

**REDEVELOPMENT PLAN
FOR
IRON HORSE AG, LLC, FERTILIZER BLEND PLANT
IN IRON HORSE BUSINESS AND INDUSTRIAL PARK, HOLDREGE, NE**

The Community Redevelopment Authority ("CRA") of the City of Holdrege intends to adopt this Redevelopment Plan for an area within the City, pursuant to the Nebraska Community Development Law (the "Act") and provide for the financing for a fertilizer blend plant.

I. EXECUTIVE SUMMARY.

- A. Project Description. Tye Marquardt, as sole member of Iron Horse Ag, LLC, wishes to purchase and build a fertilizer blend plant to complete his existing business and expand offerings for customers as well as create jobs in the community. The proposed project location is in the Iron Horse Business and Industrial Park attached as Exhibit A.
- B. Property Description ("Redevelopment Project Area"). Tax increment financing to pay for the rehabilitation of the property will come from the following real property legally described as:

Iron Horse Third Addition a Replat of Lot 1, Block 1 Iron Horse Second Addition, Holdrege Located in Part of the South Half of Section 31, Township 6 North, Range 18 West of the 6th P.M., Phelps County, Nebraska.

II. STATUTORY PLEDGE OF TAXES.

- A. Any ad valorem tax on the Lots located in the Redevelopment Project Area as identified in a Redevelopment Contract for the benefit of any public body be divided for a period of 15 years after the effective date (the "Effective Date"), as described in §18-2147(1) of the Act. Said taxes shall be divided as follows:
1. That portion of the ad valorem tax on real property in each Phase 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) of the Lots within such Phase 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
 2. That portion of tax on real property in each Phase in excess of such amount (the "Incremental Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority (designated in the Resolution as the "Bond Fund") to pay the principal of, the interest on, and any premium due in connection with the indebtedness. When such indebtedness, including interest and premium due, has been paid, the Authority shall notify the County

Assessor and County Treasurer and all ad valorem taxes upon real property in such Phase shall be paid into the funds of the respective public bodies.

- B. Pursuant to §18-2150 of the Act, the Incremental Tax so divided is hereby pledged to the repayment of loans or advances of money or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

III. REDEVELOPMENT PLAN COMPLIES WITH THE ACT.

- A. The Act requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan meets the statutory qualifications as set forth below.
1. The Redevelopment Project Area has been declared blighted and substandard by action of the Holdrege City Council. (§18-2109). Such declaration was made after a public hearing on December 7, 2021, in full compliance with the Act.
 2. Conformation to the General Plan for the Municipality as a whole. (§18-2103(27)(a) and §18-2110). Following Nebraska's statutory process, the City of Holdrege adopted its current Comprehensive Plan ("Comp Plan") on August 21, 2018. The Comp Plan and the City Zoning Ordinance designate the Redevelopment Project area as an I – Industrial District. The Zoning Administrator has determined that the project fits within the zoning parameters of the Industrial District, and the Planning Commission is required to hold a public hearing pursuant to the Act to confirm that this project is consistent with the Comprehensive Plan for the City of Holdrege.
 3. The Redevelopment Plan must be sufficiently complete to address the following items: (§18-2103(27)(b)).
 - a. Land Acquisition. The Redeveloper has a signed Purchase Agreement to purchase the Redevelopment Project Area.
 - b. Demolition and Removal of Structures. This project will not require the demolition of other structures.
 - c. Future Land Use Plan. Exhibits B-1 & B-2, attached hereto, show the proposed land use as a fertilizer blend plant.
 - d. Changes to Zoning, Street Layouts and Grades, Building Codes, Ordinances, or Other Aspects of the Comprehensive Plan. No significant changes to the City's Comprehensive Plan for Development, streets, grades, or zoning ordinances will be required for this project's development.

However, a new access road to the Redevelopment Project Area will be constructed as shown on Exhibit C.

- e. Site Coverage and Intensity of Use. The primary building coverage is with appropriate parking.
 - f. Additional Public Facilities or Utilities. The development would not impact city utilities or public facilities. (§18-2103(28) and §18-2111)
- 4. The Act requires a Redevelopment Plan to provide for relocation of individuals and families displaced as a result of plan implementation. This property is vacant, and no relocation is contemplated or necessary. (§18-2103.02)
 - 5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. (§18-2106). No members of the authority or staff of the CRA have any interest in this property.
 - 6. §18-2114 of the Act requires that the Authority consider:
 - a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers. The Redeveloper will invest \$396,220.00 in land purchase. Site preparation and the allowable project costs (see attached Exhibit D) is estimated to cost \$2,178,032.00, and the total project cost is anticipated to be \$9,162,154.00. The Authority will not transfer any property to the Redeveloper.
 - b. Statement of proposed method of financing the redevelopment project. Exhibit “D” shows the proposed Project cost of \$9,162,154.00. The Redeveloper anticipates a grant from the Authority of approximately \$2,178,032.00 from tax increment financing. The increased assessed valuation is estimated to be approximately \$10,500,000.00. The balance of the funding will come from a commercial loan and personal funds.
 - c. Statement of feasible method of relocating displaced families. No families will be displaced as a result of this plan.
 - 7. §18-2113 of the Act requires: Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider 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, sewerage, 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.

The Authority has considered these elements in proposing this Plan. This Plan, in and of itself, will promote consistency with the Comprehensive Plan. The Project will rehabilitate and improve an underutilized area of town to provide businesses and services to the general public.

8. Time Frame for Development. The building will be constructed in phases and the Redevelopment Project should be completed by the end of 2025.
9. Cost Benefit Analysis. §18-2113 of the Act further requires the Authority to conduct a cost-benefit analysis of this Plan if Tax Increment Financing is used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, Neb. Rev. Stat. §18-2147 (2012), the City of Holdrege has analyzed the costs and benefits of the proposed Redevelopment Project, including:

- a. Project Sources and Uses. Approximately \$2,178,032.00 in public funds from tax increment financing provided by the Holdrege Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage an additional \$6,984,122.00 in private sector financing, a private investment of \$3.20 for every TIF and grant dollar investment.
- b. Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2026, valuation of approximately \$10,593,636. Based on the 2024 levy this would result in a real property tax of approximately \$158,291.28. The assessed value is anticipated to increase by \$10,500,000.00 (estimated assessed value) upon full completion due to the site redevelopment. This development will result in an estimated property tax increase of \$156,892.16 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues for a period of 15 years or such shorter time as may be required to amortize the TIF bond or reach the certified project costs but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2024 assessed value: \$93,636.00
Estimated value after completion: \$10,593,636.00
Increment value: \$10,500,000.00

Annual TIF generated (estimated): \$156,892.16
Initial TIF bond issue:..... \$2,178,032.00

- (1) Tax Shifts Resulting from the Approval of the Use of Tax Increment Financing. The Redevelopment Project Area has an estimated valuation of \$93,636.00. The proposed redevelopment will create an estimated additional valuation of \$10,500,000.00. Tax shifts of \$156,892.16 are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.
- (2) Public Infrastructure and Community Public Service Needs Impacts and Local Tax Impacts Arising from the Approval of the Redevelopment Project. No additional public infrastructure or community service needs are anticipated. Fire and police protection are available and should not be negatively impacted by this development.
- (3) Impacts on Employers and Employees of Firms Locating or Expanding Within The Boundaries of the Area of the Redevelopment Project. The Project may generate opportunities for new employees but should not impact other employers or employees.
- (4) Impacts on Other Employers and Employees Within the City or Village and the Immediate Area That Are Located Outside of the Boundaries of the Area of the Redevelopment Project.
- (5) Impacts on Student Populations of School Districts Within the City. This development will not impact the Holdrege School system as it will likely not result in any increased attendance.
- (6) Other Impacts Determined by the Authority to be Relevant to Determining the Costs and Benefits Arising from the Redevelopment Project. No other negative impacts have been identified. The Project will generate additional local sales tax on all materials incorporated in its construction. The new buildings will allow several local businesses to expand, increasing local employment opportunities.

EXHIBIT A

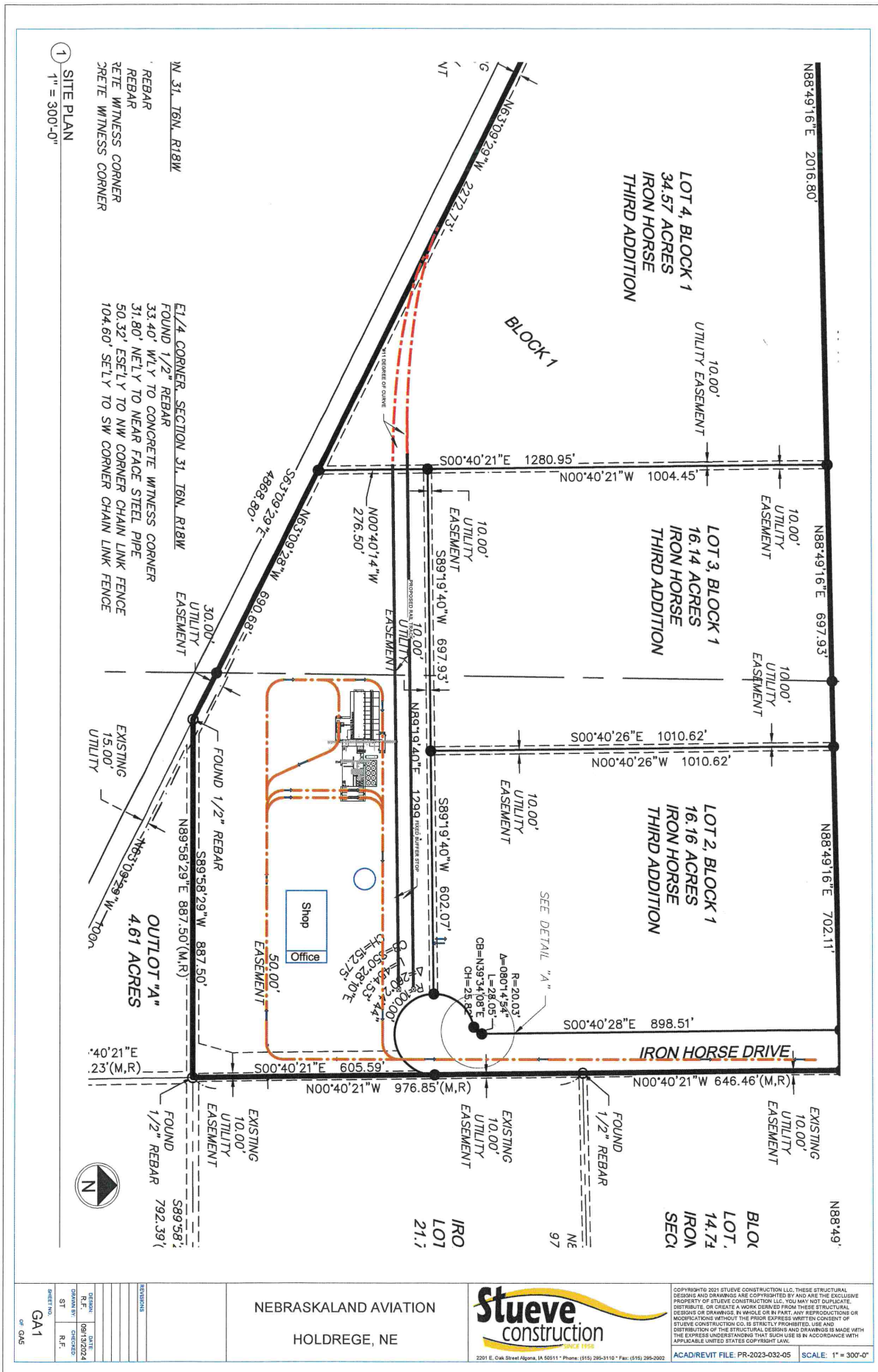
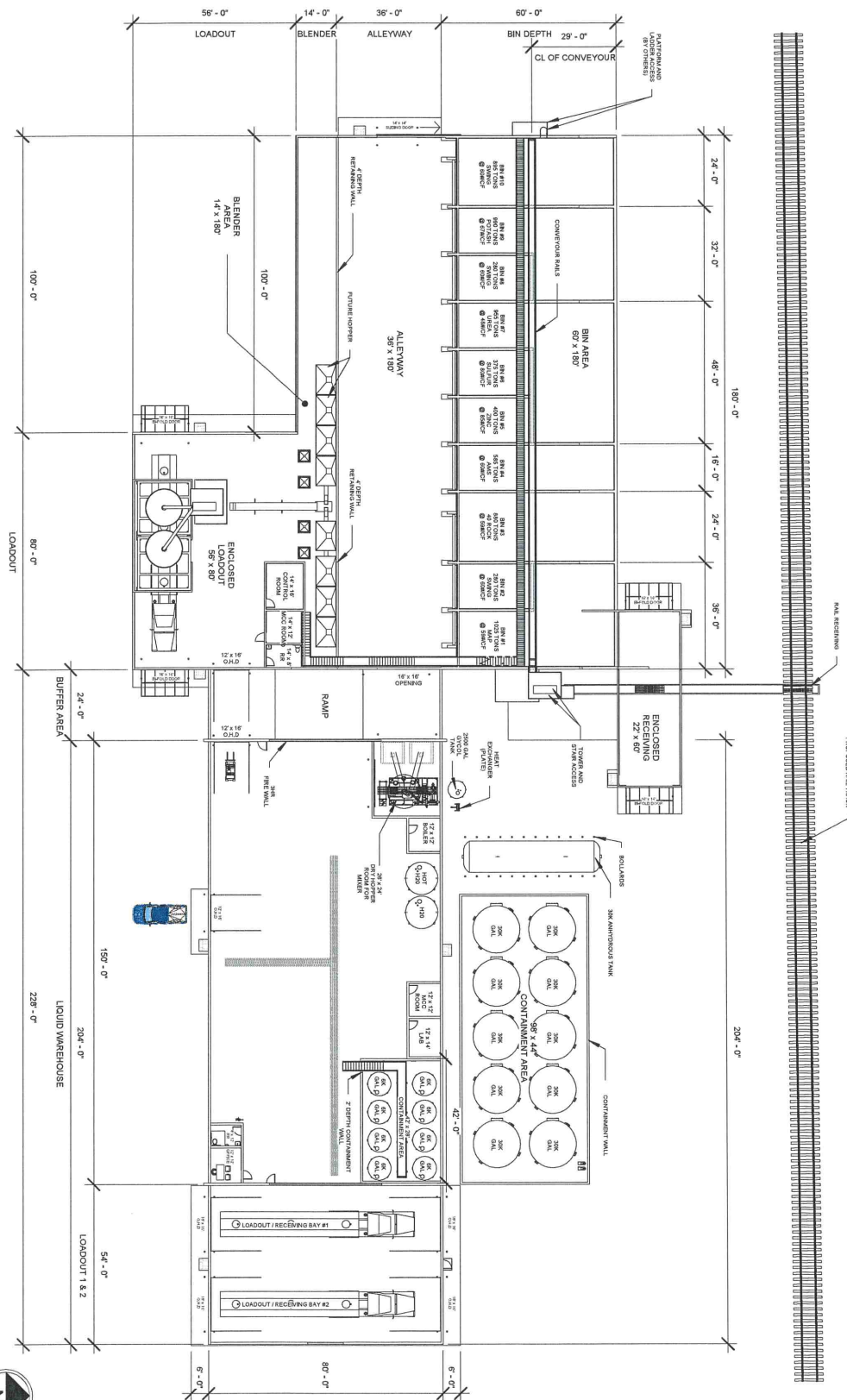
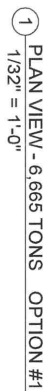


EXHIBIT B-1



NEBRASKALAND AVIATION
HOLDREGE, NE

Stueve
construction
SINCE 1958

2201 E. Oak Street Alamosa, IA 50511 * Phone: (515) 295-3110 * Fax: (515) 295-2000

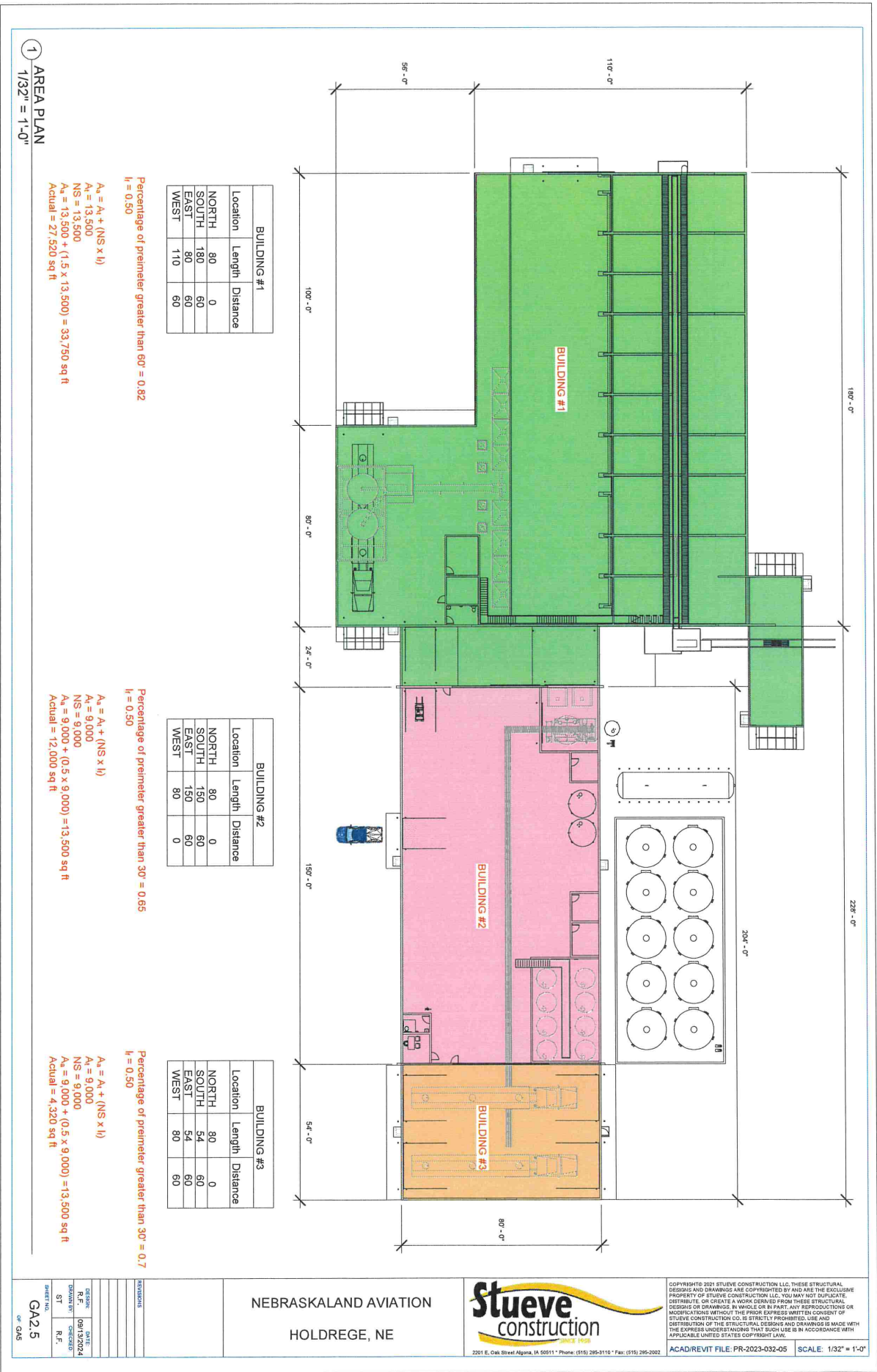
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ACAD/REVIT FILE: PR-2023-032-05 SCALE: 1/32" = 1'-0"

ACAD/REVIT FILE: PR-2023-032-05

SCALE: 1/32" = 1'-0"

EXHIBIT B-2



F:\2021\05001-05500\021-05360\40-Design\Exhibits\2024.09.24_EXHIBIT UPDATE\2024.09.24_PROPOSED ROAD EXHIBIT.dwg
DATE: Oct 18, 2024 10:52am USER: gbedke

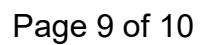


EXHIBIT D

IRON HORSE AG, LLC REDEVELOPMENT PROJECT

Estimated Project Costs:

A. Land Acquisition (if applicable):.....	\$396,220.00
B. Utility extension & hookups:.....	\$25,000.00
C. Site Preparation:	\$750,000.00
• Site work.....	\$550,000.00
• Building pad.....	\$100,000.00
• Foundation excavations/backfill.....	\$100,000.00
D. Rail design	\$50,000.00
E. Rail dirt work	\$200,000.00
F. Civil design and engineering	\$85,000.00
G. Access Road construction	\$635,000.00
H. Legal Fees	\$15,000.00
I. TIF Fees	\$21,812.00
TOTAL	\$2,178,032.00

Project Financing:

A. Equity:.....	\$3,492,061.00
B. Bank Loan:.....	\$3,492,061.00
C. Tax Increment Financing:.....	\$2,178,032.00
D. Other (itemize):	\$0.00
TOTAL	\$9,162,154.00

Valuation of the Project Site:

A. Latest property valuation (from Real Estate Tax Statement):.....	\$93,636.00
B. Total estimated assessed valuation of Real Property at completion: ..	\$10,593,636.00

PHELPS COUNTY ASSESSOR

Larissa Davenport

715 5th Ave

Holdrege, NE 68949

Phone: (308) 995-4061

Fax: (308) 831-3825

Email: assessor@phelpscounty.ne.gov

Name: Michael J Tye Attorney at Law
Tye & Rowling, PC LLO

Date: March 11, 2025

Re: TIF Estimate Value

I have prepared an estimate of the future assessed value of the proposed buildings for the Iron Horse Ag, LLC TIF project, to be built on Holdrege Iron Horse 3rd Addition Lot 1 Block 1, Phelps County, NE. The information provided is for hypothetical purposes only. All preliminary development information was provided by Michael J Tye and Tye Marquardt.

Project will be built on Holdrege Iron Horse 3rd Addition Lot 1 Block 1, Phelps County, NE. The base value estimate for this parcel is:

Base Value - Lot 1 \$ 93,636

Based on the information provided, the estimated future value (new improvements only) for the Iron Horse Ag, LLC TIF project would be:

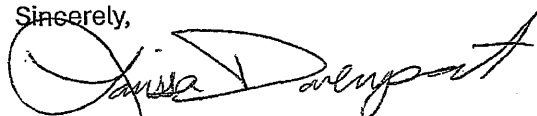
Estimated Future Excess Value - \$10,500,000

Total estimated value - \$10,593,636

DISCLAIMER AS TO TAX INCREMENT FINANCING PROJECTIONS

The Phelps County Assessor, together with the Phelps County Assessor's Office, for purposes of redevelopment financing, has prepared no less than two valuation numbers. One is a statement of 'base value' as required by law, namely Sec. 18-2148, Neb. Rev. Stat. The other statement, which is not required by law, was done at the sole request of the developer of the Tax Increment Financed development, and/or the redevelopment agency. This second statement involves a projected estimate of the equalized assessed valuation after redevelopment and/or stages thereof. In making the estimate of equalized assessed valuation after redevelopment, this office has relied entirely upon representations of the developer and/or redevelopment authority. This office cannot and will not guarantee the accuracy of any future valuation. A redevelopment situation can have a multitude of other factors that impact the financial feasibility of the project, including but not limited to the uncertainties of construction, changes in state and federal taxation practices, market situations, and other unspecified factors. This office makes no warranties, express or implied, as to the accuracy of future valuation projections because valuation projections stated in the future tense are at best simple estimates.

Sincerely,



Phelps County Assessor

Parcel Information	
Parcel ID:	0003097.20
Map Number	3097.20
State Geo Code	3881-00-0-41060-002-0000
Cadastral #	2-28B
Images	
Current Owner:	PHELPS COUNTY DEVELOPMENT CORPORATION 502 EAST AVE, STE 201 P O BOX 522 HOLDREGE, NE 68949
Situs Address:	
Tax District:	8
School District:	HDGE SCH DIST 44, 69-0044
Account Type:	Commercial
Legal Description:	HOLDREGE IRON HORSE 2ND ADD. L. PT. 1 B. 2
Lot Width:	N/A
Lot Depth:	N/A
Total Lot Size:	35.90 acres

Assessed Values				
<u>Year</u>	<u>Total</u>	<u>Land</u>	<u>Outbuilding</u>	<u>Dwelling</u>
2024	\$174,186	\$174,186	\$0	\$0
2023	\$208,220	\$208,220	\$0	\$0

Yearly Tax Information		
<u>Year</u>	<u>Amount</u>	<u>Levy</u>
2024	\$1,873.22	1.494211

2024 Tax Levy	
<u>Description</u>	<u>Rate</u>
COUNTY GENERAL	0.15305000
HDGE SCH DIST 44	0.80321300
HOLDREGE 44 BOND K-4	0.06345600
ESU #11	0.01325300
CNTCC	0.02000000
TRI-BASIN NRD	0.02871000
HOLDREGE CITY	0.40057600
AG SOCIETY	0.00560600
HIST SOCIETY	0.00288500
AIRPORT BOND	0.00346200

5 Year Sales History
No previous sales information is available (for the past 5 years).

Property Classification			
Status:	Unimproved	Location:	Urban
Property Class:	Commercial	City Size:	5,001-12,000
Zoning:	Commerical	Lot Size:	20.00-40.00 ac.

Property Notes	
<u>Date</u>	<u>Note</u>

Land Information			
<u>Lot Width (ft)</u>	<u>Lot Depth (ft)</u>	<u>Description</u>	<u>Lot Size</u>
0.00	0.00	35.9 ACRE(S)	35.90 acres

Dwelling Data		
<u>Description</u>	<u>Units</u>	<u>Value</u>

Outbuilding Data			
<u>Description</u>	<u>Units</u>	<u>Year Built</u>	<u>Cost</u>