



City of Omaha
Jean Stothert, Mayor

RECEIVED

14 JUL 23 2014

CITY OF OMAHA
PLANNING DEPARTMENT

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

James R. Thele
Director

July 1, 2014

Honorable President

and Members of the City Council,

The attached Resolution transmits Hotel Omaha by Express Tax Increment Financing (TIF) Redevelopment Project Plan, located at the northeast corner of 24th & Farnam Streets. The redevelopment project plan contemplates the complete redevelopment of several lots into a boutique style hotel. The corner lot is owned by the City of Omaha and 24th Street Enterprises, LLC entered into a purchase contract with the City of Omaha to purchase the corner lot and anticipates ownership upon City Council approval.

This project plan intends to build on the concept of revitalization begun by NuStyle Development Corporation with its development in the area, particularly the Highline just north of this project. As part of the Joslyn District, referenced in the 2030 Downtown Master Plan, redevelopment was envisioned in order to bring investment into the area and vibrant street-level activity. A subsequent Neighborhood Development and Housing study was completed in 2012 which also conceptualized how this area might redevelop. 24th Street Enterprises, LLC, took its cue from several challenges identified in the housing study:

- little housing stock
- abundance of low quality retail
- endless supply of surface parking
- wide streets and poor quality streetscaping
- poor condition, commercial use, brick buildings with low heights.

The redevelopment site will first be cleared and graded. Envisioned for this project plan is a 5-story, 132 room, boutique style hotel with meeting space, retail space along 24th Street, some covered parking and some surface parking along Farnam Street. This project will reduce the amount of under-utilized surface lots, introduce quality streetscaping and retail services, replace a commercial building in poor condition with a new modern structure that gives presence to the area, and begin to bring vibrant street-level activity that will spur additional economic activity. The project is anticipated to generate between 35-40 FTEs. The hotel is affiliated with the IHG brand and will utilize its reservation system. The building will be managed by Trivedi, Inc. and anticipates being the kind of project that can be the anchor which encourages new development in the area. The Planning Board recommended the approval of this redevelopment project plan at the June 4, 2014 public hearing.

The Redevelopment Project Plan recommends the City's participation in the redevelopment of this project site through the allocation of TIF in an amount up to \$3,400,000.00 to offset TIF eligible costs such as acquisition, site work, demolition, architectural and engineering fees, environmental and any public improvements as may be necessary, which includes \$40,000.00 of the TIF proceeds/loan toward the Downtown Public Improvement Fund. The total estimated project costs are \$17,875,071.63, but are subject to change as final costs come in.

Your favorable consideration of this Resolution will be appreciated.

Respectfully submitted,

Referred to City Council for Consideration:

James R. Thele 6/13/14 Date
James R. Thele
Planning Director *Batt*

Jean Stothel 6/18/14 Date
Jean Stothel
Mayor's Office

Approved:

Stephen B. Curtiss 6/16/14 Date
Stephen B. Curtiss
Finance Director *vqf*

Robert G. Stubbe 6-17-14 Date
Robert G. Stubbe, P.E.
Public Works Director

2031 dlh

Notice of Publication and Public Hearing: July 3, 2014 and July 10, 2014

Public Hearing: July 22, 2014

CITY OF OMAHA

LEGISLATIVE CHAMBER

Omaha, Nebraska

RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

WHEREAS, the primary objectives of the City of Omaha's Master Plan and Community Development Program are to encourage additional private investment and infill development within inner-city neighborhoods; and to eliminate conditions which are detrimental to public health, safety and welfare, by developing vacant, underutilized property within these neighborhoods; and,

WHEREAS, the redevelopment project site located at the northeast corner of 24th & Farnam Streets is within a designated community redevelopment area, as the area meets the definition of blight and substandard per the Community Development Law and is in need of redevelopment; and,

WHEREAS, this Hotel Omaha by Express Tax Increment Financing (TIF) Redevelopment Project Plan for the redevelopment project site was approved by the City of Omaha Planning Board at their June 4, 2014 meeting, and previously approved by the TIF Committee; and,

WHEREAS, the project site for the Hotel Omaha by Express Tax Increment Financing (TIF) Redevelopment Project Plan is located at the northeast corner of 24th & Farnam Streets and is legally described in Exhibit "A" which is attached hereto and herein incorporated by reference; and,

WHEREAS, the Hotel Omaha by Express Tax Increment Financing (TIF) Redevelopment Project Plan contemplates the clearing and grading of the lots in preparation for a 5-story, 132 room, boutique style hotel with meeting space, retail space along 24th Street, some covered parking and some surface parking along Farnam Street as described in Exhibit "B", attached hereto and herein incorporated by reference; and,

WHEREAS, this Resolution seeks approval of the Hotel Omaha by Express Tax Increment Financing (TIF) Redevelopment Project Plan recommends the City's participation through the allocation of TIF in an amount up to \$3,400,000.00 to offset TIF eligible costs such as acquisition, site work, demolition, architectural and engineering fees, environmental, and any public improvements, as may be required, which includes \$40,000.00 of the TIF proceeds/loan toward the Downtown Public Improvement Fund, for a project with total estimated costs of \$17,875,071.63; and,

By.....
Councilmember

Adopted.....
.....
City Clerk

Approved.....
Mayor

CITY OF OMAHA

LEGISLATIVE CHAMBER

Omaha, Nebraska

Page 2

WHEREAS, the Plan presents a project based on estimated figures and projections that are subject to change as project costs are finalized, and is required to comply with all Planning Department requirements and Planning Board recommendations; and,

WHEREAS, Section 18-2108 of the Nebraska Revised Statutes requires the City of Omaha to adopt a redevelopment plan before taking an active part in a redevelopment project; including the division of ad valorem taxes for a period not to exceed fifteen years under Sections 18-2147 through 18-2150, Revised Statutes of Nebraska; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

THAT, the attached Hotel Omaha by Express Tax Increment Financing (TIF) Redevelopment Project Plan located at the northeast corner of 24th & Farnam Streets which contemplates the clearing and grading of the lots in preparation for a 5-story, 132 room, boutique style hotel with meeting space, retail space along 24th Street, some covered parking and some surface parking along Farnam Street, recommends the City's participation through the allocation of TIF in an amount up \$3,400,000.00 to offset TIF eligible costs such as acquisition, site work, demolition, architectural and engineering fees, environmental, and any public improvements, as may be required, which includes \$40,000.00 of the TIF proceeds/loan toward the Downtown Public Improvement Fund; containing a provision for the division of ad valorem taxes under Section 18-2147 through 18-2150, Revised Statutes of Nebraska, as recommended by the City Planning Department, be and hereby is approved.

APPROVED AS TO FORM:


ASSISTANT CITY ATTORNEY 6/13/14
DATE

2031 dlh

By.....
Councilmember

Adopted.....
.....
City Clerk

Approved.....
Mayor

EXHIBIT "A"

Parcel 1:

The West 80.08 feet of the East 96.3 feet of Sublot Twenty-One (21) of Lot Three (3) in Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.

Parcel 2:

The West 22 feet of the East 119 feet, and the West 1 foot of the East 97 feet, all in Sublot Twenty-One (21) of Lot Three (3), in Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.

Parcel 3:

The East 44 feet of the West 66 feet, in Sublot Twenty-One (21) of Lot Three (3), in Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.

Parcel 4:

Sublot Twenty (20) of Lot Three (3) and the West 22 feet of Sublot Twenty-One (21) of Lot Three (3), in Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.

Parcel 5:

Sublot Nineteen (19) of Lot Three (3) in Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska, more particularly described as follows: Commencing 251 feet West of the intersection of the East line of Lot Three (3), in Capitol Addition to the City of Omaha, Douglas County, Nebraska, with the North line of Farnam Street; running thence North 132 feet; thence West 66 feet; thence South 132 feet; thence East 66 feet to the place of beginning.

File No.: **0258028**

EXHIBIT "A"

**Sub Lot Eighteen (18) of Lot Three (3), Capitol Addition, an Addition to the City of Omaha,
Douglas County, Nebraska.**

EXHIBIT "B"

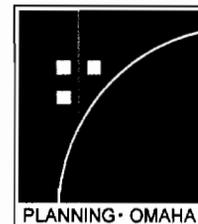
HOTEL OMAHA BY EXPRESS TIF REDEVELOPMENT PROJECT PLAN

NORTHEAST CORNER OF 24TH & FARNAM STREETS

JULY 2014



Jean Stothert, Mayor City of Omaha



James Thele, Director
Planning Department
Omaha/Douglas Civic Center
1819 Farnam Street, Ste. 1111
Omaha, Nebraska 68183

INTER-OFFICE COMMUNICATION
City of Omaha, Nebraska
Planning Department

TO: Chairman and Members of the Planning Board

FROM: James Thele, Planning Director

DATE: May 28, 2014

SUBJECT: HOTEL OMAHA BY EXPRESS TIF Redevelopment Project Plan
Northeast corner of 24th & Farnam Streets
Case #C3-14-024

Project Summary

This redevelopment project plan proposes the complete redevelopment of several lots at the northeast corner of 24th & Farnam Streets; the corner lot is owned by the City of Omaha. The applicant and owner, 24th Street Enterprises, LLC, recently closed on the six lots to the east of the City owned lot. 24th Street Enterprises, LLC entered into a purchase contract with the City of Omaha to purchase the corner lot and anticipates ownership upon City Council approval.

This plan intends to build on the vision of revitalization begun by NuStyle Development Corporation with its development to the north, the Highline TIF redevelopment project. As part of the Joslyn District, referenced in the 2030 Downtown Master Plan, redevelopment was envisioned in order to bring investment into the area and vibrant street-level activity. A subsequent housing study was completed in 2012 which also envisioned how this area might redevelop. The applicant, 24th Street Enterprises, LLC, took its cue from several challenges identified in the housing study:

- little housing stock
- abundance of low quality retail
- endless supply of surface parking
- wide streets
- lack of branded identity, which decreases the impact of the Joslyn Museum, Highline, and other key developments in the area.

24th Street Enterprises, LLC is affiliated with the IHG franchise and saw an opportunity to continue revitalization through a commercial product at the redevelopment site. 24th Street Enterprises, LLC in partnership with Anant Enterprises LLC proposes to develop a project that aligns with the vision and direction of this study and that will be a catalyst for future growth within the Joslyn District area. The members of both limited liability companies are also affiliated with the Holiday Inn located at 15th and Cuming Street.

NuStyle Development Corporation took the first plunge to invest over \$30,000,000.00 into the Highline Building and surrounding areas. 24th Street Enterprises LLC proposes to continue the momentum created by the redevelopment of the Highline structure by developing a boutique hotel with a retail component on the first floor.

Project Description

The current building will be demolished and the ground will be cleared and graded. A new hotel - The Hotel Omaha by Express - with parking will be constructed on the existing sites. A new, modern and boutique, five (5) story building will be constructed that will entail 132 large hotel guestrooms, meeting

space, covered parking, and ample retail space, all wrapped up in a boutique building. The building will be managed by Trivedi, Inc. The Hotel Omaha by Express anticipates being the kind of project that can be the anchor that encourages new commercial development in the area.

The development of the hotel proposes to:

- create additional housing stock for visitors in the downtown area, and a unique lodging option for those that are looking for something out of the ordinary
- provide high quality retail in the form of food and beverage, spa services, and consumer services
- reduce the appearance and count of surface parking
- counteract the wide streets with dense construction of a more active building that will contribute greatly to the walk ability and livability of the district

The hotel with retail is the pure definition of branded identity, and with its partnership with the Joslyn Museum, more attention will be given to one of the cornerstones of this district.

The project is anticipated to be completed by July 2015.

No Building Permit will be issued based on a site plan that does not comply with the provisions of the Zoning Ordinance.

The project site is located within a Community Redevelopment Area, meets the requirements of Nebraska Community Development Law and qualifies for the submission of an application for the utilization of Tax Increment Financing to cover costs associated with project development as submitted for approval through the Tax Increment Financing process. The project is or will be in compliance with the Master Plan, appropriate Ordinances and development regulations of the City.

DEPARTMENT RECOMMENDATION: Approval.

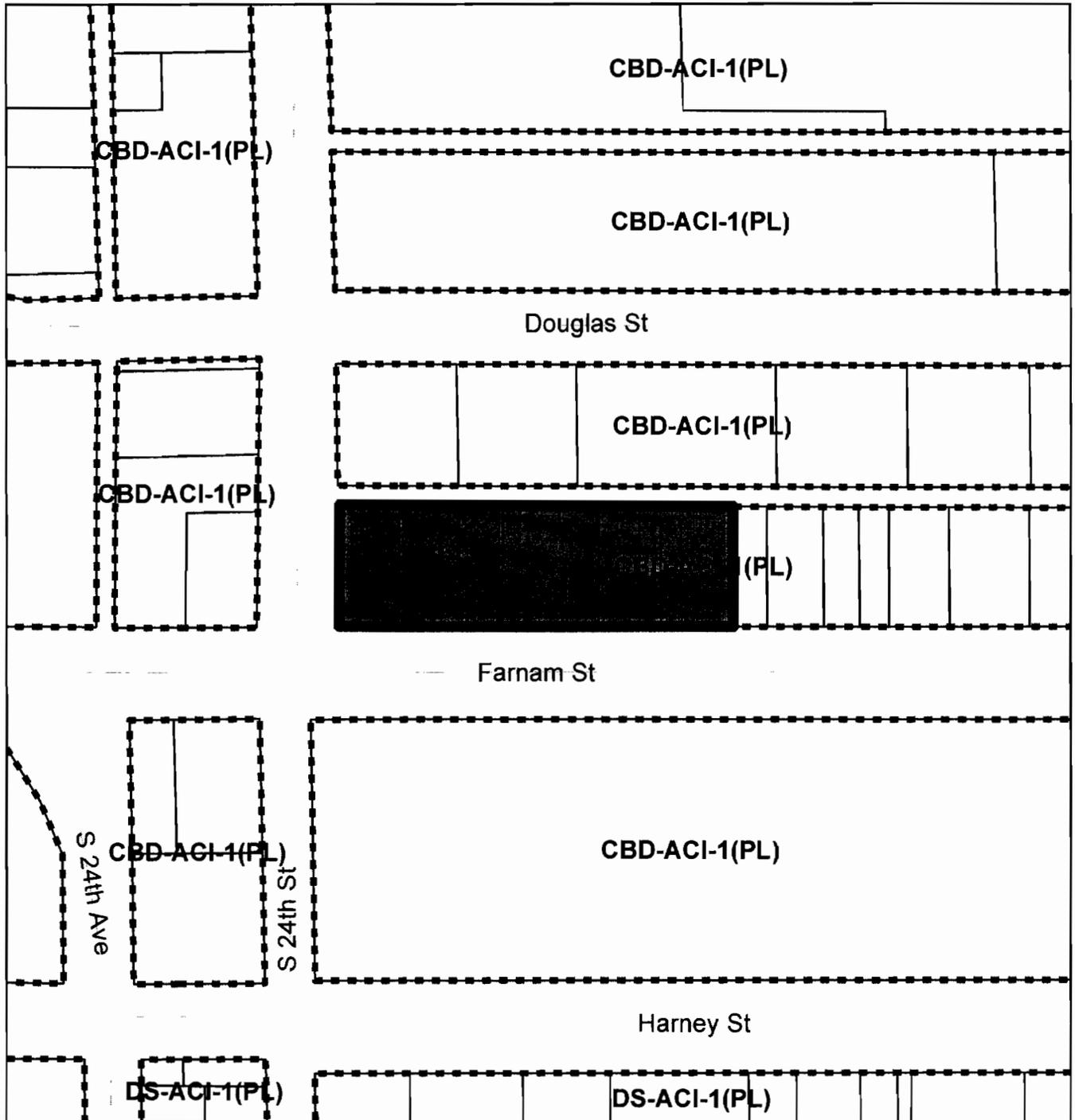
ATTACHMENTS

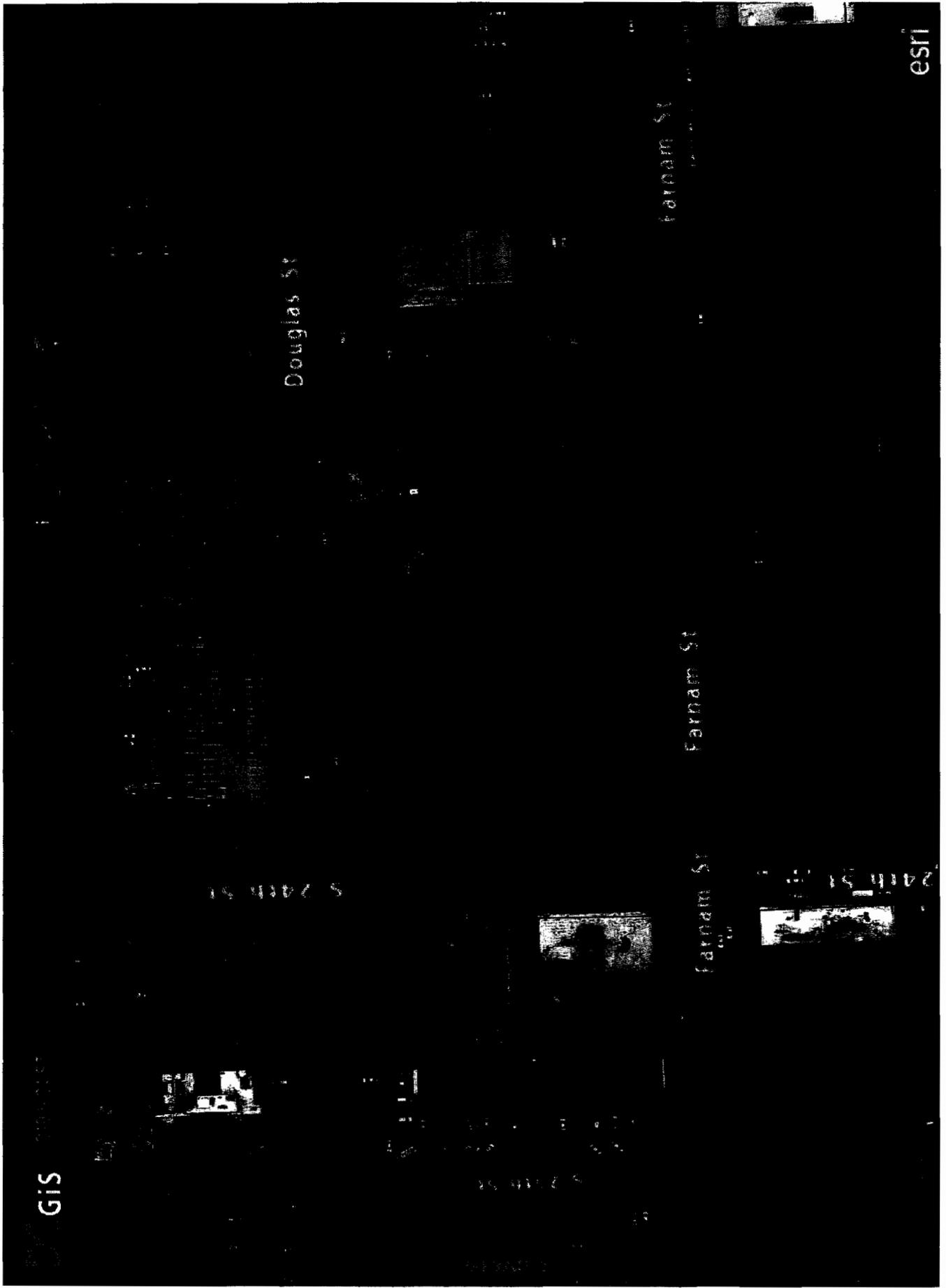
General Vicinity Map
Project Plan

Project Finance Summary - Sources & Uses

CASE: C3-14-024
APPLICANT: Planning Department on behalf of the City of Omaha
REQUEST: Approval of the HOTEL JOSLYN TIF REDEVELOPMENT PROJECT PLAN
LOCATION: Northeast of 24th and Farnam Streets

SUBJECT AREA IS SHADED - JUNE 2014





INTER-OFFICE COMMUNICATION

Date: May 16, 2014

To: TIF Committee:
James Thele, Stephen Curtiss, AL Herink, Paul Kratz, Robert Stubbe,
Todd Pfitzer, Cassie Seagren, Gail Braun

From: Bridget A. Hadley - City Planning

Applicant: City of Omaha Planning Department

Project Name: The Hotel Omaha by Express TIF Redevelopment Project Plan

Location: Northeast corner of 24th & Farnam Streets

Project Summary

This redevelopment project plan proposes the complete redevelopment of several lots at the northeast corner of 24th & Farnam Streets; the corner lot is owned by the City of Omaha. The applicant and owner, 24th Street Enterprises, LLC, recently closed on the six lots to the east of the City owned lot. 24th Street Enterprises, LLC entered into a purchase contract with the City of Omaha to purchase the corner lot and anticipates ownership upon City Council approval.

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- little housing stock
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- endless supply of surface parking
- wide streets
- lack of branded identity, which decreases the impact of the Joslyn Museum, Highline, and other key developments in the area.

24th Street Enterprises, LLC is affiliated with the IHG franchise and saw an opportunity to continue revitalization through a commercial product at the redevelopment site. 24th Street Enterprises, LLC in partnership with Anant Enterprises LLC proposes to develop a project that aligns with the vision and direction of this study and that will be a catalyst for future growth within the Joslyn District area. The members of both limited liability companies are also affiliated with the Holiday Inn located at 15th and Cuming Street.

NuStyle Development Corporation took the first plunge to invest over \$30,000,000.00 into the Highline Building and surrounding areas. 24th Street Enterprises LLC proposes to continue the momentum created by the redevelopment of the Highline structure by developing a boutique hotel with a retail component on the first floor.

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The current building will be demolished and the ground will be cleared and graded. A new hotel - The Hotel Omaha by Express – with parking will be constructed on the existing sites. A new, modern and boutique, five (5) story building will be constructed that will entail 132 large hotel guestrooms, meeting space, covered parking, and ample retail space, all wrapped up in a boutique building. The building will be managed by Trivedi, Inc. The Hotel Omaha by Express anticipates being the kind of project that can be the anchor that encourages new commercial development in the area.

The development of the hotel proposes to:

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The hotel with retail is the pure definition of branded identity, and with its partnership with the Joslyn Museum, more attention will be given to one of the cornerstones of this district.

The project is anticipated to be completed by July 2015.

Project Finance Summary - Sources & Uses

Sources of Funds	
Owner Equity	\$4,475,071.63
Other Financing – Exchange Bank	\$10,000,00.00
Tax Increment Financing - Exchange Bank	\$3,400,000.00
Total Sources of Funds	\$17,875,071.63
Uses of Funds	
Land Acquisition*	\$1,500,000.00
Hard Construction Costs	\$12,660,071.63
Soft Construction Costs	\$1,250,000.00
Developer/Prof. Fees	\$1,700,000.00
Financing Fees	\$225,000.00
Total Uses of Funds	\$17,875,071.63

* Land actually appraised at \$1,800,000 “as is” per appraisal.

Land Use and Zoning

The current site consists of several vacant lots, with one lot that has a vacant building. This is along Farnam and 24th, South East corner. This area has been sitting undeveloped for many years and presents an eyesore for Downtown Omaha. The proposed use will be for a boutique hotel with some surface parking.

The current zoning is CBD AC1. There will not be a change in zoning for this project.

Utilities and Public Improvements

Standard utilities (electrical, water, sewer) exist at the site.

The streetscape will include new sidewalks, newly installed street lighting and a curb cut to allow for an under the building drive-thru off of Farnam Street to access parking.

Transportation

No transportation issues identified.

Cost Benefit Analysis – from the application

Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147 (of the Community Development Law);

- The site is currently vacant and/or underutilized with marginal tax value as the property with limited assessed value. The project will bring new infill, potential to spur additional residential rental housing units into the market. The use of TIF will not result in tax shifts. The current level of taxes, after demolition, will continue to flow to the current taxing entities, and only the increased value of revenues resulting from the improvements will be applied to the cost of the improvement.

Public infrastructure and community public service needs impacts and local tax impacts arising from projects receiving incentives;

- No community service need will be generated as a result of this Project. The development of this site will provide employment by increasing the demand for personal services and employees to provide these services. This development will impact other businesses, as there will be an increase in the demand for employees to fill the employment opportunities created by this development. There will also be competition for renters to fill new residential units being made available. The provision of new housing will increase employment opportunities and other economic opportunities by increasing the demand for goods and services.

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

- This project will provide a huge benefit for employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. Retail and hotel rooms provide a much needed service for this area, which has been absent and has

become a road block to growth. In addition, this project will create a secure environment in an area where security is lacking. Employers and employees will feel more comfortable within their environment.

Impacts on 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;

- This project will have a DIRECT impact on employers and employees within the city or village and the immediate area that are located outside of the boundaries of the redevelopment project. This is created in one way by acting as a catalyst to further growth. Further growth always translates into job growth. As this area continues to redevelop, the trickle down affect will continue outside of the redevelopment area. As this area becomes more secure and pedestrian friendly, this area will become a much more traveled route for employees and employers outside of the redevelopment area.

Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project

- The site is not being utilized at the fullest and best economic use. This project will be able to act as a catalyst to spur additional development and growth in the redevelopment area.

TIF Justification

The project site is located within a Community Redevelopment Area, meets the requirements of Nebraska Community Development Law and qualifies for the submission of an application for the utilization of Tax Increment Financing to cover costs associated with project development as submitted for approval through the Tax Increment Financing process. The project is/or will be in compliance with the Master Plan, appropriate Ordinances and development regulations of the City.

This redevelopment project plan contemplates continuing to stimulate re-investment in a part of downtown that is devoid of much productive, economic activity and that is in much need of redevelopment and recapitalization. The redevelopment is currently consists of very underutilized property, particularly five (5) surface parking lots. Ultimately, this project plan will enhance the tax base for various taxing jurisdictions.

TIF will be used to offset costs such as acquisition, site work, demolition, architectural and engineering, environmental, and public improvements as required. We will request a contribution of \$40,000.00 of the TIF proceeds/loan toward the Downtown Public Improvement Fund. The total estimated project costs are \$17,875,071.63. TIF Eligible costs are as follows:

Land Acquisition	\$1,500,000.00
Architectural/Engineering	\$ 725,000.00
General Conditions*	\$ 102,410.88
Other Engineering/Environmental	\$ 31,574.40

Site Utilities	\$ 45,027.84
Site Construction/Work	\$ 664,545.02
Landscaping (for streetscape)	\$ 117,918.03
Contingency	\$ 228,000.00**
Overhead & Profit	\$ 190,000.00**
Total	\$3,604,746.17
TIF Fees	\$ 40,000.00
Total TIF Eligible	\$3,644,746.17

*Only includes Mobilization; Construction Office; Temporary Storage, Utilities for Job and Toilet; Trash Removal; and Site Phone.

**Applied 19% to the total Contingency and Overhead & Profit figures

The TIF is 19% of the total project costs.

Request: The TIF request is for up to \$3,400,000.00; at an interest rate up to 4.5%. Using the current levy rate of 2.19974% and other assumptions of the TIF calculation spreadsheet supports the TIF request, inclusive of some capitalized interest. See attached TIF calculation spreadsheet(s).

TIF Fee Schedule: \$500.00 application fee paid; the processing fee of \$3,000.00 will be billed; \$36,500.00 administrative fees will be billed. Total fees will be \$40,000.00.

Recommendation: Approval

ATTACHMENTS

TIF Application

TIF Calculation Spreadsheet(s)

Aerial Map

Applicant: Hotel Omaha by Express

PRO FORMA

DATE	Total Taxable Valuation	Less Pre-Development Base	TIF Taxable Valuation	Tax Levy	Tax Revenues	Treasurer's 1% Collection Fee	Revenues Available For TIF Loan	Debt Service Payments	Loan Balance	Capitalized Interest	Interest at 4.50%
								Principal	Total	Interest at 4.80%	
0											
0.5	\$ -	\$ -	\$ -	2.1974	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	71595
1	\$ -	\$ -	\$ -	2.1974	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	73206
1.5	\$ -	\$ -	\$ -	2.1974	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	74853
2	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 93,012	\$ 169,549	\$ 76,537	76537
2.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 95,105	\$ 169,549	\$ 74,444	74444
3	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 97,244	\$ 169,549	\$ 72,305	72305
3.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 99,432	\$ 169,549	\$ 70,117	70117
4	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 101,670	\$ 169,549	\$ 67,879	67879
4.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 103,957	\$ 169,549	\$ 65,592	65592
5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 106,296	\$ 169,549	\$ 63,253	63253
5.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 108,688	\$ 169,549	\$ 60,861	60861
6	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 111,133	\$ 169,549	\$ 58,416	58416
6.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 113,634	\$ 169,549	\$ 55,915	55915
7	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 116,191	\$ 169,549	\$ 53,358	53358
7.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 118,805	\$ 169,549	\$ 50,744	50744
8	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 121,478	\$ 169,549	\$ 48,071	48071
8.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 124,211	\$ 169,549	\$ 45,338	45338
9	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 127,006	\$ 169,549	\$ 42,543	42543
9.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 129,864	\$ 169,549	\$ 39,685	39685
10	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 132,786	\$ 169,549	\$ 36,763	36763
10.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 135,773	\$ 169,549	\$ 33,776	33776
11	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 138,828	\$ 169,549	\$ 30,721	30721
11.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 141,952	\$ 169,549	\$ 27,597	27597
12	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 145,146	\$ 169,549	\$ 24,403	24403
12.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 148,412	\$ 169,549	\$ 21,137	21137
13	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 151,751	\$ 169,549	\$ 17,798	17798
13.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 155,165	\$ 169,549	\$ 14,384	14384
14	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 158,656	\$ 169,549	\$ 10,893	10893
14.5	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 162,226	\$ 169,549	\$ 7,323	7323
15	\$ 15,571,096	\$ -	\$ 15,571,096	2.1974	\$ 171,262	\$ 1,713	\$ 189,549	\$ 165,876	\$ 169,549	\$ 3,673	3673
					\$ 4,624,074	\$ 46,251	\$ 4,577,823	\$ 3,404,297	\$ 4,577,823	\$ 1,173,526	\$ 219,654

NOTE: This information is provided to assist in analyzing the specific request to the TIF committee. This information is subject to change based on actual tax assessments. This schedule assumes a 90% real estate valuation and a 1.0 debt coverage ratio. The actual TIF amount available to fund site specific project cost will change based on the cost of public improvements.

ASSUMPTIONS: (F9 = calculate)

1. Assume No Pre-Development Base
2. Loan Amount: \$3,182,000
3. Interest Rate: 4.50%
4. Project Hard Costs: \$17,301,218
5. Increment Base: \$15,571,096

Original Loan Amount: \$3,182,000
 Capitalized Interest: \$219,654
 Loan Balance Remaining: \$0

POTENTIAL

Annual Incremental Tax Payment: \$ 342,524

**TIF APPLICATION TO THE CITY OF
OMAHA**

HOTEL OMAHA

(Final Name to be Determined)

Farnam & 24th Street Omaha, NE

I) Project Summary

Project Owner: 24th Street Enterprises LLC

Project Address:

219 S 24 ST OMAHA NE 68102,
2232 FARNAM ST OMAHA NE 68102,
2222 FARNAM ST OMAHA NE 68102,
2216 FARNAM ST OMAHA NE 68102,
2212 FARNAM ST OMAHA NE 68102,
2208 FARNAM ST OMAHA NE 68102,
2200 FARNAM ST OMAHA NE 68102

Project Legal Description: CAPITOL ADD LOT 3 BLOCK 0 SUB LT 17 66 X 132, CAPITOL ADD LOT 3 BLOCK 0 SUB LT 18 66 X 132, CAPITOL ADD LOT 3 BLOCK 0 SUB LT 19 66 X 132, CAPITOL ADD LOT 3 BLOCK 0 SUB LOT 20 & W 22 FT SUB LOT 21 88 X 132, CAPITOL ADD LOT 3 BLOCK 0 E 44 W 66 FT SUB 21 44 X 132, CAPITOL ADD LOT 3 BLOCK 0 E 23 W 89 FT SUB 21 23 X 132, CAPITOL ADD LOT 3 BLOCK 0 W 80.08 E 96.3 FT SUB LT 21 LOT 3

Estimated Total Project Cost: \$17,875,071.63,

TIF Request: \$3,400,000.00

Current Use: Vacant Building, Vacant Lots

Current Zoning: CBD

Proposed Use: Hotel/Retail

Current Annual Real Estate Taxes (2012 tax year): \$12,463.42

Current Assessed Tax Valuation (2013 tax year): Land: \$584,100.00

Improvements: \$0

Total: \$584,100.00

DETAILED PROJECT DESCRIPTION:

Only one major project has been completed to help transform this area of Downtown Omaha. This would be the Highline. The developer, NuStyle, of the Highline invested over \$30,000,000.00 to improve this district. We would like to use the momentum that NuStyle has created and continue the redevelopment and making this district friendly for foot traffic, visitors, and future businesses. This project would also create a commercial district that would support Creighton University as well.

The current building will be demolished and the ground will be graded to start a fresh new project. There are hurdles such as asbestos, drainage, project being contingent of purchase of city owned lot. We are confident that the tasks will be overcome. A new hotel - The Hotel Omaha by Express – with parking will be constructed on the existing sites. A new, modern and boutique, five (5) story building will be constructed that will entail 132 LARGE hotel guestrooms, meeting space, covered parking, and ample retail space, all wrapped up in a boutique building. The building will be managed by Trivedi, Inc. This TIF application and project requires the purchase of a City owned lot; the corner lot.

The Hotel Omaha by Express will be the kind of project that can be the anchor for the commercial development around Farnam and 24th Street Neighborhood Development Project. There are multiple reasons that this new enterprise will be a great fit within the existing Joslyn Neighborhood Development plan:

- Although the Hotel Omaha by Express will have an affiliation with the IHG franchise, it will truly provide a boutique hotel experience powered with the largest reservation system in the world and the largest hotel loyalty program ever; IHG Rewards. Anant Enterprises LLC has partnered with a premier, contemporary architecture firm in Omaha, Alley Poyner Macchietto, to help design critical portions of the hotel to give it an unique artistic feel. The affiliation with IHG will give the property access to the most powerful reservation systems in the hospitality industry. This will ensure that the property will drive a large consumer base to the area as well create an economic engine that the rest of the area can benefit from.
- The retail component of this development will include a food and beverage outlet. This restaurant will not only serve the guests of the Hotel Omaha by Express, but will also be a great option for residents of the neighborhood that are currently lacking food and beverage options within walking distance. The remaining retail bays will be occupied by service related tenants such as a high end salon and spa. Tenants such as these will help drive foot traffic and enhance the services that are within walking distance to the current and future permanent residents of the neighborhood.
- Approximately 100 parking spots will also be developed in this project, but with some under the oversized Porte Cache. This design will eliminate the perception of the sea of surface parking in this area. By combining the parking with exposed and covered concepts with heavy landscaping, a truly welcome and visually pleasant atmosphere is created setting the stage for future development to follow.
- By including the IHG name in the hotel title, you are immediately giving brand recognition to this clearly defined neighborhood.

- Hotels do spur economic development. NoDo is a great example. The Holiday Inn was the first to take the risk, and three additional hotels followed. Along with a number of retail and restaurant outlets as well. Hotels create demand for goods by the guests that occupy the facility. They create jobs, which in turn create more demand for consumer based retail outlets. Hotels definitely are a catalyst for economic development. This has been shown to be a FACT in Omaha and the rest of the country.

Anant Enterprises LLC has a reputation and history of building great hotel properties. Allowing this hotel to be affiliated with the IHG brand will guarantee the Joslyn Neighborhood a vibrant and successful property that other commercial and residential development can build around for years to come. The boutique nature of the hotel and accompanying retail will set it apart from other downtown hotel properties and will fit in with the neighborhood perfectly. This is the kind of project needed to jumpstart commercial development in the Joslyn Neighborhood and Anant Enterprises LLC is the kind of downtown Omaha based company that you want to make this project a reality.

NuStyle Development Corporation in partnership with the City of Omaha commissioned a development housing study dated January 18, 2012.

The study focused on the Downtown Park East Neighborhood, which is encompassed by the area from ½ block north of Dodge Street to ½ block south of Harney Street; and from ½ block east of South 20th Street to ½ block west of South 25th Street.

Several obvious challenges were pointed out:

- little housing stock
- abundance of low quality retail
- endless supply of surface parking
- wide streets
- lack of branded identity, which decreases the impact of the Joslyn Museum, Highline, and other key developments in the area

24th Street Enterprises LLC proposes to develop a project that will fall in line with the vision and direction of this study; and be another conduit for future growth within the area. NuStyle Development Corporation took the first plunge and invested over \$30,000,000.00 into the Highline Building and surrounding areas. This was a crucial first step in accomplishing the end goal of the study.

24th Street Enterprises LLC will continue the momentum from the Highline and develop a Boutique hotel with a retail component on the first floor.

The hotel will:

- create additional housing stock for visitors in the downtown area, and a unique lodging option for those that are looking for something out of the ordinary
- provide high quality retail in the form of food and beverage, spa services, and consumer services
- reduce the appearance and count of surface parking
- counteract the wide streets with dense construction of a more active building that will contribute greatly to the walk ability and livability of the district
- The hotel with retail is the pure definition of branded identity, and with its partnership with the Joslyn Museum, more attention will be given to one of the cornerstones of this district.

"With the existing buildings and vacant sites, new development will create a vibrant and eclectic mix of new and old development that can create a unique and desirable character, building the identity of the area." – **Taken from the study....**

The study also quotes 10 key principles of Redevelopment:

1. Promote policy changes for economic, social, and environmental improvements within the area.
 - This project will bring in over \$5,000,000.00 a year in consumer spending.
2. Create an authentic place rooted in the specific nature, culture, and history of the area.
 - Hotel Omaha by Express and its partnership with the Joslyn Museum will further reinforce the importance of art.
3. Create a walk able, pedestrian-friendly, mixed-use, and mixed-income neighborhood in the area.
 - Hotel rooms and retail means more people on the streets.
4. Expand on existing assets and develop new centers of innovation, education, and culture in the area.
 - By working with the Joslyn Museum, the art culture can be expanded in the area.
5. Increase the appropriate range, scale, and density of uses within the area.
 - The project reduces a large amount of surface parking and replaces it with a multi-use building that will provide services of many types.
 -
6. Create a vibrant public realm of civic spaces and complete streets within the area.
 - The hotel lobby and the retail portion will be an inviting and safe environment for local patrons and visitors as well.
7. Create a healthy, humane and active living environment to improve the quality of life within the area.
 - The project will focus on high use of LED lighting and a recycle program.
8. Provide and promote varied forms of transportation and connectivity through the area.
 - Hotel shuttle will service many parts of downtown, and the location of this development will also promote pedestrian foot traffic for local residents and local consumers.
9. Adapt and re-use sites, landscapes, and existing buildings within the area.
 - Although there is no option to reuse the existing building, this project does re-use several lots that have sat abandoned for many years.
10. Build the area in a holistic manner for multi-generational, long-term sustainability.
 - We have teamed up with Alley Poyner Macchietto to ensure we can provide long term sustainability.

We anticipate that this project will be completed and open for business by July 2015.

Ownership Structure/Control of Property:

Property located at:

219 S 24 ST OMAHA NE 68102,

2232 FARNAM ST OMAHA NE 68102,

2222 FARNAM ST OMAHA NE 68102,

2216 FARNAM ST OMAHA NE 68102,

2212 FARNAM ST OMAHA NE 68102,

2208 FARNAM ST OMAHA NE 68102, and 2200 FARNAM ST OMAHA NE 68102

Owner: 24th Street Enterprises LLC

Managing Member of Owner: Kirt Trivedi

24th Street Enterprises LLC Members: Kirt Trivedi & Deepak Gangahar

The Development Team:

Developer/General Contractor

Anant Enterprises LLC

Kirt Trivedi

Deepak Gangahar

Phone 402.933.6959

Fax 402.614.1867

Contact Kirt Trivedi

Architect

Siddharth Parekh, M.Arch. LEED AP, NCARB

18218 East Morgans Bend Drive

Cypress, TX 77433

Phone 832.878.1262

Contact Sid Parekh

Structural

Structural Design Group

410 South 7th Street

Lincoln, NE 68508

Phone 402.438.7788

Contact Vance Behrens

MEP

Advanced Engineering Systems

4630 Antelope Creek Rd Suite 200

Lincoln, NE 68506
Phone 402.504.3885
Contact Vishal Khanna

Designer

Alley Poyner Macchietto Architecture
1516 Cuming Street
Omaha, NE 68102
Phone 402.341.1544
Contact Katrina Stoffel

Property Management

Trivedi, Inc.
Phone 402.432.4863
Contact Kirt Trivedi

Attorney

Darrel K. Stock, P.C., L.L.O.
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Accountant

Buckley & Sitzman, LLP
3901 Normal Blvd Suite 100
Lincoln, NE 68506
Phone 402.484.7676
Contact Suman Vallabhbbhai

Civil Engineer

Thompson, Dreesen, & Dorner
10836 Old Mill Road
Omaha, NE 68154
Phone 402.330.8860
Contact Doug Dreesen

Owner

24th Street Enterprises LLC
Phone 402.933.6959
Contact Kirt Trivedi

LAND USE PLAN:

The current site consists of several vacant lots, with one lot that has a vacant building. This is along Farnam and 24th, South East corner. This area has been sitting undeveloped for many years and presents an eyesore for Downtown Omaha.

The proposed use will be for a boutique hotel with some surface parking.

ZONING – CURRENT AND PROPOSED:

The current zoning is CBD AC1. There will not be a change in zoning for this project.

PUBLIC IMPROVEMENTS:

The street scape will be re built to have drive-up lanes off of Farnam Street and 24th Street. This will allow customers to pull off and not interfere with traffic. The project will also rebuild the current sidewalks and install lighting per the requirements of the City of Omaha.

HISTORICAL STATUS:

There is no Historical Status with this project.

SOURCES AND USES:

With TIF

Uses

Land Acquisition	\$	1,500,000.00
Construction Hard Costs		
Hard Construction	\$	10,825,071.63
Overhead & Profit	\$	1,200,000.00
Contingency	\$	1,000,000.00
Parking	\$	175,000.00
Construction Soft Costs		
Architectural/Eng	\$	725,000.00
FF&E	\$	525,000.00
Developer/Prof Fees	\$	1,700,000.00
Financing Fees	\$	225,000.00
Total	\$	17,875,071.63

Sources

Bank	\$	10,000,000.00
TIF	\$	3,400,000.00
Owner Equirt	\$	4,475,071.63
Total	\$	17,875,071.63

CONSTRUCTION BUDGET:

Construction Budget

		DESCRIPTION OF WORK	SCHEDULED VALUE		
GENERAL CONDITIONS					
1	-				
1	02	Builders Risk Insurance	\$	68,640.00	
1	-				
1	04	Liability & Comprehensive Insurance	\$	68,640.00	
1	-				
1	06	Workman's Compensation Insurance	\$	21,964.80	
1	-				
1	12	Mobilization	\$	32,947.20	
1	-				
1	14	Construction Office	\$	8,236.80	
1	-				
1	16	Temporary Storage	\$	8,236.80	
1	-				
1	18	Temporary Toilet	\$	3,843.84	
1	-				
1	20	Trash Removal	\$	38,438.40	
1	-				
1	22	Site Phone	\$	6,864.00	
1	-				
1	24	Temporary Utilities for Job	\$	3,843.84	
1	-				
1	26	Misc. Labor	\$	2,745.60	\$ 264,401.28
Construction Management			\$	-	
2	02	CM/SI/ADMIN	\$	1,103,520.00	\$ 1,103,520.00
ENGINEERING			\$	-	
3	02	Survey Topography	\$	12,355.20	
3	-				
3	04	Soil Testing	\$	10,433.28	
3	-				
3	06	Material Testing	\$	5,491.20	
3	-				
3	08	Survey Building Layout	\$	2,196.48	
3	-				
3	10	Survey Site Corners	\$	1,098.24	\$ 31,574.40
PERMITS & FEES			\$	-	
4	-	Building Permit	\$	27,456.00	

	02				
	-				
4	14	Plan Job Super shall check & review	\$	8,236.80	\$ 35,692.80
SITE UTILITIES			\$	-	
	-				
7	02	Electric Service	\$	15,100.80	
	-				
7	04	Telephone Service	\$	2,745.60	
	-				
7	08	Water Service Site	\$	10,433.28	
	-				
7	10	Storm Sewer	\$	7,138.56	
	-				
7	14	Gas Service	\$	4,118.40	
	-				
7	20	Sprinkler Service	\$	5,491.20	\$ 45,027.84
SITE CONSTRUCTION			\$	-	
	-				
8	02	Site Prep	\$	54,912.00	
	-				
8	04	Material to Site Fill	\$	8,236.80	
	-				
8	06	Material to Site Gravel	\$	5,491.20	
	-				
8	08	Leveling Bed	\$	4,118.40	
	-				
8	10	Misc Dirt Work	\$	4,118.40	
	-				
8	14	Staking & Grading	\$	9,609.60	
	-				
8	16	Final Grading	\$	8,236.80	
	-				
8	18	Compaction	\$	12,355.20	
	-				
8	20	Compaction Testing	\$	4,118.40	
	-				
8	22	Material	\$	12,355.20	
	-				
8	26	Labor	\$	44,478.72	
	-				
8	28	Approach Material	\$	8,236.80	
	-				
8	30	Approach Labor	\$	10,982.40	
	-				
8	34	Site Sidewalk Material	\$	13,178.88	
	-				
8	38	Site Sidewalk Labor	\$	23,721.98	
	-				
8	46	Cuts L/M	\$	823.68	
	-				
8	48	Reinforcing Steel	\$	274.56	
	-				
8	50	Expansion Joints	\$	274.56	
	-				
8	56	Concrete Prep	\$	356,928.00	
	-				
8	62	Crushed Material	\$	8,236.80	
	-				
8	64	Utilities Marking	\$	5,491.20	
	-				
8	66	Cleanup	\$	6,864.00	

8	68	Concrete Utility Pad Material	\$	2,196.48		
8	70	Concrete Utility Pad	\$	1,647.36		
8	74	Dumpster Pad Labor	\$	2,333.76		
8	78	Dumpster Pad Material	\$	1,647.36		
8	82	Trash Enclosure Material	\$	23,612.16		
8	84	Trash Enclosure Labor	\$	17,571.84		
8	86	Equipment/Skid Loader Rental	\$	3,706.56		
8	90	Security Fence	\$	8,785.92	\$	664,545.02
LANDSCAPING			\$	-		
9	02	Trees, Shrubs, Grass/Sod Material	\$	36,791.04		
9	04	Trees, Shrubs, Grass/Sod Labor	\$	40,217.55		
9	06	Landscaping Sprinkler	\$	34,045.44		
9	08	Landscaping Misc. Items	\$	6,040.32		
9	10	Misc Labor	\$	823.68	\$	117,918.03
SIGNS			\$	-		
10	02	Temporary Site Identification Sign	\$	1,372.80		
10	04	Building Sign	\$	26,906.88		
10	06	Monument Sign	\$	44,478.72		
10	08	Entrance/Exit Sign	\$	6,177.60	\$	78,936.00
BUILDING PAD			\$	-		
11A	02	Layout	\$	1,098.24		
11A	03		\$	-		
11A	04	Grade Beam Excavation	\$	6,040.32		
11A	06	Grade Beam Steel	\$	1,647.36		
11A	08	Grade Beam Concrete	\$	33,606.14		
11A	10	Grade Beam Labor	\$	28,554.24		
11A	14	Interior Footing Insulation Vertical/Horizontal	\$	11,531.52		
11A	16	Interior Footing Excavation	\$	2,196.48		
11A	18	Interior Footing Contract	\$	23,996.54		
11A	20	Concrete Floor Material	\$	40,085.76		
11A	22	Concrete Floor Labor	\$	44,478.72		
11A	23	Concrete Reinforcement Rebar	\$	-		

11A	25	Canopy Concrete Columns	\$	-		
11A	26	Rebar Elevator	\$	1,098.24		
11A	28	Elevator Pit Material	\$	3,294.72		
11A	30	Elevator Pit Labor	\$	8,236.80		
11A	34	Site Lighting Pole Pedestals	\$	10,982.40	\$	216,847.49
SWIMMING POOL			\$	-		
13	06	Pool & Spa Contract	\$	103,488.00		
13	08	Excavation	\$	2,196.48		
13	10	Pool Deck	\$	22,513.92		
13	14	Pool Wall Finish	\$	32,947.20		
13	16	Pool Wall Finish D. Glas	\$	13,178.88		
13	26	Dehumidifier	\$	43,929.60		
13	28	Dehumidifier Installation	\$	21,964.80		
13	30	Ductwork, Register, & Venting	\$	10,982.40		
13	32	Intake Air	\$	3,843.84		
13	36	Exhaust Fan	\$	4,942.08		
13	38	Clean Up	\$	6,040.32	\$	266,027.52
MASONRY			\$	-		
15	04	Masonry Units Brick 40000	\$	152,064.00		
15	06	Masonry Units Material Motar/Sand	\$	10,982.40		
15	08	Reinforcing	\$	4,118.40		
15	10	Lintels	\$	6,040.32		
15	14	Masonry Labor	\$	60,403.20		
15	15	Elevator Masonry	\$	-		
15	18	Clean Up	\$	5,491.20	\$	239,099.52
STEEL			\$	-		
16	02	Structural Steel Allowance	\$	41,184.00		
16	06	Steel Erection Labor	\$	10,982.40	\$	52,166.40
BUILDING SHELL			\$	-		
17	02	Lumber Package Estimate	\$	560,102.40		
17	04	Misc. Lumber	\$	54,912.00		
17	06	Related Hardware	\$	18,120.96		
17	-	Millwork Estimate	\$	23,337.60		

	08				
	-				
17	09	Front Desk	\$	38,438.40	
	-				
17	10	Cabinetry	\$	104,332.80	
	-				
17	12	Trusses Roof	\$	109,824.00	
	-				
17	14	Trusses Floor	\$	131,788.80	
	-				
17	16	Trusses-Other/Miscellaneous	\$	16,473.60	
	-				
17	18	Carpentry – Rough	\$	453,024.00	
	-				
17	20	Carpentry – Finish	\$	131,788.80	
	-				
17	22	Forklift	\$	38,438.40	
	-				
17	24	Crane	\$	8,236.80	
	-				
17	26	Misc Carpentry	\$	3,294.72	
	-				
17	28	Wood Beam-Gluam	\$	32,947.20	
	-				
17	30	Misc. Equipment Rental	\$	8,236.80	
	-				
17	32	Clean Up	\$	10,982.40	\$ 1,744,279.68
	-				
		MOISTURE & WEATHER PROTECTION	\$	-	
	-				
18	02	Building Membrane	\$	9,609.60	
	-				
18	06	Building Insulation Material	\$	60,403.20	
	-				
18	30	Building Insulation Labor	\$	21,964.80	
	-				
18	10	Floor Insulation Material	\$	21,964.80	
	-				
18	12	Floor Insulation Labor	\$	10,982.40	
	-				
18	14	Building Attic Insulation Material	\$	17,571.84	
	-				
18	16	Building Attic Insulation Labor	\$	6,040.32	
	-				
18	20	Roofing 60 Mil	\$	164,736.00	
	-				
18	52	Stucco Contract	\$	494,208.00	
	-				
18	60	Exterior Caulking Material/Labor	\$	32,947.20	
	-				
18	64	Clean Up	\$	6,040.32	
	-				
18	66	Equipment Rental	\$	6,589.44	\$ 853,057.92
	-				
		WINDOWS, DOORS, HARDWARE, HINGES	\$	-	
	-				
19	02	Doors, Frames, & Hinges	\$	270,167.04	
	-				
19	04	Exterior Hollow Metal Door& Frame	\$	13,178.88	
	-				
19	08	Knock Down Frames	\$	126,297.60	
	-				
19	10	Special Doors	\$	23,063.04	

19	16	Door Locks	\$	104,332.80		
19	18	Aluminum Doors & Frames	\$	51,177.98		
19	20	Mirrors	\$	23,612.16		
19	30	Windows Vinyl	\$	127,395.84	\$	739,225.34
DRYWALL			\$	-		
20	06	Drywall Material	\$	207,567.36		
20	04	Drywall Labor	\$	473,616.00	\$	681,183.36
FLOORING			\$	-		
21	02	Ceramic Tile Material	\$	49,420.80		
21	04	Ceramic Tile Labor	\$	65,894.40		
21	08	VCT Tile Material & Labor	\$	5,491.20		
21	20	Vinyl Base Material & Labor	\$	8,785.92		
21	28	Carpet Pad Material & Labor	\$	77,975.04	\$	207,567.36
CEILING – ACOUSTICAL			\$	-		
22	02	Suspended Ceiling Material	\$	40,085.76		
22	04	Suspended Ceiling Labor	\$	32,947.20	\$	73,032.96
PAINTING			\$	-		
23	02	Exterior Material	\$	2,196.48		
23	04	Exterior Labor	\$	3,294.72		
23	08	Interior Contract	\$	82,368.00	\$	87,859.20
WALL COVERING			\$	-		
24	02	Wall Vinyl Labor	\$	99,939.84	\$	99,939.84
SPECIAL ITEMS			\$	-		
25	02	Flag Pole Materials	\$	5,491.20		
25	04	Flag Pole Labor	\$	5,491.20		
25	06	Interior Signs Material	\$	32,947.20		
25	08	Interior Signs Labor	\$	8,236.80		
25	12	Fire Extinguishers Material	\$	6,589.44		
25	14	Fire Extinguishers Labor	\$	2,196.48		
25	18	Fireplace Material	\$	8,236.80		
25	20	Fireplace Installation	\$	8,236.80		
25	22	Fireplace Trim/Fronts Material	\$	8,236.80		
25	24	Fireplace Trim/Fronts Labor	\$	5,491.20		

25	28	Toilet Accessories	\$	26,742.14		
25	30	Toilet Accessories Labor	\$	10,433.28	\$	128,329.34
ELEVATOR			\$	-		
28	02	Elevator Unit(s)	\$	184,800.00	\$	184,800.00
BUILDING PLUMBING			\$	-		
29	02	Plumbing Contract (w/ Fixtures)	\$	786,720.00		
29	08	Cultured Granite Vanities, Sill & Aprons	\$	41,184.00		
29	12	Vanity Labor/Installation	\$	11,531.52		
29	14	Gas Piping	\$	6,864.00	\$	846,299.52
FIRE CAULKING			\$	-		
30	02	Fire Caulking Contract	\$	41,184.00	\$	41,184.00
HVAC			\$	-		
31	02	Central System Contract	\$	296,524.80		
31	04	HVAC Units Material	\$	137,280.00		
31	06	HVAC Units Installation	\$	13,728.00	\$	447,532.80
EXHAUST SYSTEM			\$	-		
32	02	Bath Exhaust System Contract	\$	67,584.00	\$	67,584.00
SPRINKLER SYSTEM			\$	-		
33	02	Sprinkler System Contract	\$	184,800.00	\$	184,800.00
BUILDING ELECTRICAL			\$	-		
34	02	Building Wiring	\$	681,120.00		
34	04	Electrical Fixtures	\$	137,280.00		
34	05	Site Electrical Exterior & Lights	\$	54,912.00		
34	12	Sign Wiring	\$	13,305.60	\$	886,617.60
ELECTRICAL SERVICE TO BUILDING			\$	-		
35	02	Electrical Service Contract	\$	27,456.00	\$	27,456.00
FIRE ALARM SYSTEM			\$	-		
36	02	Fire Alarm System	\$	78,672.00	\$	78,672.00
SOUNDPROOFING			\$	-		
37	02	Sound Proofing Wall Insulation	\$	21,964.80		
37	04	Sound Proofing Labor	\$	18,796.80		
37	06	Sound Board	\$	21,964.80		
37	08	RC1 Channel Material	\$	12,355.20		
37	10	RC1 Channel Labor	\$	8,659.20		
37	-	Gypcrete (Lightweight Concrete)	\$	59,136.00	\$	142,876.80

OTHER CONSTRUCTION COSTS		\$	-			
38	02	Miscellaneous Labor Estimate	\$	31,680.00		
38	04	Miscellaneous Items Estimate	\$	34,848.00		
38	06	Site Overhead	\$	37,593.60		
38	10	Plan Distribution	\$	6,864.00		
38	16	Miscellaneous Material	\$	76,032.00	\$	187,017.60
TOTAL CONSTRUCTION COST		\$	10,825,071.63			

THREE YEAR PRO FORMA (With TIF)

	2015	2016	2017
OCCUPANCY	66%	68%	70%
AVERAGE RATE	\$97.08	\$99.08	\$101.08
LEASE INCOME	\$30,000.00	\$30,000.00	\$30,000.00
MISC INCOME	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
TOTAL REVENUE	\$ 3,142,334.96	\$ 3,306,453.04	\$ 3,474,425.52
TOTAL EXPENSES	\$ 2,502,603.08	\$ 2,561,403.80	\$ 2,621,168.11
Debt Service			
Main	\$ 600,748.28	\$ 600,748.28	\$ 600,748.28
TIF	\$ 352,266.00	\$ 352,266.00	\$ 352,266.00
RET Refund	\$ (352,266.00)	\$ (352,266.00)	\$ (352,266.00)
Cash Flow			
	\$ 38,983.59	\$ 144,300.96	\$ 252,509.13
ROI	0.87%	3.22%	5.64%

NOTE: The total annual property tax was projected to be \$360,000.00

ROI ANALYSIS "BUT FOR"

THREE PROFORMA WITHOUT TIF

PLEASE NOTE THAT AN INCREASE IN DEBT BURDEN WILL INCREASE WITHOUT TIF

Total Expenses		\$2,502,603.08	\$2,561,403.80	\$2,621,168.11
Debt Service	Main	\$ 1,036,036.65	\$ 1,036,036.65	\$ 1,036,036.65
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
Cash Flow		(\$396,304.78)	(\$290,987.41)	(\$182,779.24)
ROI		-5.03%	-3.70%	-2.32%

Without the successful incorporation of Tax Increment Financing, it would not be economically feasible to redevelop. TIF effectively combined with substantial equity, forms the critical basis for the remaining traditional financing to be economically viable. The developer is making an equity contribution in the amount of \$4,475,071.63.

Return on Investment with TIF over three years

- ROI 0.87% 3.22% 5.64%

Return on Investment without TIF over three years

- ROI -5.03% -3.70% -2.32%

EVALUATION CRITERIA:

Mandatory Criteria:

- The project is located at within a designated community redevelopment area.
- The use of TIF will not result in a loss of pre-existing tax revenues.
- The project will not be economically feasible without the use of Tax Increment Financing due to limited cash flow/debt service ratio and additional expenses for incremental taxes created. It would result in a negative cash flow situation.
- The project furthers the objectives of the City's Master Plan
 - This project supports the City's commercial infill goals within urban neighborhoods
 - This project will create an estimate of 225 construction jobs.
 - The Mixed Use Facility will create 40 full time positions, and 15 part time positions.
 - The project will create more foot traffic in the area, create services and commerce areas for local residents as well as visitors, and support the momentum that the Highline Building has created with their \$30,000,000.00 plus investment within this district.

The project will act as a catalyst for further growth.

COST BENEFIT ANALYSIS:

Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147 (of the Community Development Law);

- The site is currently vacant and/or underutilized with marginal tax value as the property with limited assessed value. The project will bring new infill, potential to spur additional residential rental housing

units into the market. The use of TIF will not result in tax shifts. The current level of taxes, after demolition, will continue to flow to the current taxing entities, and only the increased value of revenues resulting from the improvements will be applied to the cost of the improvement.

Public infrastructure and community public service needs impacts and local tax impacts arising from projects receiving incentives;

- No community service need will be generated as a result of this Project. The development of this site will provide employment by increasing the demand for personal services and employees to provide these services. This development will impact other businesses, as there will be an increase in the demand for employees to fill the employment opportunities created by this development. There will also be competition for renters to fill new residential units being made available. The provision of new housing will increase employment opportunities and other economic opportunities by increasing the demand for goods and services.

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

- This project will provide a huge benefit for employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. Retail and hotel rooms provide a much needed service for this area, which has been absent and has become a road block to growth. In addition, this project will create a secure environment in an area where security is lacking. Employers and employees will feel more comfortable within their environment.

Impacts on 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;

- This project will have a DIRECT impact on employers and employees within the city or village and the immediate area that are located outside of the boundaries of the redevelopment project. This is created in one way by acting as a catalyst to further growth. Further growth always translates into job growth. As this area continues to redevelop, the trickle down affect will continue outside of the redevelopment area. As this area becomes more secure and pedestrian friendly, this area will become a much more traveled route for employees and employers outside of the redevelopment area.

Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project

- The site is not being utilized at the fullest and best economic use. This project will be able to act as a catalyst to spur additional development and growth in the redevelopment area.

EMPLOYMENT INFORMATION:

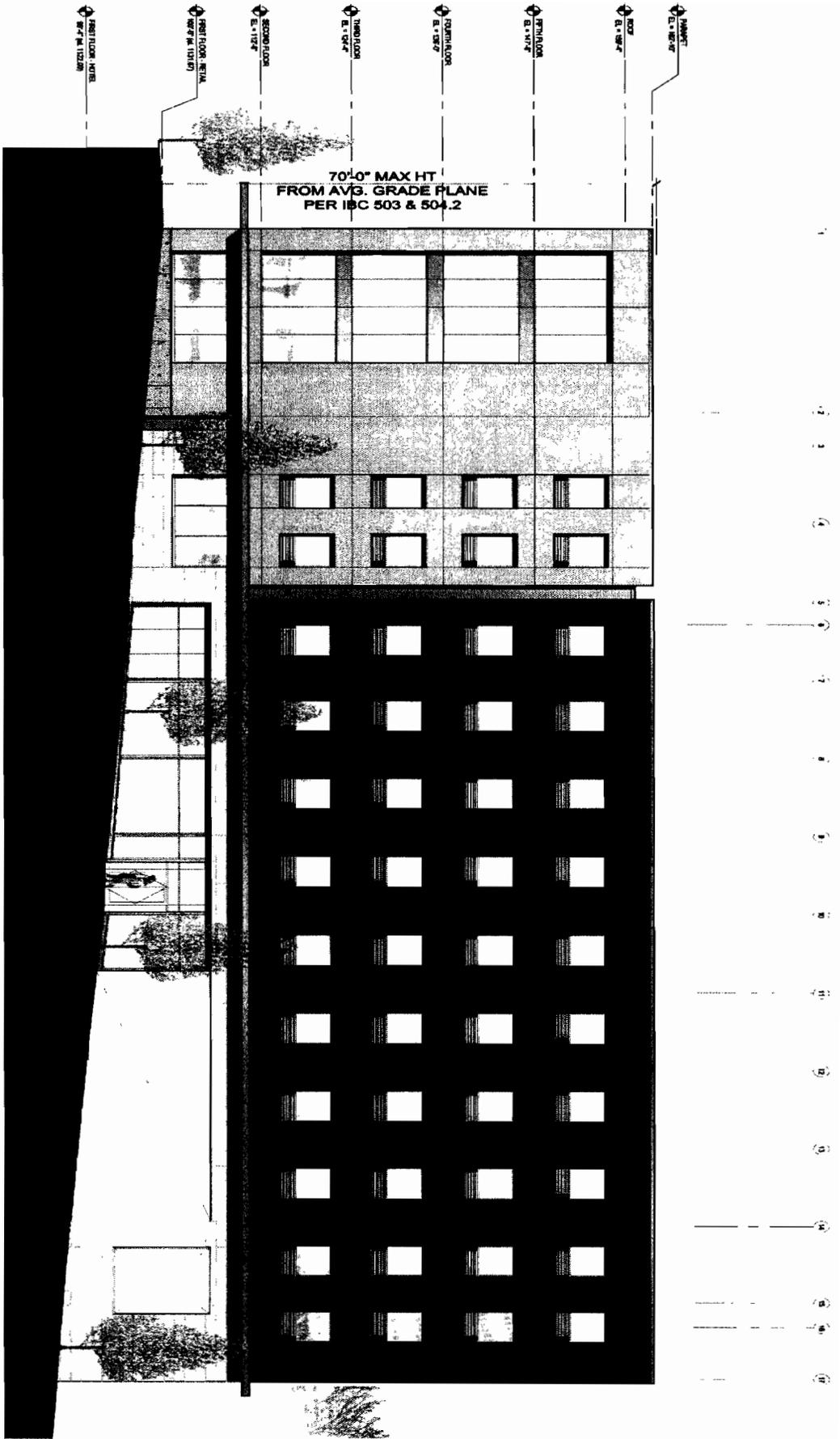
Employment Information

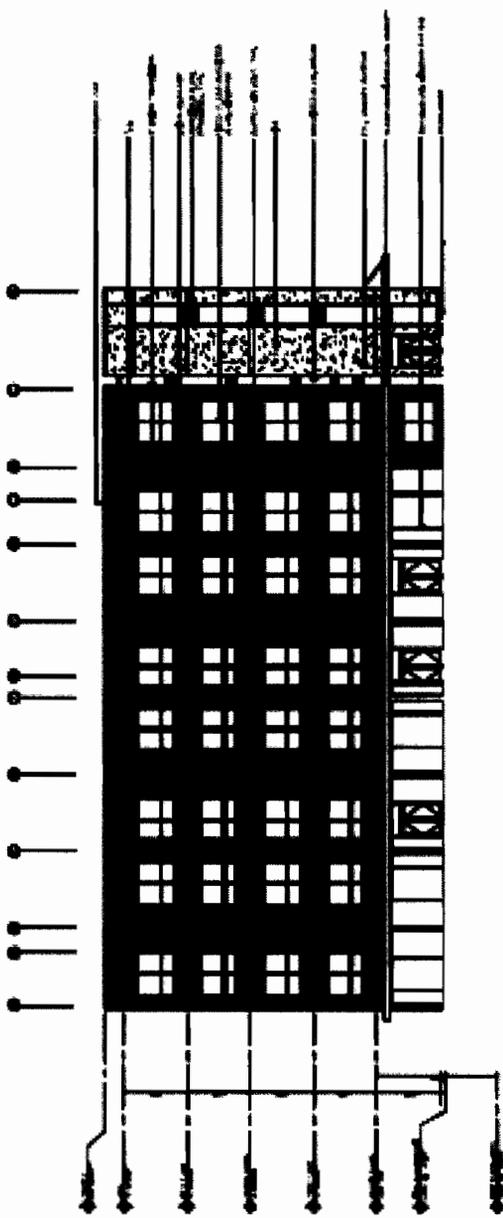
- Permanent jobs created (FTE) – 35
- Permanent jobs created (PTE) - 20
- Permanent jobs retained (FTE) - 0
- Permanent jobs to be relocated (FTE) - 0

Total - 55

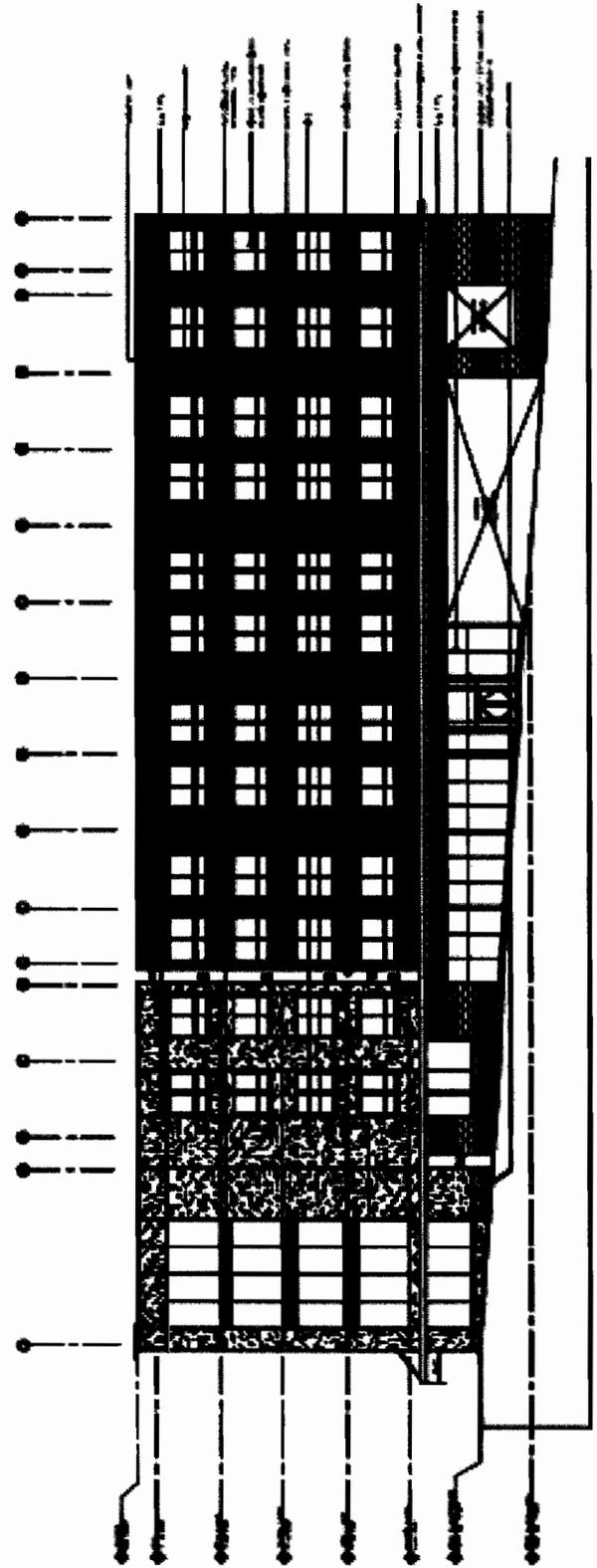
Anticipated annual payroll - \$550,000.00

Estimated number of construction jobs to be created during construction phase – 200, approximately \$2,000,000.00

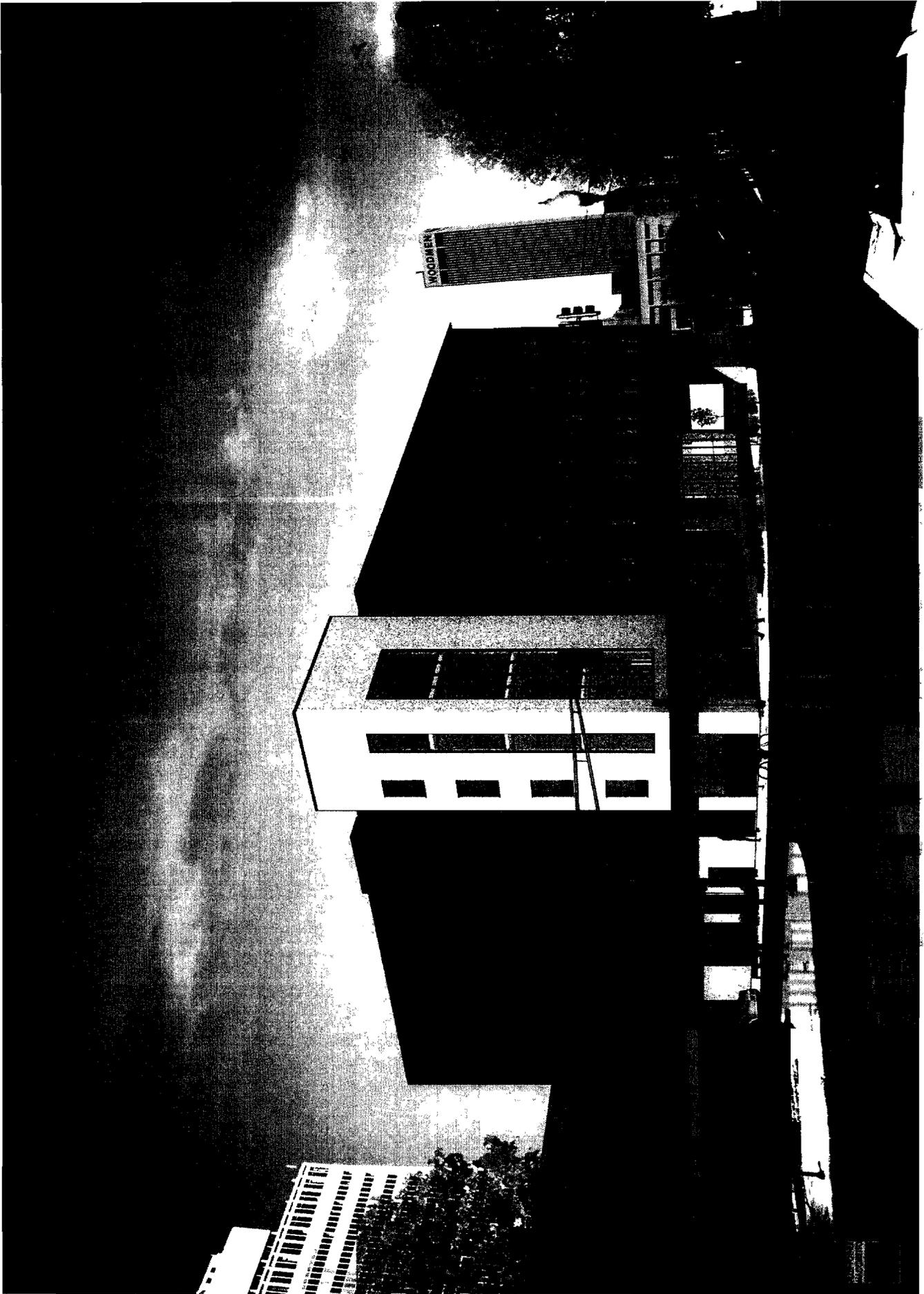




1 WEST ELEVATION
1/2" = 1'-0"



2 SOUTH ELEVATION
1/2" = 1'-0"



6/13/2014

Enterprise Mail - TIF Loan

Bridget A Hadley (Ping) <bridget.hadley@ci.omaha.ne.us>

TIF Loan

2 messages

Robert A. Panzer <rapanzer@eb-ne.com>
To: "Bridget A Hadley (Ping)" <bridget.hadley@ci.omaha.ne.us>

Tue, May 20, 2014 at 4:25 PM

Bridget:

Once the City has completed the TIF approval process, Exchange Bank will be willing to close the loan when the time arrives for the Holiday Inn project for 24th Street Enterprises, LLC. If this email will not suffice and you need this in a letter format, please let me know.

Thanks

Bob

Robert A. Panzer

President
Exchange Bank - Lincoln

5700 Thompson Creek Blvd., Suite #2

Lincoln, NE 68516

Phone: (402) 328-8527

Fax: (402) 420-6234

Cell: (402) 430-0987



EXCHANGE BANK
Member FDIC

September 5, 2013

Kirt Trivedi
Deepak Gangahar

RE: Commitment for Financing Commercial Loans

Holiday Inn Express Hotel Construction located on 22nd and Farnam in Omaha, Nebraska.

Kirt:

Exchange Bank (Lender) appreciates this opportunity to provide this firm commitment for a full banking relationship for the Holiday Inn Project located on 22nd and Farnam Street in Omaha, NE. Below, you will find we have outlined our general terms and structure for what we would propose to host your deposits and the proposed 2 notes:

Note 1:

- 1. Borrower:** To Be Determined;
- 2. Loan Amount:** \$10,000,000;
- 3. Loan Fee:** \$33,500.00(total for both notes);
- 4. Loan Terms:** 84 month Term Construction note with interest due monthly for first 24 Months, then monthly P & I based on 25 year amortization;
- 5. Interest Rate:** Fixed rate of interest at 3.50% for first 60 months adjusting to 4.50% for final 24 months of note term;
- 6. Fees:** All direct financing costs to be paid by Borrower (i.e., Appraisal, Title Ins., Construction & Inspections Reports, etc.);
- 7. Amortization:** 25 year amortization;
- 8. Guarantors:** Limited \$6,700,000 Personal Guarantees respectively by each LLC Member;
- 9. Collateral:** First lien perfected by Deed of Trust on subject property Collateral (Land and Building Architectural Plans) up to 80% Fair Market Value/Loan to Value; and Blanket UCC security interest in all equipment, machinery, Furniture & Fixtures, Accounts, inventory, supplies, and general intangibles.
- 10. Prepayment:** None;
Penalty

GRAND ISLAND

1204 Allen Drive, Grand Island, NE 68803
(308) 382-2900 Fax (308) 382-2901

939 S Locust Street, Grand Island, NE 68801
(308) 384-8000 Fax (308) 384-8001

GIBBON

PO Box 760, Gibbon, NE 68840
(308) 468-5741 Fax (308) 468-5743

ONLINE

www.eb-ne.com

KEARNEY

PO Box 397, Kearney, NE 68848
3110 2nd Avenue

&
1502 S 2nd Avenue
(308) 237-7711 Fax (308) 237-0178

Note 2: TIF

1. **Borrower:** To Be Determined;
2. **Loan Amount:** \$3,400,000;
3. **Loan Terms:** 84 month term note with interest paid monthly for the first 24 months then biannual payments (TBD) based on a ten year amortization;

4. **Interest Rate:** Fixed rate of interest at 3.5% for first 60 months adjusting to 4.50% for final 24 months of note term;
5. **Fees:** Included in Note 1 Loan Fee;
6. **Amortization:** Ten Year Amortization;
7. **Guarantors:** Per Note 1;
8. **Collateral:** Same as Note 1;
9. **Prepayment:** None;
Penalty

General Provisions for Exchange Bank:

- **TIF Financing:** Tax Increment Financing Bond issuance of \$3,400,000 to be funded by the _____ . The TIF Bond shall be subordinate in lien position to the Exchange Bank primary proposed loan;

- **Phase 1 Capitalization:** A minimum \$2,100,000 initial capitalization of the Limited Liability Company (Borrower) by the Members evidenced by funds deposited into a Exchange Bank checking account prior to loan closing or proof of the following costs(as listed) paid by Borrowing Entity(TBD):

- **Letter of Intent/Purchase Contract:** Prior to loan closing, a valid and legally binding purchase contract between Borrower and Seller of land proposed for development. It is anticipated that contract will contain a non-refundable earnest deposit of no less than 5% of the contract price and require closing on or before November 1, 2013;

- **Title:** Evidence that title to the collateral shall be good and marketable, free and clear of all defects, liens, encumbrances, security interests, restrictions and easements which Lender has not concurred;

- **Title Insurance:** Lender's Policy insuring a first lien position for the total loan amounts proposed, including a priority lien position over TIF Bond indebtedness;

- **Insurance:** Full insurable value of all buildings (if applicable) and comprehensive general liability insurance with Exchange Bank as mortgagee and maintain evidence of adequate physical damage insurance coverage;

- **Taxes and Assessments:** Evidence that all installments of general real estate taxes, special taxes or assessments and the like are paid;

Requirements for Loan Approval and Closing (continued):

- **Legal Capacity:** Borrower to provide evidence that the company is in good standing and duly registered;
- **Legal Compliance:** Evidence from local governmental authorities having jurisdiction that the subject property is in compliance with all zoning, fire marshal, and city code requirements, and any other local ordinance relative to the property's development;
- **Appraisal:** Appraisal on subject property and architectural plans of Fair Market Value: As completed satisfactory in form and substance in Lender's sole discretion;
- **Environmental:** Phase I studies to be completed prior to closing: Satisfactory in form and substance in Lender's sole discretion;
- **INDEMNIFICATION:** Borrower shall indemnify and hold Lender harmless from any and all environmental liability and responsibility relative to real property collateral being pledged;
- **Flood Insurance:** Satisfactory and adequate Flood Insurance Coverage on the real property and contents respectively be provided by borrower; **If Appropriate;**
- **COPY OF HOLIDAY INN EXPRESS FRANCHISE AGREEMENT:**
- **Financial Statements/Tax Returns:** LLC, and all Members of this company must provide current financial statements and tax returns for loan approval purposes prior to closing, and future financial information as requested by Lender and in accordance with subsequent loan agreement;
- **Checking Account:** LLC primary banking relationship at Exchange Bank. Account used for all business income and expense;
- Lien Waivers at each advance;
- Construction progress inspections satisfactory in Lender's sole discretion, performed and prepared by independent inspector prior to each respective advance;
- **Loan Documents:** Subject to Exchange Bank, NA underwriting standards and guidelines, including but not limited to the following:
 - \$10,000,000 Promissory Note (Note#1);
 - \$3,400,000 Promissory Note (Note#2);
 - Deed of Trust on property located at 22nd and Farnam in Omaha, Nebraska;
 - Security Agreement and UCC Financing Statement on LLC;
 - Loan Agreement establishing any additional terms for the financing relationship;
 - Member Guarantees as outlined above.
 - Construction Notice of Commencement;

***Letter of opinion, satisfactory in form and substance in the sole discretion of lender, provided by borrower's legal counsel assuring: incorporation, existence and good standing; corporate power; authorization, execution and delivery; remedies opinion; governmental approvals and filings; no breach or default; no violation of law; confirmation as to legal proceedings; for both construction financing and tax increment financing.**

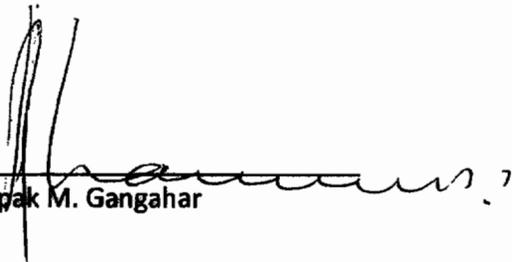
LOAN COSTS: Borrower shall pay for all expenses incurred in documenting and closing this loan transaction, consisting but not limited to appraisal, survey, title insurance, inspections, recording, legal and environmental costs. Prior to additional legal and other loan costs being incurred, Lender agrees to communicate with Borrower outlining the necessity for the loan costs. In the event the subject loan does not close, Borrower will remain liable for payment of any costs incurred for the transaction up to the point at which the transaction is cancelled.

BORROWER/PROJECT CREDIT/WORTHINESS: This commitment is made based upon the accuracy and completeness of the information which was provided the Lender in connection underwriting the loan. The Lender reserves the right to revoke this commitment prior to funding any portion of this loan should the Lender become aware of any facts or material changes which adversely impact the credit-worthiness of the Borrower, Guarantor of the Project, in the sole discretion of the Lender.

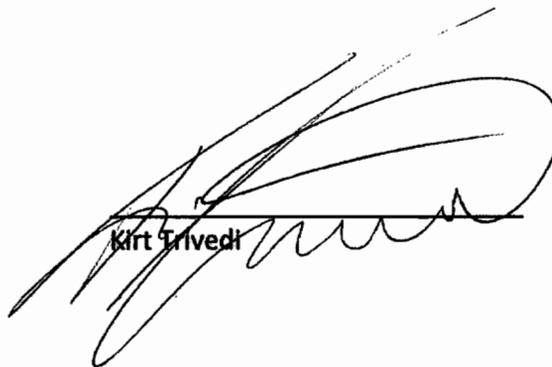
SUBJECT TO PARTICIPANT: THIS COMMITMENT IS CONTINGENT UPON EXCHANGE BANK OBTAINING A SUITABLE PARTICIPANT FOR OVER LINE PARTICIPATION.

Please acknowledge your acceptance of the proposal in the acceptance outlined below. Should signed acceptance not be received, this commitment shall expire on September 19th, 2013.

Accepted: September ____, 2013



Deepak M. Gangahar



Kirt Trivedi

We sincerely appreciate this opportunity to work with you and your company again, and we look forward to working with you on this project.

Sincerely,



Robert A. Panzer
Lincoln President/SVP

CERTIFICATE OF ORGANIZATION

OF

24th STREET ENTERPRISES, L.L.C.

The undersigned acting as Organizer of a Limited Liability Company in conformity with the laws of the State of Nebraska, does hereby submit this document for filing with the Secretary of State and hereby verifies:

1. **Name.** The name of the company shall be 24th Street Enterprises, L.L.C.

2. **Purpose.** The company is organized to engage in and to do any lawful act concerning any and all lawful business, other than banking or insurance, for which a limited liability company may be organized under the laws of Nebraska. The company is not organized to provide a professional service

3. **Designated Office - Registered Agent.** The address of the designated office of the company in Nebraska is:

1536 Cuming St., Omaha, Nebraska 68102

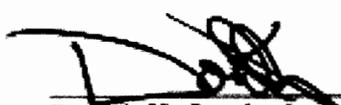
The name and address of the company's registered agent in Nebraska is:

Darrell K. Stock 5533 S. 27th St., Suite 203, Lincoln, NE 68512

4. **Effective Date.** The effective date shall be the date of filing.

5. **Duration.** The period of duration of the company shall be perpetual.

EXECUTED by the undersigned Organizer on the 31st day of October, 2013.



Darrell K. Stock, Organizer
5533 S. 27th St., Suite 203
Lincoln, NE 68512
(402) 474-8690

STATE OF NEBRASKA

United States of America, } ss.
State of Nebraska }

Secretary of State
State Capitol
Lincoln, Nebraska

I, John A. Gale, Secretary of State of the
State of Nebraska, do hereby certify that

24TH STREET ENTERPRISES, L.L.C.

a limited liability company duly formed under the laws of this state on November 1, 2013, has paid all applicable fees, taxes and penalties to the Secretary of State; the most recent biennial report required has been filed; the company has not delivered to the Secretary of State a statement of dissolution or termination or been administratively dissolved by the Secretary of State and said limited liability company is in existence as of this date.

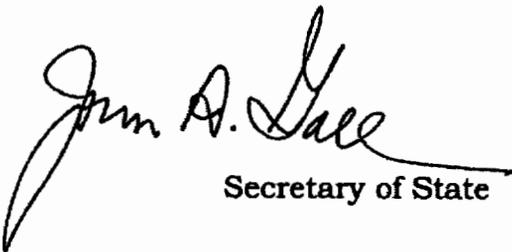
*This certificate is not to be construed as an endorsement,
recommendation, or notice of approval of the entity's financial
condition or business activities and practices.*

In Testimony Whereof,



I have hereunto set my hand and
affixed the Great Seal of the
State of Nebraska on this date of

April 30, 2014


Secretary of State

DARRELL K. STOCK, P.C., L.L.O.

Attorney at Law
5533 S. 27th St., Suite 203
Lincoln, NE 68512
dstock@inebraska.com

Phone (402) 474-8690

Fax (402) 477-8690

April 30, 2014

To Whom It May Concern:

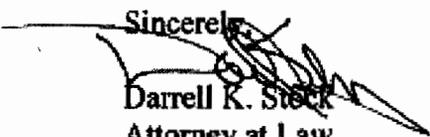
Re: 24th Street Enterprises, LLC

I am the attorney who formed the above-mentioned Limited Liability Company in the State of Nebraska and have prepared all of the organizational documents in effect with 24th Street Enterprises, LLC.

This is to certify that the Operating Agreement in effect for the Limited Liability Company provides that Kirt Trivedi is the Manager of the Company and has the authority to execute documents on behalf of the Company in connection with the securing of the tax increment financing.

Please do not hesitate to contact me if you need further information.

Sincerely,


Darrell K. Stock
Attorney at Law

DKS/dm

Financial Statement will be provided upon request to be reviewed confidentially.



DEED 2014034384



MAY 09 2014 11:01 P 2

Nebr Doc Stamp Tax
05-09-2014 Date
\$1788.75
By MB

Fee amount: 16.00
FB: 23-05660
COMP: MB

Received - DIANE L. BATTIATO
Register of Deeds, Douglas County, NE
05/09/2014 11:01:49.00



2014034384

WARRANTY DEED

Deepak Gangahar M.D. and Kiran Gangahar, husband and wife and Kirti K. Trivedi and Seema Trivedi husband and wife GRANTOR, in consideration of One Dollar and other good and valuable consideration received from **24th Street Enterprises, L.L.C., a Nebraska limited liability company** as Grantee, conveys to GRANTEE, the following-described real estate located in Douglas County, Nebraska:

- Parcel 1:
The West 80.08 feet of the East 96.3 feet of Sublot Twenty-One (21) of Lot Three (3) In Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.
- Parcel 2:
The West 22 feet of the East 119 feet, and the West 1 foot of the East 97 feet, all In Sublot Twenty-One (21) of Lot Three (3), In Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.
- Parcel 3:
The East 44 feet of the West 66 feet, in Sublot Twenty-One (21) of Lot Three (3), In Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.
- Parcel 4:
Sublot Twenty (20) of Lot Three (3) and the West 22 feet of Sublot Twenty-One (21) of Lot Three (3), in Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska.
- Parcel 5:
Sublot Nineteen (19) of Lot Three (3) in Capitol Addition, an addition to the City of Omaha, Douglas County, Nebraska, more particularly described as follows:
Commencing 251 feet West of the intersection of the East line of Lot Three (3), in Capitol Addition to the City of Omaha, Douglas County, Nebraska, with the North line of Farnam Street; running thence North 132 feet; thence West 66 feet; thence South 132 feet; thence East 66 feet to the place of beginning.
- Parcel 6:
Sub Lot Eighteen (18) of Lot Three (3), Capitol Addition, an Addition to the City of Omaha, Douglas County, Nebraska.

GRANTOR covenants with GRANTEE that GRANTOR:

- (1) Is lawfully seized of such real estate and that it is free from encumbrances, except easements and restrictions of record.
- (2) Has legal power and lawful authority to convey the same; and
- (3) Warrants and will defend title to the real estate against the lawful claims of all persons claiming by or through Grantor, and none other.

Executed: May 6, 2014.

[Signature]
Deepak Gangahar M.D.

[Signature]
Kiran Gangahar

[Signature]
Kirti K. Trivedi
[Signature]
Seema Trivedi

State of Nebraska
County of Douglas

The foregoing instrument was acknowledged before me this 16th day of May, 2014 by Deepak Gangahar M.D. and Kiran Gangahar

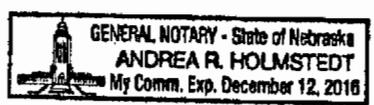
[Signature]
Notary Public



State of Nebraska
County of Douglas

The foregoing instrument was acknowledged before me this 16th day of May, 2014 by Kirti K. Trivedi and Seema Gangahar.

[Signature]
Notary Public



0259137

[This Space Above is for Recording Data]

**DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS**

CITY OF OMAHA, DOUGLAS COUNTY, NEBRASKA

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS (this "Declaration") is made on the date hereinafter set forth by THE CITY OF OMAHA, a Municipal Corporation in the State of Nebraska, hereinafter referred to as the "Declarant."

PRELIMINARY STATEMENT

The Declarant is the owner, pursuant to its statutory powers, of certain real property located within Douglas County, Nebraska and described as follows:

Sublot 17 of Lot 3, in CAPITOL ADDITION, an addition to the City of Omaha as surveyed, platted and recorded in Douglas County, Nebraska (commonly known as 219 S. 24th Street);

herein referred to as the "Lot."

The Declarant desires to have said lot with the intention of incorporating it, along with six (6) adjacent parcels to the east, commonly known as 2200-2232 Farnam Street, for a development consisting of a modern boutique Hotel, with 132 Large hotel rooms, meeting space, partially covered parking spaces, and retail space, within a five (5) story building. It is anticipated that the approximate cost of the project will be \$18,000,000.00, and will be owned by 24th Street Enterprises, LLC, as proposed in the Tax Increment Financing application titled Hotel Omaha, submitted by 24th Street Enterprises, LLC to the City of Omaha (included as an attachment to this document is a section of that application which describes the project).

NOW, THEREFORE, subject to the terms of this Declaration, the Declarant hereby

declares that each and all of the Lot now and hereafter encumbered by this Declaration shall be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lot. These restrictions, covenants, conditions and easements shall run with such Lot and shall be binding upon all parties having or acquiring any right, title or interest in each Lot, or any part thereof, as more fully described herein. Subject to the terms of this Declaration, the Lot, and each Lot are and shall be subject to all and each of the following conditions and other terms.

ARTICLE I.
RESTRICTIONS AND COVENANTS

1. The Lot shall be used exclusively for the purpose of being incorporated with six (6) adjacent parcels to the east, commonly known as 2200-2232 Farnam Street, for a development consisting of a modern boutique Hotel, having 132 Large hotel rooms, meeting space, partially covered parking spaces, and ample retail space, within a five (5) story building. It is anticipated that the project will have an approximate cost of \$18,000,000.00, and will be owned by 24th Street Enterprises, LLC, as proposed in the Tax Increment Financing application titled Hotel Omaha, submitted by 24th Street Enterprises, LLC to the City of Omaha (included as an attachment to this document is a section of that application which describes the project).

2. All owners, meaning 24th Street Enterprises, its successors and assigns, must commence construction of the improvement permitted by this Declaration within two (2) year of acquiring title to the lot. In the event that any Owner shall fail to perform its obligations set forth in this Section 2, such Owner shall convey to Declarant all right, title and interest in such Lot for a cost equal to one hundred percent (100%) of the base purchase price paid by such Owner for such Lot, with such Owner responsible for all closing and other costs incurred by Declarant to take title to such Lot (excepting the purchase price set forth above). Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the Improvement. At Declarant's sole discretion, Declarant may waive its right to have the Lot conveyed back to it as described above.

ARTICLE II.
GENERAL PROVISIONS

1. Except for the authority and powers specifically granted to the Declarant, the Declarant or any owner of a Lot named herein shall have the right to enforce by a proceeding at law or in equity, all reservations, restrictions, conditions and covenants now or hereinafter imposed by the provisions of this Declaration to either prevent or restrain any violation or to recover damages or other dues of such violation. Nothing herein contained shall in any way be construed to impose any obligation, of any kind, upon the Declarant or any successor and assigns of the same, any liability, obligation or requirement to enforce this instrument or any of the provisions contained herein. Failure by the Declarant or by any Owner to enforce any covenant

PURCHASE AGREEMENT

24th Street Enterprises, LLC, a Nebraska Limited Liability Corporation, ("Buyer") and CITY OF OMAHA, a Municipal Corporation in the State of Nebraska, ("Seller"), hereby agree as follows:

1. **Certain Definitions.** For purposes of this Agreement, the following terms are defined:

- a. "Closing" shall mean the closing and consummation of the transaction described in this Agreement.
- b. "Closing Date" shall mean the date of the Closing.
- c. "Premises" shall mean that certain real estate described as:

Sublot 17 of Lot 3, in CAPITOL ADDITION, an addition to the City of Omaha, as surveyed, platted, and recorded in Douglas County, Omaha, Nebraska (commonly known as 219 S. 24th Street, Omaha, NE)

- d. "Purchase Price" shall mean Two Hundred Thousand Thirty-five and No/100 Dollars (\$235,000.00).

2. **Purchase and Sale.** Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, the Premises for the Purchase Price, subject to fulfillment of the conditions contained herein.

3. **Representations of Seller.** Seller hereby represents and warrants to Buyer, which warranties and representations shall be true as of, and shall survive, the Closing, as follows:

- a. Seller is a Municipal Corporation of the State of Nebraska organized and existing under the laws of the State of Nebraska.
- b. Seller, subject to approval by the City Council of Omaha, Nebraska, has the authority to enter into this Agreement and perform its duties and obligations hereunder,
- c. Seller has good, marketable, fee simple title to the Premises subject to the established and existing covenants, conditions, restrictions and easements on said premises.
- d. To Seller's knowledge: (i) no toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea

formaldehyde, the group or organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, and any hazardous substance as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601-9657, as amended) have been generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on the Property in violation of applicable laws, nor has any activity been undertaken on the Property that would cause or contribute to (aa) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901 et seq., or any similar state laws or local ordinances, (bb) a release or threatened release in violation of applicable law, or toxic or hazardous wastes or substances, pollutants or contaminants, from the Property within the meaning of, or otherwise bring the Property within the ambit of, CERCLA, or any applicable similar state laws or local ordinances, or (cc) the discharge of any pollutants or effluents in to any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., or the Clean Air Act, 42 U.S.C. § 7401 et seq., or any applicable similar state laws or local ordinances; (ii) there are no substances or conditions in or on the Property that support a claim or cause of action under RCRA, CERCLA or any other applicable federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements; and (iii) no above ground or underground tanks are located in or about the Property or have been located under, in or about the Property and have subsequently been removed or filled.

4. **Seller Conditions.** Notwithstanding anything in this Agreement to the contrary, the Closing shall be subject to the following conditions:

- a. This Purchase Agreement must be approved by the City Council of the City of Omaha.
- b. Buyer shall observe and perform all of Buyer's covenants and agreements contained herein.
- c. This property is being sold to Buyer with the understanding that Buyer will secure financing and/or other means sufficient to, and then develop the property in a manner substantially similar to that outlined in the attached "A". As outlined in Item 21 below, a Covenant will be imposed on the property at the time of closing which will provide that should Buyer fail to develop the property within 2 years, that Seller shall be able to purchase the property for the Purchase Price

5. **Title Commitment and Inspection.** Buyer shall promptly obtain a title insurance commitment (the "Title Commitment"). Within ten (10) days after Buyer's receipt of the Title Commitment, Buyer shall give written notice to Seller of any matters disclosed in the Title Commitment which Buyer finds objectionable in its reasonable discretion. Seller shall thereafter use its best efforts to correct and/or cure all such objectionable matters prior to the Closing Date. In the event Seller fails to correct and/or cure all of the objectionable matters prior to the Closing Date, then Buyer may either elect to terminate this Agreement by written notice to Seller, whereupon this Agreement shall be deemed to be null and void, or may waive its objections as to the uncured title matters and complete the Closing. Any matters disclosed in the Title Commitment and not objected to by Buyer are herein called the "Permitted Exceptions."

The City shall make the property available for inspection by the Buyer, Buyer's agent, employees, and contractors for a period of Ninety (90) days from the execution of this Agreement, and Buyer may, at Buyer's sole risk and expense, undertake a complete inspection and survey of the Premises as Buyer deems appropriate, including but not limited to, the performance of soil and environmental tests, a review of applicable zoning laws, covenants, and restrictions, and other necessary investigations to determine to Buyer's satisfaction that the Premises can be used for the construction and operation thereon of the proposed project. If as a result of Buyer's inspection, Buyer finds any condition related to the property which Buyer finds not to be satisfactory, Buyer may elect to terminate this Agreement by written notice to Seller, whereupon this Agreement shall be deemed to be null and void.

6. **Buyer Conditions.** Notwithstanding anything in this Agreement to the contrary, the Closing shall be subject to the satisfaction of the following conditions:

- a. Seller's representations and warranties shall be true and accurate as of the Closing Date.
- b. Seller shall have cured and/or corrected all matters in the Title Commitment found objectionable by Buyer.
- c. Seller shall have observed and performed all of Seller's covenants and agreements contained herein.

7. **Adjustments.** The following shall be apportioned, prorated and/or adjusted between Buyer and Seller on the Closing Date (the "Adjustments"):

- a. All real estate taxes becoming delinquent in the year of Closing (if any) shall be prorated between Buyer and Seller to the Closing Date.
- b. The Seller shall pay all documentary transfer taxes (if any) and shall pay all recording fees.
- c. Buyer shall pay the cost of the Title Commitment (and the title insurance policy issued pursuant thereto).
- d. Buyer and Seller shall pay equally all other usual and customary closing costs and fees.

8. **Closing Date.** The Closing Date shall be on or before December 31, 2014 or within 30 days from date of approval of sale by the Omaha City Council, or such other date as Buyer and Seller may mutually agree. All conditions contained herein must be met prior to closing.

9. **Closing.** The Closing may, at Seller's discretion, be conducted through the offices of Title Company. Title Company shall be responsible for the collection and disbursement of the Purchase Price, including the payment of any liens or encumbrances against the Premises.

10. **Closing Date Transactions.** On the Closing Date, the following transactions shall occur:

- a. Seller shall convey the Premises to Buyer by warranty deed, free and clear of all liens, claims and encumbrances except those of record and subject to the established and existing covenants, conditions, restrictions and easements on said premises.
- b. Seller shall execute such affidavits as Title Company may require in connection with the issuance of the title insurance policy.
- c. Buyer shall pay the Purchase Price (after application of the Adjustments) to Seller by certified or cashier's check or otherwise in immediately available funds.

Without limiting the foregoing, Seller and Buyer agree to execute and deliver such further instruments or documents and take such further acts as may reasonably be required in order to fully effect the sale of the Premises to Buyer.

11. **Eminent Domain.** If, prior to the Closing, all or any portion of the Premises shall be taken by eminent domain, Seller shall promptly give notice thereof to Buyer, and Buyer shall have the right to either waive the event and proceed to effect the Closing or to not waive such event and cause this Agreement to terminate. If there shall be a taking and Buyer shall elect not to terminate this Agreement but instead to effect the Closing, the Purchase Price shall not be reduced, but Seller shall assign to Buyer all of Seller's rights to all proceeds and awards with respect to such taking.

12. **Notices.** All notices and other communications which either party is required or desires to send pursuant to the terms of this Agreement shall be in writing and shall be sent by either certified United States mail, postage prepaid, return receipt requested, or delivered personally. Notices and communications shall be deemed to have been given on the day so mailed or on the date when personally delivered. Such notices and communications shall be addressed to the parties as follows:

IF TO SELLER: Mr. Christopher A. Wayne
Real Estate Manager
City of Omaha
Planning Department
1819 Farnam Street
Omaha, NE 68183

IF TO BUYER: Kirt Trivedi
24th Street Enterprises, LLC
1536 Cuming Street
Omaha, NE 68102

13. **Applicable Law.** Parties to this Agreement shall conform to all existing and applicable city ordinances, resolutions, state laws, federal laws, and all existing and applicable rules and regulations. Nebraska law will govern the terms and the performance under this Agreement.

14. **Interest to the City.** Pursuant to Section 8.05 of the Home Rule Charter, no elected official or any officer or employee of the City of Omaha shall have a financial interest, direct or indirect, in any City of Omaha contract. Any violation of this section with the knowledge of the person or corporation contracting with the City of Omaha shall render the contract voidable by the Mayor or Council.

15 **Modification.** This Agreement contains the entire agreement of the parties. No representations were made or relied upon by either party other than those that are expressly set forth herein. No agent, employee or other representative of either party is empowered to alter any of the terms herein unless done in writing and signed by an authorized officer of the respective parties, pursuant to Omaha Municipal Code Section 10-142. The Mayor may, without City Council approval, approve minor administrative amendments to this Agreement.

16. **Assignment.** The parties may not assign its rights or obligations under this Agreement without the express prior written consent of the other party; such consent not to be unreasonably withheld. Seller acknowledges that Buyer may be acquiring the Property to effect a Tax-Free Exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, and as a result Buyer shall have the right to assign its rights and obligations under this Agreement to a qualified intermediary of Buyer's choice for the purpose of completing such an exchange; provided, however, such assignment or exchange shall not delay the Closing or cause additional expense to Seller. Seller agrees to reasonably cooperate with Buyer and such qualified intermediary in a manner necessary to complete the exchange and to provide such documents and consents to Buyer relating thereto as may be consistent with the terms and conditions of this Agreement. Buyer shall indemnify, defend and hold Seller harmless for any costs, damages or other liabilities or obligations relating to this Agreement.

17. **Strict Compliance.** All provisions of this Agreement and each and every document that shall be attached shall be strictly complied with as written, and no substitution or change shall be made except upon written direction from authorized representatives of the parties.

18 **Partial Invalidity.** If any term, covenant, or condition of this Agreement or the application thereof to any part, person, or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition shall be valid and shall be enforced to the full extent permitted by law.

19. **Binding Effect.** This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

20. **Non-Discrimination.** Non-discrimination and Statement of No Personal Financial Interest of City Officials:

- a. Neither myself nor the City shall, in the performance of this Agreement, discriminate or permit discrimination against any person because of race, sex, age, or political or religious opinions, or affiliations in violation of federal or state laws or local ordinances.
 - b. Pursuant to Section 8.05 of the Home Rule Charter of the City of Omaha, no elected official or any officer or employee of the City shall have a financial interest, direct or indirect, in any City Agreement. Any violation of that Section with the knowledge of the party contracting with the City shall render the Agreement voidable.
 - c. Parties to this Agreement shall conform with all existing and applicable City ordinances, resolutions, state laws, federal laws, and all existing and applicable rules and regulations. Nebraska law will govern the term and the performance under this Agreement.
21. **Covenant.** Buyer and Seller shall execute a Covenant in the form shown on Attachment "B" which shall be recorded with the deed transferring title. The Covenant contemplates that Buyer must begin substantial construction of the structure of the building identified in the project proposed in Attachment "A" no later than two (2) years from the date of actual closing on the sale of the Premises. If substantial construction of the structure has not begun by said two (2) year date, Buyer will, at Sellers sole discretion, convey ownership by Warranty Deed back to Seller for the Purchase Price stated in this agreement, title at such time being free and clear of any liens and encumbrances to the Premises not in place at the time of conveyance to Buyer from Seller.

DATED this 7th day of May, 2014.

BUYER:

24TH STREET ENTERPRISES, L.L.C.

By: 

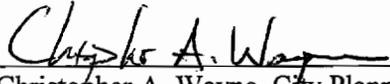
Kirt Trivedi

Its: Managing Member

DATED this 7th day of May, 2014.

SELLER:

CITY OF OMAHA

By: 

Christopher A. Wayne, City Planner

Its: Community Development Real Estate Manager

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

DATE

RIGHT OF ENTRY AGREEMENT

WHEREAS THIS RIGHT OF ENTRY AGREEMENT (Agreement) is being entered into this _____ day of _____, 2014, by and between the City of Omaha, a Nebraska Municipal Corporation (GRANTOR), and 24th Street Enterprises, LLC, a Nebraska Limited Liability Corporation (GRANTEE);

WHEREAS, the City, as GRANTOR, is in the process of approving an ordinance to convey the property owned by GRANTOR, and this Agreement is necessary for the GRANTEE to acquire permission and gain access to the GRANTOR'S property; and

WHEREAS, as the GRANTEE needs the right to enter upon the GRANTOR'S property, identified as

Sublot 17 of Lot 3, Capitol Addition, an addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska (commonly known as 219 S. 24th Street, Omaha, NE);

for the purpose site preparation, due diligence, and environmental reviews for construction of a boutique hotel as agreed to in the Purchase agreement executed on May 7, 2014.

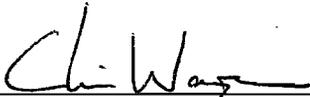
- 1) Upon execution of this Agreement, the GRANTEE, its contractors, agents, employees and all persons contracting with the GRANTEE and its contractors, agents and employees, may make entry upon the Premises on or after the date of execution of this Agreement.
- 2) This Agreement terminates on December 31, 2014 or after ownership of the property is conveyed from GRANTOR to GRANTEE, or upon notice from GRANTOR that the City Council of the City of Omaha did not approve authority to convey ownership of the property to GRANTEE; and, is granted upon the condition that any work performed on the property is at the sole expense of GRANTEE, its contractors and agents.
- 3) No claim for damages for wrongful entry or trespass shall be made by the GRANTOR against the GRANTEE and its contractors, agents and employees with respect to the Property while performing functions covered by this Agreement.

Right of Entry Agreement
City of Omaha, Grantor
24th Street Enterprises LLC, Grantee
commonly known as 219 S. 24th Street, Omaha, NE
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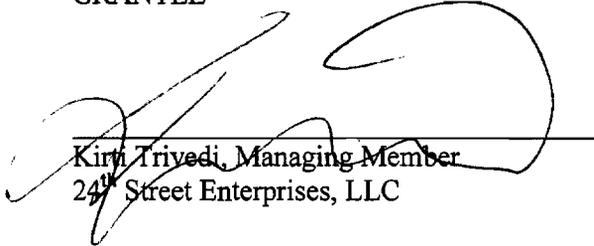
- 4) That said GRANTOR for itself and/or its successors and assigns, does or do confirm upon said GRANTEE and its assigns, that it is the owner of the above described property and that it has the right to grant and convey this Right of Entry in the manner and form aforesaid and it will and/or its successors and assigns shall warrant and defend this Right of Entry to said GRANTEE and its assigns against the lawful claims and demands of all persons.
- 5) This instrument contains the entire agreement of the parties, and there are no other or different agreements or understandings.

CITY OF OMAHA, GRANTOR

24th STREET ENTERPRISES, LLC
GRANTEE



Chris Wayne, City Planner
Real Property Manager



Kirn Trivedi, Managing Member
24th Street Enterprises, LLC