Benefit (Cost): \$N/A

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:

Describe: Unknown at this time. The properties identified in the Second Plan Amendment may be acquired and resold to commercial developers that would have an impact on other firms located in the City.

Estimated Benefit (Cost): \$N/A

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

Describe: Certain of the properties identified in the Second Plan Amendment are being purchased, cleared, and prepared for development to encourage the future development of such sites by third parties.

Estimated Benefit (Cost): \$N/A

6. Summary of Findings:

The defined area is experiencing significant conditions of blight and substandard. The use of tax increment financing will provide funds to eliminate or reduce many of those conditions which will also encourage the use of private funds to further eliminate or reduce those conditions. The uses of property in the area and valuation of property in the area and surrounding areas will be enhanced and additional jobs are projected to be added as a result of the Project identified in the Plan Amendment.