

INTERLOCAL AGREEMENT PROVIDING FOR THE SOUTH JEFFERSON LAND BANK

This Interlocal Cooperation Agreement (“Agreement”) is made and entered into as of January 2, 2024 by and between the **City of Fairbury, Nebraska**, a Nebraska municipal corporation and political subdivision, and the **Village of Endicott, Nebraska**, a Nebraska municipal corporation and political subdivision (collectively, the “Member Municipalities”).

RECITALS

WHEREAS, each of the Member Municipalities is a municipality within the meaning of the Nebraska Municipal Land Bank Act, NEB. REV. STAT. §§ 18-3401 to 18-3418, as amended from time to time (the “Land Bank Act”) and a public agency within the meaning of the Nebraska Interlocal Cooperation Act, NEB. REV. STAT. §§ 13-801 to 13-827, as amended from time to time (the “Interlocal Cooperation Act” and, together with the Land Bank Act, the “Acts”);

WHEREAS, the purpose of the Land Bank Act is to permit Nebraska municipalities to address the public need to confront the problems caused by vacant, abandoned, and tax-delinquent properties through the use of land banks in order to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use;

WHEREAS, the Land Bank Act authorizes two (2) or more municipalities to enter into an agreement under the Interlocal Act to create a land bank to act on behalf of such municipalities;

WHEREAS, under the Interlocal Cooperation Act, any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised jointly with any other public agency of this state;

WHEREAS, each of the Member Municipalities desires to enter into this Agreement under the authority contained in the Acts to provide for the creation and organization of the **South Jefferson Land Bank** as a separate legal entity, a public body corporate and politic of the State of Nebraska, and an instrumentality of the Member Municipalities under the provisions of the Acts (the “Land Bank”) to accomplish their joint and cooperative action, to provide for delegation to the Land Bank of certain common powers of the Member Municipalities, and to authorize the exercise by the Land Bank of the powers conferred by the Acts.

Now, therefore, in consideration of the terms and provisions of this Agreement and the mutual obligations and undertakings of the Member Municipalities contained herein, the Member Municipalities hereby agree as follows:

Section 1. Definitions

- A. “Administrative and General Costs” means the administrative and general costs and expenses of the Land Bank, including salaries, wages, and benefits; costs of management and administration; costs of preparation of the annual budget and financial statements required by Section 6; and any other costs and expenses relating to the general

organization, management, and administration of the Land Bank, all to the extent not allocable to any project as determined by the Board.

B. "Real Property" means any of the following within the jurisdictional boundaries of a Member Municipality: land, land under water, structures, any and all easements, air rights, franchises, and incorporeal hereditaments, and every estate and right therein, legal or equitable, including terms for years and liens by way of judgment, mortgage, or otherwise, and any and all fixtures and improvements located thereon. For purposes of this definition, "jurisdictional boundaries of a Member Municipality" does not include its extraterritorial zoning jurisdiction as set forth in state law.

Section 2. Findings and Determinations; Purpose; Authority

A. Findings, Determinations. Each of the Member Municipalities hereby finds, determines, and declares that:

1. Addressing vacant, abandoned, and tax-delinquent Real Property through the Land Bank is appropriate for the accomplishment of the governmental purposes of the Member Municipalities;
2. Land banks are a tool that facilitates the return of vacant, abandoned, and tax-delinquent Real Property to productive use;
3. It is appropriate, desirable, and in the best interest of the Member Municipalities to enter into this Agreement and to provide for the joint and cooperative action and organization of the Land Bank for the purposes provided herein; and
4. Subject to the specific limitations of the Land Bank Act, the Land Bank, in the exercise of the powers delegated to it under and pursuant to this Agreement and as set forth in the Interlocal Cooperation Act, shall be performing essential government functions as a "joint entity" under the Interlocal Cooperation Act and as an agency, instrumentality, and constituted authority of the Member Municipalities.

B. Purpose. The purpose of this Agreement is to:

1. Set forth the agreement of the Member Municipalities for their joint and cooperative action through the Land Bank with respect to the means for the acquisition, rehabilitation, demolition, development, construction, reconstruction, renovation, relocation, and other improvements of or to Real Property or rights therein, including the undertaking and financing of one or more projects, and related services and functions which are necessary or desirable to the Member Municipalities for the purpose of returning vacant, abandoned, and tax-delinquent properties to productive use, all of which shall be undertaken by the Land Bank as the instrumentality of the Member Municipalities as provided in this Agreement; and
2. To implement and give effect to the joint and cooperative action stated above for the benefit of the Member Municipalities. Each of the Member Municipalities declares, acknowledges, and agrees that, in giving such effect, the Land Bank will

be exercising powers for and on behalf of the Member Municipalities, and each of them, as an instrumentality thereof.

Each of the Member Municipalities hereby declares and agrees that the purposes of this Agreement are appropriate, desirable, and reasonable.

C. Authority. This Agreement is entered into under authority conferred by the Acts and the laws of the State of Nebraska.

Section 3. Creation and Organization of the Land Bank

A. Creation and Organization. The Member Municipalities hereby create and organize the Land Bank as a joint entity under the Interlocal Cooperation Act, and as a separate public body corporate and politic of the State of Nebraska, to accomplish their joint and cooperative action with respect to bringing Real Property to productive use, all under the terms, provisions, and limitations set forth in this Agreement.

B. Name. The name of the Land Bank shall be the **South Jefferson Land Bank**.

C. Principal Place of Business. The Land Bank's principal place of business shall be located at 612 D Street. Fairbury, Nebraska 68352.

D. Management. The management of the affairs of the Land Bank will be vested in the Board of Directors and the Member Municipalities, as provided in the Acts, this Agreement, and the Bylaws, rules, regulations, and policies of the Land Bank.

E. Fiscal Year. The fiscal year of the Land Bank shall be the twelve-month period commencing on October 1 and ending on September 30.

F. Duration. The Land Bank shall have permanent and perpetual duration unless and until earlier terminated and dissolved according to Section 8 herein.

G. Manner of Financing. The activities of the Land Bank shall be financed through contributions from its Member Municipalities; funding through grants and loans from any public or private source; property taxes received under the Land Bank Act; consideration for disposition of real and personal property; rents and leasehold payments; proceeds from insurance; income from investments; payments for services rendered; and any other asset or activity permitted by law.

Section 4. Board of Directors; Qualifications

The Land Bank shall be governed by a Board of Directors. The Board shall consist of an odd number of individuals, totaling not less than seven (7) voting members, and such non-voting members, all in the manner prescribed in this section and the Land Bank Act. The exact number of voting members shall be set forth in the Bylaws. Voting members shall be confirmed by a two-thirds (2/3) vote of the governing body of each Member Municipality.

A. Terms of Office. The term of office for voting members shall be six (6) years and they shall be appointed in two (2) year cycles; provided, however, that the terms of office for the initial voting members shall be staggered so that no more than one-half (1/2) of all voting members expires in any given cycle. A term shall commence on October 1 and conclude

on September 30 of the final year of their current term. Unless established at the time of their appointment in accordance with Section G.3 herein, there shall be no term of office for non-voting members, whose term shall conclude when they no longer satisfy the requisite qualifications established and set forth in Sections G.1 and G.2 herein.

- B. Initial Board Members. The initial individuals to serve as voting and non-voting members of the Board and the terms for which they are to serve are set forth on Schedule A.
- C. Subsequent Board Members. Subsequent voting members and non-voting members of the Board shall be chosen as provided in the Bylaws.
- D. Qualifications of Voting Members. Each voting member of the Board must be a resident of a Member Municipality. A voting member may, but need not, be a public official or employee of a Member Municipality.
- E. Skills, Knowledge, and Expertise of Voting Members. Collectively, the voting members of the Board must have verifiable skills, expertise, and knowledge in market-rate and affordable residential, commercial, industrial, and mixed-use real estate development; financing; law; purchasing and sales; asset management; economic and community development; and the acquisition of tax sale certificates.
- F. Representation and Experience of Voting Members. The voting members of the Board shall include the following:
 - 1. At least one (1) individual representing a chamber of commerce;
 - 2. At least one (1) individual with experience in banking;
 - 3. At least one (1) individual with experience in real estate development;
 - 4. At least one (1) individual with experience as a realtor;
 - 5. At least one (1) individual with experience in nonprofit or affordable housing; and
 - 6. At least one (1) individual with experience in large-scale residential or commercial property rental.

A single voting member with the required qualifications may satisfy one (1) or more of the requirements set forth in this section.

- G. Non-Voting Members. The Board shall include the following non-voting members:

- 1. The planning director of each Member Municipality or, if there is no planning director for a Member Municipality, a person designated by the governing body of such municipality;
- 2. A member of the governing body of each Member Municipality, appointed by the governing body on which such individual serves; and

3. Such other non-voting members as are jointly appointed by the chief executive officers of the Member Municipalities, as mutually agreed by same, and confirmed by a two-thirds (2/3) vote of the governing body of each Member Municipality.

H. No Compensation. The voting and non-voting members of the Board shall serve without compensation.

I. Resignation, Removal, Vacancies. Voting and non-voting members of the Board of the Land Bank may resign or be removed as provided in the Bylaws. Vacancies shall be filled in the same manner as the original appointment.

J. Officers. The voting members of the Board shall select annually from among themselves a chairperson, a vice chairperson, a treasurer, and such other officers as the Bylaws shall require or the Board may determine.

Section 5. Projects; Project Participants; Project Committees

A. Definitions. For purposes of this section, the following definitions apply:

1. “Project” means any undertaking of the Land Bank to design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate, or otherwise improve specific Real Property or rights and interests in Real Property.
2. “Project Agreement” means a contract under which the Land Bank provides services consistent with the Land Bank Act or this Agreement to a Member Municipality or a Project Participant. Reference to a Project Agreement includes any amendments or supplements to such agreement.
3. “Project Committee” means a committee of Project Participants.
4. “Project Costs” means all costs incurred or payable by the Land Bank in connection with a Project, including all Project development costs, operating expenses, debt service, and all other costs relating to a Project, as determined by the Board.
5. “Project Participant” means a Member Municipality and any other party that participates in a Project with the Land Bank.
6. “Project Property” means the Real Property involved in a Project.

B. Projects. Each Project shall be established by resolution adopted by the Board upon the request of the Member Municipality within whose jurisdictional boundaries the proposed Project Property lies. Each Project shall be governed by a Project Agreement with the Land Bank.

C. Outside Project Participants. Any public or private person authorized by law to participate in a Project may become a Project Participant under a Project Agreement with the Land Bank. A Project Participant that is not a Member Municipality must be approved by the affirmative vote of a majority of the voting members of the Board then serving. Project Participants who are not Member Municipalities of the Land Bank shall

not have the right to participate in the selection, election, and approval of voting or non-voting members of the Board, but may be represented on a Project Management Committee. The Project Agreement may, in the discretion of the Board, require each non-Member Municipality Project Participant to pay a portion of the Land Bank's Administrative and General Costs.

- D. Project Agreements. Each Project Agreement shall provide for the scope and execution of the Project, the composition and selection of the Project Committee (if any), allocation of Project Costs, and responsibilities of the Project among Project Participants. Each Project Agreement shall contain such provisions relating to termination of the Project as necessary or appropriate to dispose of the Project Property upon termination.
- E. Project Committee. At the Board's discretion, a separate Project Committee may be established for any Project in order to provide Project Participants with direct representation and voting rights with respect to such Project.

Section 6. General Fund; Allocation and Collection of Costs; Annual Budget

- A. General Fund. There is hereby established a General Fund consisting of the initial contributions by the Member Municipalities set forth on Schedule B. Except as otherwise provided by a Project Agreement or restrictions placed on a contribution, all future contributions and revenue received by the Land Bank shall be held in the General Fund. The General Fund shall be used for Administrative and General Costs, and, to the extent provided in a Project Agreement, for Project Costs.
- B. Allocation of Costs. The Land Bank shall maintain complete and accurate books and records of all its costs and expenses, which shall be classified as either Administrative and General Costs or Project Costs.
 - 1. The Land Bank shall allocate Administrative and General Costs among the Member Municipalities as set forth in Schedule C. Any costs so allocated shall be billed to the Member Municipalities not more frequently than monthly. Notwithstanding the foregoing, the Member Municipalities shall each contribute not less than \$250.00 annually to the Land Bank for Administrative and General Costs.
 - 2. Unless otherwise provided in the Project Agreement, Project Costs of each Project shall be allocated solely to the Project Participants participating in that Project, and billed to the Project Participants not more frequently than monthly.
- C. Annual Budget. The Land Bank shall prepare an annual budget of Administrative and General Costs and, when applicable, a separate annual budget of the Project Costs for each Project. The annual budget of Administrative and General Costs and the annual budgets of Project Costs shall be consolidated into a comprehensive budget that reflects all activities of the Land Bank during the fiscal year for said budget.

Section 7. Addition of Member Municipalities

- A. Additional Member Municipalities Permitted. Cities of the second class or villages within the State of Nebraska may become a Member Municipality of the Land Bank ("Eligible

Municipality"). Any Eligible Municipality which becomes a Member Municipality in accordance with this section shall be bound by the terms and conditions of this Agreement.

B. Admission of Additional Member Municipalities. Any Eligible Municipality may become a Member Municipality of the Land Bank upon the satisfaction of the following conditions:

1. The governing body of such Eligible Municipality authorizes and approves this Agreement and the appropriate officers of such Eligible Municipality duly execute a supplement to or counterpart of this Agreement;
2. Such Eligible Municipality is subsequently approved and accepted as a Member Municipality of the Land Bank by the affirmative vote of a majority of the voting members of the Board then serving; and
3. Any additional voting members of the Board from the Eligible Municipality are approved by the chief executive officers of each Member Municipality and confirmed by a two-thirds (2/3) vote of each Member Municipality.

Section 8. Dissolution

A. Complete Termination and Dissolution. This Agreement shall be effective upon the date of the last Member Municipality to sign the Agreement and shall continue in full force and effect until such time as all then Member Municipalities elect to dissolve the Land Bank.

1. The Member Municipalities may elect to dissolve the Land Bank in accordance with this section only upon meeting each of the following conditions:
 - a. No Project Agreement is then in effect between the Land Bank and any other party;
 - b. The Land Bank either will not receive any additional property taxes with respect to Real Property conveyed by the Land Bank, or the Board by resolution has elected not to receive such taxes, and has notified the treasurer of the county in which the property is located by filing a copy of the resolution with such treasurer; and
 - c. The governing body of each Member Municipality, by the affirmative act of a majority thereof, has approved the dissolution of the Land Bank and has provided notice as required by the Land Bank Act.
2. Upon dissolution, the affairs of the Land Bank shall be wound up and its obligations discharged. Any funds or assets of the Land Bank not distributed or allocated in accordance with the provisions of a Project Agreement shall be distributed to the Member Municipalities at the time of dissolution, with each Member Municipality receiving the Real Property within its jurisdictional boundaries. Any remaining funds or assets of the Land Bank shall be distributed

on a per capita basis; provided, however, that the Member Municipalities may unanimously agree on another method of distribution.

B. Partial Termination by Withdrawal. When there are at least three (3) Member Municipalities of the Land Bank, any Member Municipality may withdraw from this Agreement and terminate its membership in the Land Bank by providing not less than sixty (60) days prior written notice of such withdrawal to the Land Bank, so long as each of the following conditions are met:

1. No Project Agreement between the Member Municipality and the Land Bank is then in effect and the Member Municipality is not a Project Participant in any Project;
2. The Member Municipality is not in default of any of its obligations under this Agreement or any other agreement or contract with the Land Bank;
3. The Land Bank does not currently own any Real Property within the jurisdictional boundaries of the Member Municipality;
4. The Land Bank does not currently receive any real property taxes collected on Real Property within the jurisdictional boundaries of the Member Municipality;
5. The governing body of the withdrawing Member Municipality gave sixty (60) calendar days prior written notice of said withdrawal by publishing notice in a newspaper of general circulation within the withdrawing Member Municipality; and
6. After the sixty (60) day period in Section 8.B.5 has elapsed, a majority of the members of the governing body of the withdrawing Member Municipality affirmatively approves the withdrawal.

The withdrawal of the Member Municipality becomes effective upon satisfaction of all of the conditions set forth in this Section 8. The Board will determine, in its sole discretion, the personal property, money, or other assets which shall become the property of the withdrawing Member Municipality, and will convey such property, money, or assets to the withdrawing Member Municipality within a reasonable time following the effective date of withdrawal.

Section 9. Miscellaneous

A. Incorporation. The incorporators of the Land Bank shall be the chief executive officers of the Member Municipalities, who shall file articles of incorporation with the Nebraska Secretary of State consistent with the Land Bank Act.

B. Limitations on Liability. The obligations of any Member Municipality to make payments to the Land Bank are limited by the terms of this Agreement, the Bylaws, any Project Agreement to which the Member Municipality is a party, the Land Bank Act, and other contracts entered into between the Land Bank and the Member Municipality. Except as provided under such documents and agreements, no Member Municipality, voting or non-voting member of the Board, Land Bank officer or employee, or officers, official, employee

or governing body member of a Member Municipality shall be subject to or in any way liable for any debt or contract entered into or any obligation or liability incurred by the Land Bank under this Agreement or any Project Agreement. The rights of the creditors of the Land Bank shall be solely and exclusively against the Land Bank.

- C. Privileges and Immunities. The privileges and immunities enjoyed by the Member Municipalities of the Land Bank by reason of their governmental and public status shall inure to the Land Bank and voting members of the Board.
- D. Amendments to this Agreement. This Agreement may be amended only by a written instrument, duly approved and executed by each of the Member Municipalities, which amendment shall be effective only after execution by the last Member Municipality.
- E. Governing Law and Construction. This Agreement is made under and shall be governed and construed in accordance with the laws of the State of Nebraska.
- F. Counterparts. This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Member Municipalities have each caused this Agreement to be executed as of the date first written above.

CITY OF FAIRBURY, NEBRASKA

ATTEST:

By: Erin Reimer
Erin Reimer, City Clerk

By: Spencer Brown
Spencer Brown, Mayor

Date 1-2-2024

VILLAGE OF ENDICOTT, NEBRASKA

ATTEST:

By: Vickie Arnett
Vickie Arnett, Village Clerk

By: Christine Zabokrtsky
Christine Zabokrtsky, Board Chair

Date 1-10-2024

**INTERLOCAL AGREEMENT PROVIDING FOR THE
SOUTH JEFFERSON LAND BANK**

SCHEDULE A

1. Initial Voting Board Members. The following individuals shall serve as the initial voting members of the Land Bank's Board, and shall serve for the terms indicated:

<u>Name</u>	<u>Initial Term Ends</u>
Tracy Arnett	September 30, 2029
Mike Gaston	September 30, 2029
Twilya L'Ecuyer	September 30, 2027
Jaime Lambert-McDaniel	September 30, 2027
Paul Schramm	September 30, 2027
April Stone	September 30, 2025
Christine Zabokrtsky	September 30, 2025

2. Initial Non-Voting Board Members. The following individuals shall serve as the initial non-voting members of the Land Bank's Board, and shall serve for the terms indicated:

a. For City of Fairbury:

Laura Bedlan	For so long as she shall serve as Development Services Director
Brian Schmidt	For so long as he shall serve as a member of the City Council or until another City Council member is appointed by the City Council

b. For Village of Endicott:

Vickie Arnett	For so long as she shall serve as Village Clerk
James Criner	For so long as he shall serve as a member of the Village Council or until another Village Council member is appointed by the Village Council

**INTERLOCAL AGREEMENT PROVIDING FOR THE
SOUTH JEFFERSON LAND BANK**

Schedule B

Initial General Fund Contributions

The General Fund shall initially consist of the following contributed amounts:

<u>Member Municipality</u>	<u>Contribution</u>
CITY OF FAIRBURY	\$150,000.00
VILLAGE OF ENDICOTT	\$100.00

**INTERLOCAL AGREEMENT PROVIDING FOR THE
SOUTH JEFFERSON LAND BANK**

Schedule C

Administrative and General Cost Allocation

Effective as of January 1, 2024

As contemplated under Section 6.B of the Agreement, Administrative and General Costs shall be allocated pro rata among the Member Municipalities according to the total amount of property, as calculated in acres, held by the South Jefferson Land Bank on August 1 of each year, as follows:

<u>Member Municipality</u>	<u>Percentage</u>
CITY OF FAIRBURY	The percentage, rounded to the second decimal, equal to the number of acres, rounded to the second decimal, within the corporate limits of the City of Fairbury held by the Land Bank divided by the total number of acres, rounded to the second decimal, held by the Land Bank
VILLAGE OF ENDICOTT	The percentage, rounded to the second decimal, equal to the number of acres, rounded to the second decimal, within the corporate limits of the Village of Endicott held by the Land Bank divided by the total number of acres, rounded to the second decimal, held by the Land Bank