CITY OF FREMONT
NEBRASKA PATHFINDERS

AGENDA
LOCAL OPTION REVIEW TEAM
Thursday, April 5, 2018
8:15 a.m.

Fremont Municipal Building
400 East Military Avenue
Fremont, Nebraska

1. Call to Order

2. Approval of minutes from February 1, 2018 meeting.

3. Consider Local Option Economic Development Application for DP Management on behalf of Fremont Mall, LLC.

4. Review Fund Balance.

5. Adjourn.

This agenda was posted at the Municipal Building on April 3, 2018 and was distributed to the members of the Local Option Review Team on April 3, 2018. The official current copy is available at City Hall, 400 East Military Avenue. A copy of the Open Meeting Law is posted for review by the public.

CITY OF FREMONT LOCAL OPTION REVIEW TEAM
February 1, 2018 – 8:00 A.M.

A meeting of the Local Option Review Team was held on February 1, 2018 at 8:00 a.m. in the Council Chambers at 400 East Military Avenue, Fremont, Nebraska. The meeting was preceded by publicized notice in the Fremont Tribune and the agenda displayed in the Municipal Building. The meeting was open to the public. A continually current copy of the agenda was available for public inspection at the office of the City Administrator, 400 East Military Avenue. The agenda was distributed to the Local Option Review Team on January 30, 2018 and posted, along with the supporting documents, on the City's website. A copy of the open meeting law is posted continually for public inspection.

ROLL CALL

Roll call showed Members Oliva, George, Landholm, Horeis, Vobejda and Jacobus present. Benson absent. 6 present, 1 absent. Others in attendance included Brian Newton, City Administrator; Jody Sanders, Finance Dir.; Garry Clark, Greater Fremont Development Council; Lottie Mitchell, City of Fremont; Stacy Heatherly, The DIGG Site.

APPROVE MINUTES

Moved by Member Landholm and seconded by Member Oliva to approve the minutes of the June 19, 2017 meeting. Motion carried 6-0.

REVIEW FUND BALANCE

Moved by Member George and seconded by Member Oliva to receive fund balance. Motion carried 6-0.

CONSIDER LOCAL OPTION ECONOMIC DEVELOPMENT APPLICATION FOR GREATER FREMONT DEVELOPMENT COUNCIL

Discussion of application made by Greater Fremont Development Council (GFDC) to obtain LB840 grant to be used as match for the Nebraska Rural Workforce Housing Fund. Moved by Member Jacobus and seconded by Member Horeis to recommend to City Council to approve the application made by GFDC. Motion carried 6-0.

CONSIDER FILM INCENTIVE REBATE PROGRAM APPLICATION FOR PATHFINDER MOTION PICTURE COMPANY

Discussion of application made by Pathfinder Motion Picture Company and the economic boost movie productions bring to the community. Moved by Member George and seconded by Member Landholm to recommend to City Council to approve the application made by Pathfinder Motion Picture Company with a maximum rebate of 20% of qualified local expenditures as outlined in the film incentive program. Motion carried 6-0.

ADJOURNMENT

Moved by Member Oliva and seconded by Member Jacobus to adjourn at 9:20 p.m. Motion carried 6-0.

Local Option Development Plan Loan Fund
or Economic Enhancement Fund

The purpose of the Local Option Development Plan Loan and Economic Enhancement Fund is to encourage population growth, new industries, and investment in the community. Funds are offered to businesses in the form of low or 0% interest loans and performance-based forgivable loans (grants), based upon creation of new jobs and investment in Fremont. Businesses must provide matching funds for the project.

Potential City uses include land improvements; public infrastructure; building acquisition and improvements; retail industry; service industry; service industry; other new industry; equipment, working capital, job training and buy-down leases for Primary Industry; equipment, job training, buy-down leases, land improvements, building acquisition and improvements and infrastructure for Non-primary Industry; and other economic development activities allowed by statue.

Eligible activities under the Economic Development Plan may include the following to attract new and existing business and industry development in Fremont.

Land purchase/options
Infrastructure to new or existing business and industry
Site improvements
Construction for new or existing business or industry or on a speculative basis

The matrix for the two programs include:

Interest Rate Qualification Criteria:

Jobs

Compensation	Interest Rate
> $ 18.00/hour and benefits	0%
> $ 16.00/hour and benefits	2%
< $ 14.00/hour and benefits	4%
No benefits offered	6%

Benefits" = 50% of the cost of health insurance paid by the employer

Investment

City Participation	Interest Rate
<10%	0%
10% - 19.99%	2%
20% - 29%	4%
30% +	6%

Sales Tax

Based on the initial years taxable sales.

Taxable Sales	Interest Rate
>$999,999	0%
$500,000 - $999,999	2%
$250,000 - $499,999	4%
$50,000 - $249,999	6%

Revised May 2014

Businesses will be given the benefit of the category under which they meet the requirements for the lowest interest rate. Based on staff discretion, up to a 2% reduction will be provided if multiple categories are met. The interest rate will never be less than 0%.

Loans will be structured as at-risk or performance based forgiveness. To qualify for a performance based forgiveness loan, the applicant must:

Pay employees at 125% of the Dodge County average wage; and
Have taxable investment greater than $2.5 million dollars, or
Have taxable sales greater than $2.5 million dollars.

NOTE: Based on special circumstances, staff can make recommendations to the City council outside of these parameters.

To be considered for financial assistance, applicants must provide a completed application, including all applicable attachments. Return competed application to

City of Fremont
Attn: Lottie Mitchell
400 E. Military
Fremont, NE 68025

CITY OF FREMONT, NEBRASKA
REQUEST FOR ASSISTANCE AGREEMENT

THIS REQUEST, is made on this 3rd day of April, 20 18, by Josh Vickery, on behalf of Fremont Mall LLC, of DP Management (hereinafter referred to as the ("Applicant") to the City of Fremont, Nebraska (hereinafter referred to as the "City").

WITNESSETH:

WHEREAS, APPLICANT has requested the CITY to investigate the feasibility of obtaining an Local Option Development Plan Loan or Economic Enhancement Loan in connection with the financing of a project to be undertaken by Applicant.

NOW, THEREFORE, in consideration of the request the following may be done:

1. City agrees to work with the Applicant to investigate the feasibility of obtaining financing through a Local Option Development Plan Loan or Economic Enhancement Loan for the Project. City will investigate the financial condition of Applicant and determine whether or not a Local Option Development Plan Loan Application or Economic Enhancement Loan Application is appropriate. City will submit the needed paperwork for a Local Option Development Plan Loan or Economic Enhancement Loan for the Applicant to the appropriate committees and City Council, if:

a. Applicant is within the eligibility criteria and the Project is likely to be approved by the City Council for an Local Option Development Plan Loan or Economic Enhancement Loan, and;
b. All other elements of the Project can be financed and /or paid for through the infusion of equity capital by the Applicant.

2. If the City determines, in its sole discretion, that the Applicant is eligible for a Local Option Development Plan Loan or Economic Enhancement Loan, then, and in such event, City will advise and consult with the Applicant in the preparation by the Applicant for a complete set of Loan documents together with supporting exhibits, for the purpose of making applications for an Local Option Development Plan Loan or Economic Enhancement Loan (hereinafter referred to as the "Loan Package"). The Loan Package shall be for the sole benefit of the Applicant provided however, that such Loan Package shall be used by the City in connection with the Application for a City Loan on behalf of the Applicant, provided, however, that the Loan Package may be used by the Applicant in seeking financial assistance or guarantees from other governmental agencies and/or private lenders.

3. Applicant hereby acknowledges that the Applicant is charged with the actual responsibility of preparing the Loan Package, and that the City's sole responsibility in connection with the preparation of the Loan Package shall be to consult with and advise the Applicant. The Applicant further acknowledges that the Applicant will be required to promptly and accurately supply financial information concerning the Project, the operation of Project, together with the manner, method and terms of financing the Project. Applicant further specifically acknowledges and agrees that the obtaining of a Local Option Development Plan Loan or Economic Enhancement Loan, or any other financing is dependent upon many factors that the City cannot control, including but not limited to economic factors and the decisions of the City Council, accordingly, the City does not guarantee that the Applicant will obtain financing for the Project. Applicant hereby covenants and agrees that City shall not be responsible, in any manner, or liable to the Applicant or any other person in the event that the Applicant is unable to obtain a Local Option Development Plan Loan

or Economic Enhancement Loan for the Project, or any other type of financing for the Project, whether from the City or any other governmental or public source, or from any private financing sources. Applicant also further covenants and agrees that the City shall not be liable for any of the debts or obligations incurred in and for the assistance of benefit of the Applicant. Applicant further agrees that Applicant will hold the City harmless, and pay all costs and expenses, including attorney's fees, in the event that any claim is made or lawsuit is filed by or against the City arising out of any transaction with or assistance to the Applicant which may in any way be connected with the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed, caused to be duly executed this Agreement, and have affixed or caused to be duly affixed hereto there seals, this 3rd day of April, 20 18.

APPLICANT

BY: _____

FREMONT

NEBRASKA PATHFINDERS

Economic Enhancement Fund and
Local Option Economic Development Loan Fund Application
(Application is an Official Public Document)

PART I.

A. Business (Borrower) Information:

Name of Business to Receive Assistance: Fremont Mall LLC

Address: 860 East 23rd St

Fremont (City) NE (State) 68025 (Zip)

Contact Person: Joshl Vickery Telephone No. (402) 493-2800 FAX No. ( )

Business Classification (mark one): ____ Manufacturing ____ Warehousing and Distribution ____ Service ____ Research and Development ____ Administrative Management Headquarters

Federal ID #: 473435502

Business Organization (mark one): ____Proprietorship ____Corporation X Partnership ____Other

Does the Company have a Parent or Subsidiaries? X Yes ____ No

If Yes, Identify Name: Delta Plaza LLC

Address: 49 West 37th St. 9th Floor

New York (City) NY (State) 10018 (Zip)

Business Type: ____Start-up (0-5 yrs old) ____Buyout X Existing If existing, years in Business 18

Ownership Identification: *List all officers, directors, partners, owner, co-owners and all stockholders with 20% or more of the stock.*

Name	Title	Ownership %
Varri Jeidel	Owner/Member	50
Bangor Investments Inc.	Owner	50

Employment Information
Personnel: **(Full-Time-Equivalent, FTE is based upon 2,080 hours per year.)**

Existing Number of Full-Time Equivalent Positions:_____
Full-Time-Equivalent Positions to be **Created** within ____ months of Application Approval: App. 20 FTE's

Include a list of hourly wages for all new jobs proposed.

If Jobs Would Be Lost Without Loan Approval, Total Number of Full-Time-Equivalent Jobs **Retained**:_____

What is the Average Wage for Employees?_____

Duration of commitment to maintain jobs in the community 5 **years.**

Please describe all benefits which the business provides to employees:

B. Project Information

USES OF FUNDS:	Total Project Cost	Loan Funds Requested	Total Funds
Land Acquisition			
Building Acquisition			
Renovation	$1,000,000	$900,000	$1,000,000
New Facility Construction			
Acquisition of Machinery/Equipment			
Acquisition of Furniture/Fixtures			
Working Capital (Includes Inventory)			
Other (Specify)			
Total:			

Please identify any gaps in financing

Project Schedule:
Project to be started in summer of 2018 and scheduled to be completed by Spring of 2019

C. SOURCES OF FUNDS:

Note: *Public sources of financing require the participation of a Bank and/or an injection of equity (non-debt) funds.*

Participating Lender Information:

Name of Lending Institution:
Address:
Contact Person: Phone ( )
Loan Amount: $ Loan Term: (Yrs)
Interest Rate: % Variable Fixed
Collateral Required: Equity Required:

Equity Information:

Amount available from business or owners for investment: $
Source of owner's equity into project: loan

Project Location:

X Within the City Limits of (Fremont)
_____ Outside of City Limits but within the Zoning Jurisdiction of (Fremont)
_____ Unincorporated Area (Dodge County)

D. ATTACH THE FOLLOWING: ***(Items 9-15 shall be considered confidential)***

(1) Brief description of the business' history.
Fremont Mall has been a staple in the Fremont community for several decades. The Fremont Mall has been owned by current owners for over 18 years

(2) Brief description of the proposed project. Has any part of this project been started? ____ Yes X No
The proceeds will be used for tenant build out for a large national sporting goods retailer. The vacant JC Penney building will be totally gutted and refurbished for tenant. Owner is looking for $800,000 from LB 840 funds and $100,000 from economic enhancement fund for roof and HVAC units. The project would not be feasible without the support of the incentive funds.

(3) Description of Impact of Project on Applicant and Community: Will bring in new national sporting goods store to the community. Appoximatey 20 FTE's will be created and the sales of the store are forecasted to be over $2.5M to add the local tax base in Fremont. Adding this tenant will present the potential of adding a national Pet Store to the mall. This will add more jobs and more sales tax revenue for the City of Fremont

(4) Key management experience and skills related to the project DP Management and Dial Companies based out of Omaha NE has over 40 years of experience magaging and leasing similar retail space across the country. In 2016 we added the same tenant to the Yankton Mall in Yankton SD on time and withing budget

(5) Have you ever declared bankruptcy? X No ____ Yes If yes, Bankruptcy Chapter ____
Case # ____ Date of Deposition/Discharge ____

(6) Are there any unsatisfied judgments against you? X No ____ Yes
Amount per month ____ To Whom ____

(7) Have you defaulted on any previous loan? X No ____ Yes Give details ____

(8) Are you a party to a lawsuit? X No ____ Yes Give details ____

(9)_X_ 3-Year historical balance sheets and operating statements. Current statements less than 90 days old. (Existing Businesses Only). Provide the following and reconcile to current balance sheet:
____ Aging of Accounts Payable and Accounts Receivable.
____ List of current obligations.
(10)_X_ Personal Financial Statement and resumes for each person owning 20% or more of the business.
(11)_____ Credit Report from Credit Reporting Agency. Contact your bank for information.
(12)_X_ Monthly cash flow analysis for the next 12 months and for new businesses, 3 months beyond the breakeven point.
(13)_____ Indemnification Agreement
(14)_X_ Tax Returns for the last two years
(15)_____ Business Plan

Once all documents have been received, the City of Fremont staff will review the application to determine if it meets the Local Option Economic Development Plan Fund or Economic Enhancement Loan Fund eligibility requirements. If eligible, a meeting will be scheduled with you.

The above information is accurate to the best of my knowledge and belief. The above information is provided to help you evaluate the feasibility of obtaining public financial assistance. I understand that pages 1-3 of this application are public information and are subject to public disclosure during the application process.

Dated: April 3 2018 Signature: