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(k) "City" means the City of Alliance, Nebraska and includes any areas annexed to the City after this date. "Council" means the City Council of the City of Alliance. "Mayor" means the Mayor of the City of Alliance. "City Manager" means the City Manager of the City of Alliance.

(l) "Converter" means any device, separate and apart from a Subscriber's receiver, that is necessary for a Subscriber to view or otherwise use signals delivered by a Cable System.

(m) "Emergency" means an imminent, impending, or actual natural or humanly induced situation where the health, safety or welfare of all, or a representative portion, of the residents of the City is threatened. An Emergency (by illustration) may include a snowstorm, flood, tornado, severe thunderstorm, hazardous waste infiltration, petroleum, munitions or nuclear explosion, or aircraft crash.

(n) "Easement" means and shall include any public easement or other compatible use created by dedication or by other means, to the City for public utility or other purposes including cable television. "Easement" shall include a private easement used for the provision of Cable Service.

(o) "Entity" shall mean a partnership, joint venture, corporation, limited liability company or such other form of conducting business authorized by State law.

(p) "FCC" means the Federal Communications Commission or any successor governmental entity.

(q) "Franchise" means the authorization issued by the City which authorizes the construction and operation of a Cable System.

(r) "Franchise Fee" includes any tax, fee, or assessment of any kind imposed by the City on a Cable Operator or Subscriber, or both, solely because of their status as such. "Franchise Fee" does not include:

- (1) any tax, fee, or assessment of general applicability (including any such tax, fee, or assessment imposed on both utilities and Cable Operators or their services but not including a tax fee, or assessment which is unduly discriminatory against Cable Operators or Subscribers);
- (2) Capital costs which are required by a Franchise to be incurred by the Cable Operator for PEG, or governmental access facilities;
- (3) requirements or charges incidental to the awarding or enforcing of a Franchise, including payments for bonds, security funds, letters of credit, insurance, indemnification, penalties or liquidated damages; or
- (4) any fee imposed under title 17, United States Code..

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(s) "Gross Revenue" means:

(1) all revenues, as determined in accordance with generally accepted accounting principles, received from the operation of a Cable System attributable to Subscribers within the City including but not limited to revenues received from Subscriber Rates, Service Tiers, installations, and the sale or lease of Auxiliary Equipment ("Subscriber Revenues"); and

(2) any and all compensation in whatever form (except as exempted by this definition or otherwise by law), exchange or otherwise derived from all Cable Services, cable operations, and Cable Service related activities within the City including but not limited to revenues received from advertising, rebates or commissions received from services carried or provided on the Cable System, or commercial access ("Non-Subscriber Revenues").

Gross Revenue does not, however, mean (i) any taxes, fees or assessments of general applicability collected by a Cable Operator from imposed and/or assessed collected by law on Subscribers for pass-through to a government agency (including sales taxes, Franchise Fees or FCC user fees); (ii) unrecovered bad debt or bona fide credits, refunds and deposits paid to Subscribers; and (iii) revenues from activities exempted under the Cable Act or by the FCC.

(t) "Other Programming Service" means information that a Cable Operator makes available to all Subscribers generally.

(u) "PEG Channel" means a public, educational or governmental Channel which is carried on a Cable System.

(v) "Permit" means a written authorization issued to a Cable Operator by the City, other than a Franchise.

(w) "Public Way" means any public street, public place, public Easement or right-of-dedicated to the public use.

(x) "Rate" means the periodic price paid by a Subscriber in order to receive Cable Service.

(y) "Reporting Quarter" shall mean a Cable Operator's fiscal quarter as reported to the City. If a Cable Operator does not report to or notify the City concerning the dates of its fiscal quarters, then the "Reporting Quarters" for a Cable Operator shall be considered to be the periods ending on the last day of March, June, September and December of each calendar year.

(z) "School" shall mean any K-12 school operated within the City by any public school system.

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(aa) "Service Tier" means a category of Cable Service provided by a Cable Operator, and for which a separate Rate is charged.

(bb) "State" means the State of Nebraska.

(cc) "Subscriber" means a person lawfully receiving Cable Service delivered by a Cable Operator.

(dd) "User" means a person or organization utilizing a Cable System and/or its equipment for purposes of production and/or transmission.

(ee) "Video Programming" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

18-503. Administration; delegation of powers and authority.

Unless prohibited by Federal or State law, the Council may delegate its powers and authorities with respect to a Cable Operator to one or more duly authorized representatives of the City, including the Mayor, the City Manager, a Cable Advisory Committee or an outside consultant; provided, however, the Council may never delegate its power to franchise or to revoke a franchise to another person.

18-504. Cable Operator; applicability.

Unless exempted entirely or in part from this Article or any of its provisions, or granted relief by the Council from any of its provisions, then this Article shall be applicable to a Cable Operator.

18-505. Same; exemptions.

In recognition of the inherent technological differences between various types of providers of Video Programming, and taking into account legal, financial, operational and maintenance considerations, the following providers of Video Programming are exempted from complying with this Article:

(a) a person or Entity which provides Cable Service to fewer than 25 Subscribers; or

(b) a person or Entity which provides Cable Service to, or in conjunction with operating one hotel, motel, time-share facility, or recreational vehicle park (but not including service to a mobile home or manufactured home park), and which does not use any Public Way; or

(c) a person or Entity which does not cross a Public Way in providing Cable Service to Subscribers; or

(d) a person or Entity which is exempted from this Article as a result of an applicable judicial ruling.

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An exempted person or Entity remains exempted only as long as it meets one or more of the specifications of this section. In addition, the extent of the exemption is only for this Article. An exempted person or Entity is expected to abide by, and comply with, any other applicable City, County, State and Federal laws and regulations, including any applicable Federal or State consumer protection or consumer service laws and regulations.

18-506. Same; request for relief by non-exempt Cable Operator.

Any Cable Operator may file a written petition, at any time, with the City requesting relief from one or more provisions of this Article. The relief requested may specifically include the delay in implementation (as to the petitioning Cable Operator only) of one or more provisions of this Article. In order to receive any relief from one or more of the provisions of this Article, a Cable Operator must satisfactorily demonstrate to the Council that at least one of the following facts exist:

- (a) the provision and/or requirement is expressly prohibited by Federal law, the FCC or State law; or
- (b) that the provision in question materially affects, and is in conflict with an expressed right that is specifically noted in an existing Franchise agreement (but only for the term of the existing Franchise); or
- (c) that the imposition of the provisions and/or requirements will create an undue economic hardship on the Cable Operator so as to imperil or eliminate the Cable Operator's ability to provide Cable Service to a majority of current Subscribers.
- (d) As an alternative to requesting relief, a Cable Operator may petition for clarification as to the precise intent and effect that one or more provisions or sections of this Article has on the petitioning Cable Operator.

The Council may charge the petitioning Cable Operator with the actual costs for processing the petition, including any costs incurred by outside consultants who are retained by the City to review a Cable Operator's petition; provided, however, such costs shall not exceed the total amount that the City may charge to a Cable Operator considering the Federal limit on Franchise Fees. If the Council grants relief to a Cable Operator, then the Franchise agreement shall be amended to reflect the extent of the relief.

18-507. Noncompliance not excused for failure to enforce.

A Cable Operator shall not be excused from complying with any of the requirements of this Article by any failure of the City on any one or more occasions to seek, or insist upon compliance with this Article.

18-508. Compliance with law.

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Any Cable Operator, its assignee, or transferee shall be subject to, and expected to comply with:

- (a) all ordinances in effect within the City including this Article, to the extent that the Cable Operator has not received exemption or relief.
- (b) all Federal and State Laws, and all rules and regulation issued by all applicable regulatory agencies.
- (c) all lawful exercise of the City's police power.

Nothing contained in this section shall prevent a Cable Operator from exercising any, and all, of its administrative and legal rights as to the constitutionality, applicability, and enforceability of this Article or any later amendments.

18-509. Inconsistencies with Federal or State Law.

If any provision or section of this Article is inconsistent with any provision or section of a Federal or State rule, regulation, or law, then the Federal or State rule, regulation, or law shall control.

18-510. Retained Rights and Authorities.

Subject to pre-emption by the FCC or any other Federal or State governmental entity or agency, the City retains the authority for:

- (a) the regulation of any Cable System within the geographical limits of the City, and within the limits prescribed by applicable law;
- (b) the award and grant of a Franchise subsequent to review of an application or proposal by the Council;
- (c) subject to the provisions of this Article entitled "Compliance with Law" and any relief or exemption granted with respect to those provisions, the amendment or repeal of all or part of this Article; and
- (d) the amendment of a Franchise by mutual agreement of the Council and the holder of the Franchise.
- (e) the regulation of Rates and Charges as permitted by law.
- (f) the enforcement of all laws and regulations relating to cable customer service practices and consumer protection.

18-511. Notices.

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Each Franchise shall designate the City's and the Cable Operator's contact person to receive notices, filings, reports, records, documents and other correspondence. All notices shall be delivered to each party's contact person either by personal service with signed receipt of delivery, certified or registered mail, return receipt requested, or by recognized overnight delivery service with receipt verification. All other filings, reports, records, documents, and other correspondence may be delivered by any permissible means including, but not limited to: personal service, overnight mail, email or facsimile. Delivery shall be deemed to have occurred at the time of receipt.

18-512. Indemnity.

Each Cable Operator shall defend, indemnify, and hold harmless the City, its officials, authorized agents and employees from any and all penalty, damage, or loss arising out of claims, suits, demands, causes of action, or award of damages which might be claimed now or in the future, which arise out of, or are caused by, the construction, erection, location, products performance, operation, maintenance, repair, installation, replacement, removal or restoration of the Cable System within the City by a negligent act or omission of the Cable Operator, its authorized agents or employees, contractors, or authorized representatives; provided, however, the Cable Operator shall not be obligated to indemnify the City for any penalty, damage or loss resulting from the willful misconduct or negligence of the City or from any use of the Cable System by the City (to include the use of PEG channels). Reasonable attorney's fees, consultant's fees, expert witness fees and other expenses of litigation are included as those costs which may be recovered by the City. With respect to any request for indemnification made to a Cable Operator by the City:

- (a) The City shall give the Cable Operator written notice of its obligation to indemnify the City within 30 days of receipt of written notification of a claim or action.
- (b) The Cable Operator shall then have the right to defend, settle or compromise any such claims at the Cable Operator's expense and with the assistance of counsel of the Cable Operator's choice. The City shall provide reasonable cooperation in connection with the defense subject to the Cable Operator's obligation to reimburse the City for actual out-of-pocket expenses incurred by the City as the result of a request by the Cable Operator.
- (c) If the Cable Operator fails to defend a claim within a reasonable time, the City shall be entitled to assume the defense and the Cable Operator shall be bound by the results and shall be liable to the City for the damages incurred by the City to include the costs referred to above as recoverable by the City.
- (d) If a Cable Operator obtains counsel for the City, and/or its officials, agents and employees, then any one of them shall have the right to approve counsel, which approval shall not be unreasonably withheld. The City, its officials, agents and employees shall have the right to retain counsel of their own at their own expense.

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18-513. Liability Insurance.

A Cable Operator shall secure and maintain, for as long as it provides Cable Service, insurance coverage (the "Insurance") as follows:

(a) The coverage shall provide for at least the following limits:

General Commercial Liability: \$2,000,000 per occurrence; combined single liability

Umbrella Liability: \$2,000,000 aggregate

(b) The Insurance shall specifically include the City and its officials, agents, and employees as additional insureds with respect to any liability arising out of the Cable Operator's performance.

(c) The Insurance shall be issued by one or more companies licensed to do business in the State.

(d) The Insurance shall contain an endorsement obligating the insurance company to furnish the City with at least 30 days written notice in advance of the cancellation of the insurance.

(e) Before a Cable Operator provides Cable Service, the Cable Operator shall deliver the policies or certificates representing the Insurance to the City. Renewal or replacement policies or certificates shall be delivered to the City prior to the expiration of the then existing Insurance.

(f) If the State permits a Cable Operator to self-insure, then the Cable Operator may exercise its right and self-insure as long as the minimal insurance amounts outlined in this section are met and maintained.

18-514. Performance Bond.

A Cable Operator shall comply with the following bonding requirements:

(a) A performance or security bond in an amount of at least \$50,000 executed by a surety licensed to do business in the State shall be delivered to the City. The purpose of the performance bond is to ensure performance of any requirements imposed by this Article and any applicable Franchise. The purpose is also to guarantee that should the Cable Operator not fulfill any obligations imposed by this Article or a Franchise held by the Cable Operator, then the surety will make whole (to the extent of the policy) any monetary losses incurred by the City.

(b) A construction/completion bond shall be furnished prior to the time that a Cable Operator commences a construction, upgrade, rebuild, or repair/maintenance project that has a capital construction cost or outlay exceeding \$50,000 in value where the construction takes place in

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one or more Easements or in the Public Way; provided, however, the following shall not be considered in determining whether a project exceeds \$50,000: (i) the cost attributable to any portion of the construction that utilizes aerial facilities consisting of existing poles owned by the Cable Operator or other utilities, or (ii) construction within a new subdivision where the construction of facilities is coordinated with the developer of the subdivision. The amount of the bond shall equal at least 90% of the projected capital construction cost or outlay, but shall not exceed \$250,000. The construction/completion bond shall remain in force at all times until one year after completion of construction as determined by the City, unless relief is granted or a reduction schedule is detailed in an agreement between the City and the Cable Operator.

(c) Any construction/completion bond shall specifically guarantee that a Cable Operator will timely abide by its construction, upgrade, rebuild, or repair/maintenance schedule for the Cable System and/or any time table for technical and service improvements or additions to the Cable System as may be committed to, or agreed upon, from time to time by the City and the Cable Operator.

(d) If the City draws on a bond as a result of a Cable Operator's failure to timely discharge its obligations, or failure to construct and activate the Cable System, or failure to complete a Cable System upgrade or rebuild or repair/ maintenance project, then the Cable Operator shall replenish the bond within 30 days to the level required in this section.

(e) The Council may authorize a Cable Operator to substitute a Cash Deposit, Letter of Credit, or a Guaranty of another person or Entity for any of the bonds provided for in this section; provided, however, the person or Entity providing a Letter of Credit or Guaranty, and the form of the Letter of Credit or Guaranty, shall be subject to the approval of the City Council in its sole discretion.

18-515. Furnishing of Reports.

Upon written request of the City, a Cable Operator shall furnish, at no cost to the City, copies of any or all filings with the FCC and the United States Copyright Office within 30 days of the request.

18-516. Books and Records.

A Cable Operator shall keep complete and accurate books of accounts and records concerning the business and operations of the Cable System. In addition:

(a) The City by its authorized representatives shall have the right, on reasonable advance written notice, to review at the Cable Operator's local office all records pertaining to a Cable Operator's cable operations with respect to the City which are necessary to the enforcement of this Article or the Cable Operator's Franchise. Any review, unless mutually agreed upon

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or judicially ordered, should occur within the Cable Operator's regular office hours. Non-revenue financial records will only be requested in the aggregate on a summary prepared by the Cable Operator. The City acknowledges the sensitivity of these records, and will request this information only on as needed basis, and will treat this information as confidential and proprietary to the fullest extent allowed by law. The Cable Operator shall not be required to produce any records in violation of the Cable Act or any other applicable law.

(b) The City shall have the right to hire, at its own expense, an independent certified public accountant, or other business or financial expert, to review the books and records of a Cable Operator pertaining to revenue information.

(c) A false entry in the books and/or records of a Cable Operator of a material and substantial fact shall constitute a material violation of this Article. Erroneous entries shall not constitute a material violation if made in good faith.

(d) If after a review or audit of a Cable Operator's records, it is discovered that the Cable Operator has underpaid the City by an amount that exceeds the greater of (i) \$500, or (ii) 3% of the total amount paid for any Reporting Quarter, then the City may require the Cable Operator to reimburse the City for the actual cost of the audit, in addition to the amount of underpayment.

18-517. Local office; office hours; telephone availability.

In order to facilitate the needs of Subscribers, a Cable Operator shall maintain a customer service office which is easily accessible to Subscribers, and is located within the City. The customer service office should have an adequate and knowledgeable staff in order to handle the vast majority of Subscriber service inquiries, including but not limited to billing inquiries, refunds, service outages, equipment service and repair, payment of bills and other Charges, and inquiries from disabled or physically impaired Subscribers. In addition:

(a) The Cable Operator will maintain a local, toll-free telephone access line which will be available to its Subscribers 24 hours a day, seven days a week.

(1) Trained company representatives will be available to respond to Subscriber telephone inquiries during normal business hours which must include some evening or weekend hours.

(2) After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.

(b) Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed 30 seconds when the connection is made. If the call

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needs to be transferred, transfer time shall not exceed 30 seconds. These standards shall be met no less than 90% of the time under normal operating conditions, measured on a quarterly basis.

(c) A Cable Operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.

(d) Under normal operating conditions, the Subscriber will receive a busy signal less than 3% of the time.

The customer service office shall be open during regular hours as published to Subscribers.

18-518. Installations, outages, and service calls.

Under normal operating conditions, each of the following four standards will be met no less than 95% of the time measured on a quarterly basis.

(a) Standard installations will be performed within 7 business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

(b) Excluding conditions beyond its control, a Cable Operator will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption becomes known. A Cable Operator must begin actions to correct other service problems the next business day after notification of the service problem. Once begun, a Cable Operator shall diligently pursue the necessary repairs.

(c) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. A Cable Operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of a Subscriber.

(d) Except for conditions beyond its control, a Cable Operator may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment.

(e) If a Cable Operator representative is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the Subscriber.

18-519. Notifications to Subscribers.

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A Cable Operator shall provide written information to Subscribers as follows:

(a) Subscribers will be notified of any changes in Rates, programming services or Channel positions as soon as possible in writing. Notice must be given to Subscribers a minimum of 30 days in advance of such changes if the change is within the control of the Cable Operator. In addition, the Cable Operator shall notify subscribers 30 days in advance of any significant changes in the other information required by Section 76.1602 of the FCC Rules;

(b) In addition to the requirement of subparagraph (1), a Cable Operator shall give 30 days' advance written notice to both Subscribers and the City before implementing any change in Rate or Charge. Such notice shall state the precise amount of any change. When the change involves the addition or deletion of Channels, each Channel added or deleted must be separately identified. For purposes of the carriage of digital broadcast signals, the operator need only identify for Subscribers, the television signal added and not whether that signal may be multiplexed during certain dayparts;

(c) A Cable Operator shall provide written notice to a Subscriber of any increase in the price to be charged for Basic Cable Service or associated equipment at least 30 days before any proposed increase is effective. The notice should include the name and address of the City;

(d) To the extent a Cable Operator is required to provide notice of Cable Service and Rate changes to Subscribers, the Cable Operator may provide such notice using any reasonable written means;

(e) Notwithstanding any other provision of the FCC Rules, a Cable Operator shall not be required to provide prior notice of any change in Rate or Charge that is the result of a regulatory fee, Franchise Fee, or any other fee, tax, assessment, or charge of any kind imposed by any Federal agency, State, or the City on the transaction between a Cable Operator and a Subscriber.

18-520. Billing practices.

Bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to basic, tiered and premium service Charges and equipment Charges. Bills will also clearly delineate all activity during the billing period, including optional Charges, rebates and credits.

(a) In case of a billing dispute, the Cable Operator must respond to a written complaint from a Subscriber within 30 days.

(b) Refund checks will be issued promptly, but no later than either:

(1) the Subscriber's next billing cycle following resolution of the request or 30 days, whichever is earlier, or

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(2) the return of the equipment supplied by the Cable Operator if service is terminated.

(c) Credits for service will be issued no later than the Subscriber's next billing cycle following the determination that a credit is warranted.

18-521. Billing Credit or Refunds for Service Outages, Interruptions, or Unsolicited Service.

A Cable Operator shall provide a Subscriber with a credit or rebate where the Subscriber's entire Cable Service suffers a service outage or interruption exceeding eight hours in duration beyond the time that the Subscriber notified the Cable Operator of the outage. The credit for purposes of determining the amount of the credit or rebate, shall be deemed to be equivalent to or the same as a twenty-four hour service outage. No credit or rebate shall be required where the outage was due to matters beyond the reasonable control of the Cable Operator. In addition:

(a) For notifications by a Subscriber after hours, these credit refund requirements shall only apply if three Subscribers have provided notice in a given area.

(b) In the case of a regional or area outage, all affected Subscribers shall be due a credit or refund if the Cable Operator is able to reasonably determine the Subscribers affected. If the Cable Operator is not able to reasonably determine the Subscribers affected by a regional or area outage, a credit or refund shall be given to all Subscribers affected by the outage who make a claim for credit or refund within 30 days of the outage.

(c) In the case of a Charge for unsolicited service, a Cable Operator shall provide a Subscriber with an adjustment or billing credit on the next available billing statement, and the Subscriber shall not be considered delinquent for failure to pay a Charge for unsolicited service; provided, however, no such adjustment shall be made where the service was not authorized by the Cable Operator.

18-522. Special Service Requirements.

A Cable Operator shall comply with all Federal and State laws and regulations concerning special service requirements for disabled, sight or hearing impaired or ambulatory impaired Subscribers.

18-523. Preferential or Discriminatory Practices Prohibited.

A Cable Operator shall not deny Cable Service, deny access, or otherwise discriminate, nor subject any person to prejudice or disadvantage on the basis of age, race, creed, color, sex, national origin, handicap, religious affiliation or location of residence. Cable Operators shall not deny Cable Service, or the extension of Cable Service, to any group of potential residential cable Subscribers because of the income of the residents of the local area in which such group resides. The provisions of this section shall not, however, prohibit a Cable Operator from:

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- (a) offering a promotional or incentive discount Rate or Charge.
- (b) denying service based on location of residence, if that residence is outside the parameters for line extension as provided for in this Article or the Cable Operator's Franchise.
- (c) making agreements or entering into Cable Service agreements with multiple dwelling unit owners, including hotel, motel, and mobile park owners, to provide Cable Service under a bulk billing or other type of arrangement.

18-524. Service Inquiry Logs.

In order to assist the City in assessing the resolution of Subscriber service requests, inquiries and complaints, a Cable Operator shall be required to keep and maintain service logs, subject to any limitations imposed by State or Federal law (including any Subscriber privacy limitations). At a minimum, the service inquiry logs should contain the date and time of the initial receipt of a service request, inquiry or complaint, together with the date and time of the initial response; the nature of the matter; and the precise action taken by a Cable Operator in order to resolve the matter. In addition to any other right of inspection that the City may possess, it shall have the right to review and inspect a compilation of the logs. The City shall not have the right of review or inspection for any logs or any information contained within the logs that are otherwise protected by State or Federal law.

18-525. Restoration of a Subscriber's Property.

At any time a Cable Operator disturbs the property of a Subscriber, the Cable Operator shall ensure that the Subscriber's property is returned, replaced and/or restored to a substantially similar condition as that in existence prior to the disturbance by the Cable Operator. The costs associated with both the disturbance and the return, replacement and/or restoration shall be borne by the Cable Operator. The requirements imposed upon the Cable Operator extend to any subcontractor or independent contractor employed by the Cable Operator.

18-526. Voluntary Disconnections and Downgrades.

A Subscriber may at any time request that a particular Service Tier or the entire Cable Service be disconnected. In addition, where different levels of service are offered by a Cable Operator, a Subscriber may request a downgrade from a particular level of service to a less comprehensive or less expensive level of service. Disconnections or downgrades shall be effective as per the Cable Operator's policies, to include any applicable charges for the change in service. Any refund due a Subscriber after downgrade or disconnection (both for non-payment and voluntary) shall be made within 45 days after the downgrade or disconnection.

18-527. Protection of Subscriber Privacy.

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A Cable Operator shall abide by any, and all, Subscriber privacy rules or regulations of the Federal or State governments.

18-528. Use of Public Ways.

All facilities of a Cable Operator shall be located, installed and maintained so as not to endanger or unnecessarily interfere with usual and customary use, traffic and travel upon Public Ways and Easements, and according to any Public Way or Easement use standards established by the City. In addition:

- (a) A Cable Operator shall obtain all required Permits from the City before commencing any work requiring a Permit, including the opening or disturbance of any Public Way.
- (b) All facilities of a Cable Operator shall be installed and located as to cause minimum interference with the rights and reasonable convenience of property owners and at all times shall be kept and maintained in a safe, adequate and substantial condition, and in good order and repair. The Cable Operator shall, at all times, employ ordinary care and use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public, to include barricades, flags, lights or other devices as are reasonably required for public safety.
- (c) A Cable Operator shall use existing poles, conduits and other facilities whenever possible, and shall not construct or install any new, different, or additional poles, conduits, or other facilities on Public Ways without obtaining all Permits required by the City. Any poles or other fixtures placed in any public way by the Cable Operator shall be placed in such a manner as not to interfere with the usual travel on such public way.
- (d) The Cable Operator shall, at its own expense, restore any damage or disturbance caused to the Public Way as a result of its operation, construction, or maintenance of the Cable System to a condition reasonably comparable to the condition of the Public Way immediately prior to such damage or disturbance.
- (e) If a Cable Operator's system creates a hazardous or unsafe condition or an unreasonable interference with property, then the Cable Operator shall at its own expense voluntarily, or upon request of the City, remove or move, as appropriate, that part of the system that creates the hazardous condition.
- (f) A Cable Operator shall not place equipment where it will interfere with the rights of property owners or with other public utility services or any other service facility that benefits the City or its residents' health, safety or welfare.
- (g) A Cable Operator shall, at its expense, protect Public Ways and Easements, and support or temporarily disconnect or relocate in the same Public Way, any property of the Cable Operator when necessitated by reason of: traffic conditions, public safety, a street closing,

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street construction or resurfacing, change or establishment of a street grade, installations of other City utility services, or any improvement, construction or repair related to health, safety or welfare. Except in case of Emergency, the City shall provide at least 10 days written notice to the Cable Operator of the need for a relocation or temporary disconnection. In addition, the City shall have the right to remove any of the Cable Operator's facilities in the event of Emergency, and no charge shall be made by the Cable Operator to the City for restoration and repair, unless such acts amount to gross negligence by the City.

(h) If the City elects to alter or change the grade of any Public Ways, the Cable Operator upon reasonable notice from the City, shall relocate any portions of its Cable System impacted by the City's Public Way alterations, at the Cable Operator's expense.

(i) A Cable Operator shall, at the request of any person holding a building moving Permit, temporarily remove, raise or lower the cable wires to allow the moving of the building. The expense of temporary removal shall be paid by the person requesting it. The Cable Operator may require payment in advance. The affected Cable Operator shall be given not less than 10 business days' notice of a contemplated move to arrange for temporary wire changes.

(j) A Cable Operator shall have the authority to trim trees in the Public Way at its own expense as may be necessary to protect its wires and facilities.

(k) The City shall have the right to make additional use, for any public purpose, of any poles or conduits controlled or maintained exclusively by or for the Cable Operator in any street or right of way, provided the use by the City does not interfere with the Cable Operator's use. The City shall indemnify and hold the Cable Operator harmless from all claims, demands, causes of action, suits, actions, proceedings, damages, costs or liabilities of every kind whatsoever arising out of the City's such use of the Cable Operator's poles or conduits.

(l) In those areas of the City where transmission or distribution of both telephone and power companies are underground or are later placed underground, a Cable Operator's feeder and subscriber drops shall also be placed underground. To the extent reasonably possible, a Cable Operator shall coordinate the joint use of facilities with the telephone and power companies. Subscriber drops shall be buried within a reasonable time period, subject to weather conditions.

18-529. Construction Standards.

A Cable Operator shall construct, operate, maintain and repair its Cable System in compliance with all current technical codes adopted by the City, the State and the FCC, as are customary to the cable television industry. Methods of construction, installation or maintenance and repair of any Cable System shall comply with the most current editions of the National Electrical Safety Code (National Bureau of Standards), and the National Electric Code (National Bureau of Fire Underwriters), as affects the construction, installation and maintenance of electrical supply and

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communications line and attachments and supports. To the extent that these are inconsistent with other provisions of a Franchise, or State or local law, then the more stringent shall govern in order to protect the public health, safety and welfare.

18-530. System Expansion.

Each Franchise may provide for a build-out and density standard under which the Cable Operator shall extend Cable Service within the City at a charge which does not exceed the Cable Operator's normal rate for standard installations, so long as the installation is financially and technically feasible. The Cable Operator may extend service to Subscribers which do not meet the density standard if the Subscriber(s) are willing to pay or share the capital costs of expanding the Cable System along with the Cable Operator's normal rate for standard installations.

18-531. Emergency Alert System; Standby Power.

In order that Subscribers may be alerted in the event of an impending, imminent or actual Emergency, and in addition to the Federal emergency alert standards, a Cable Operator shall ensure that its system is designed to permit the override of the audio portion of all Channels by authorized personnel at the City's Communications Center. In addition, a Cable Operator shall:

- (a) maintain all Channel video blanking ability to facilitate the needs of hearing and sight-impaired Subscribers;
- (b) test the Subscriber override system at the request of the Central Communications Center which shall not be more frequent than once a month; and
- (c) cooperate with the City on the use and operation of the emergency override system.

18-532. Franchise Required.

No person or Entity, other than the City, shall be permitted to construct, operate or maintain a Cable System where any part of the Cable System's facilities to occupy or cross Public Ways without first having entered into a Franchise.

- (a) The City may award one or more non-exclusive Franchises.
- (b) An Applicant shall be selected as part of a public proceeding and hearing which affords due process to both the City and the Cable Operator. If the Applicant is selected as a Cable Operator, then the Applicant will enter into a Franchise agreement with the City.
- (c) Unless prohibited by law, the City reserves the right to construct, operate or maintain its own Cable System within the City limits. The City shall not be required to submit a proposal for, or receive, a Franchise in order to do so.

18-533. Franchise Agreement.

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If the Council awards a Franchise to an Applicant in all or part of the City, or approves a proposal for renewal of a Franchise, then a Franchise agreement shall be entered into. A newly franchised Cable Operator may not lay any cable until the Franchise agreement is executed by the Cable Operator and the City. At a minimum, a Franchise agreement shall contain provisions for the following:

- (a) the term or duration of the Franchise;
- (b) an agreement to comply with this Article;
- (c) any applicable construction, upgrade or rebuild schedule; and
- (d) any applicable build-out and density standard.

18-534. Extent of Grant of Franchise.

Upon entering into a Franchise, a Cable Operator may construct, install, maintain, operate, repair, replace, remove, or restore a Cable System within the City. In so doing:

- (a) The Cable Operator may utilize the Public Ways and those Easements dedicated to the public use.
- (b) The Cable Operator shall be responsible for obtaining its own Easements for private property and pole attachment agreements with other utilities.

18-535. Franchise Term and Renewal.

The term of a Franchise may be for a period not to exceed 10 years from the date that a Franchise, or a Franchise renewal, is approved by the Council. Proceedings for the renewal of a Franchise shall be governed by the applicable provisions of the Cable Act.

18-536. Franchise Application.

The City may develop rules and regulations with respect to the submission and processing of applications for a Franchise. The rules and regulations shall primarily be aimed at determining the legal, financial, technical and character qualifications of the applicant.

18-537. Franchise Fees.

Each Cable Operator shall pay to the City a Franchise Fee equal to 5% of the Gross Revenues of the Cable Operator. The City reserves the right at any time, upon 90 days' notice to all Cable Operators, to amend this section so as to increase the Franchise Fee to the maximum rate allowable under Federal law, in the event that the maximum rate is increased. It is intended that the Franchise Fees will promote the health, safety and welfare of the citizens of the City. Accordingly, the Franchise Fee shall be deposited into the general revenues of the City, unless otherwise specified.

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- (a) The Franchise Fees may be passed through to Subscribers as a line item on Subscriber bills or otherwise, consistent with Federal law.
- (b) Within 45 days after the end of each Reporting Quarter, a Cable Operator shall file with the City a detailed financial and revenue report showing the Gross Revenues received by the Cable Operator for operations within the City during the preceding Reporting Quarter. The report shall be in a form approved by the City. The report shall include Gross Revenue from all sources upon which a Franchise Fee is payable, directly or indirectly derived from the operation of the Cable System, or the provision of any Cable Service by or to the Cable System. Gross Revenue may be reported in the aggregate by general service type or source.
- (c) In the event that payment is not made within 60 days after the end of a Reporting Quarter, then the Cable Operator may be declared in default of the Franchise, and the City may take action against the Cable Operator as authorized in this Article.
- (d) The acceptance of any payment shall not be construed as a release of, or an accord or satisfaction of, any claim that the City might have for further or additional sums payable under the terms of this Article, or for any other performance or obligation of a Cable Operator.
- (e) Payments of compensation made by a Cable Operator to the City pursuant to this Article shall be considered in addition to any and all taxes of general applicability owed to the City by the Cable Operator that are not included as Franchise Fee under Federal law.
- (f) A Franchise Fee shall not be payable on any Gross Revenue source(s) which are excluded by Federal law.

18-538. Assignment of Franchise.

A Cable Operator's Franchise may not be assigned in whole or in part without the City's prior written approval. For purposes of this paragraph, "Assigned" or "Assignment" shall mean the transfer, sale, or any other form of assignment of a Cable System, to include any transaction or action which effectively or actually changes ownership from one person or Entity to another to include the transfer of 50% or more of the ownership interest of an Entity or the parent of an Entity. Any attempted Assignment without prior written approval shall constitute a default in the Franchise. A proposed Assignment shall be subject to the following:

- (a) At least 120 days before a proposed Assignment is scheduled to become effective, the Cable Operator shall make a written request to the Council for the City's approval of the proposed Assignment.
- (b) The City will not unreasonably withhold its consent to an Assignment. However, in making its determination, the Council may consider the following criteria:

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- (1) qualifications of the proposed assignee;
- (2) financial ability and stability of the proposed assignee;
- (3) the experience of the proposed assignee which may include conducting an investigation of the proposed assignee's service record in other communities;
- (4) legal integrity of the proposed assignee or transferee;
- (5) if requested by the Council, submittals from the proposed assignee concerning any changes it intends to make in the operation and maintenance of the present Cable System;
- (6) the corporate connection, if any, between the Cable Operator and the proposed assignee;
- (7) the economic viability or non-viability of the Cable System in the future, based upon certain factors including the impact of the purchase price on the City and/or the proposed assignee; and
- (8) any other aspect of the proposed assignee's background which could affect the health, safety and welfare of the citizenry of the City as it relates to the operation of the Cable System.

(c) Nothing in this section shall restrict the City from considering other criteria, and in particular, any criteria established under State or Federal law, rule or regulation.

(d) Before an Assignment is approved by the City, the proposed assignee shall sign a statement indicating that it has read, understands, and intends to abide by any existing Franchise agreement.

(e) The City may include certain amendment(s) to the Franchise or this Article as a condition to the Assignment; provided, however, any such amendment(s) shall either (i) be by mutual agreement between the City and the proposed assignee, or (ii) shall not have a material adverse effect on the rights and obligations of the Cable Operator under the Franchise.

(f) In the event of any approved Assignment, the assignee shall assume all obligations and liabilities of the former Cable Operator.

(g) The City's consent to an Assignment shall not relieve the former Cable Operator of its liability under the Franchise agreement until the Assignment actually takes place unless specifically relieved by Federal or State law or by the Council at the time an Assignment is approved. In the event of an Assignment, the former Cable Operator shall remain liable for any Franchise Fees incurred as of the time that the Assignment is effective for the period governed by the applicable statute of limitations.

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(h) If the Cable Operator has provided the City with all information as required by this section or the FCC in a timely manner, and the City has not taken action on the Cable Operator's request for transfer within 120 days after receiving such request, consent by the City shall be deemed given

Consent shall not be required for an Assignment to a wholly-owned subsidiary Entity of a Cable Operator or the current parent Entity of a Cable Operator, whether the ownership is direct or indirect, such as through other wholly-owned intermediate subsidiaries. In addition, consent shall not be required for the granting of a security interest in the Cable Operator's system including its Franchise. However, if the holder of the security interest repossesses, forecloses or takes other action concerning its collateral, it shall dispose of the Cable System within a reasonable period of time and the disposition by the holder of the security interest shall be considered an Assignment subject to the provisions of this section.

18-539. Educational and Governmental Access.

To the extent permitted by law, and in order to fulfill a public, educational and governmental access policy that will facilitate the long range needs of the City, each Cable Operator shall provide at its own expense PEG Channels as follows:

(a) One PEG Channel shall be provided for and under the control of the City. Signal input locations shall be provided at City Hall, the Alliance Police Department and the Alliance School District Headquarters (currently used for City Council meetings).

(b) One PEG Channel shall be provided for and under the control of the Alliance Public School District. One signal input location shall be provided at Alliance High School.

(c) One PEG Channel shall be provided for non-commercial public access programming, which shall be under the control of the City. Signal input locations referred to in (a) shall also be available for this channel.

18-540. Public Service.

A Cable Operator shall furnish, upon request, one outlet for each public school building, municipal office building, public library, fire station, police station and courthouse which is passed by the Cable Operator's Cable System. Basic Cable Service and the next additional Service Tier shall be provided at no charge. An initial connection will be made at no charge with additional connections to be made for the cost of time and materials only. If necessary for a television with a standard digital tuner to receive the service level provided at no charge, then one Converter shall be provided for each such television within these public buildings, up to a maximum of five Converters per building. With respect to this service:

(a) The Cable Service provided pursuant to this section shall not be used for commercial purposes and shall not generally be available for public viewing. The City shall take

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reasonable precautions to prevent any use of the Cable System that results in the inappropriate use or any loss or damage to the Cable System.

(b) The City shall hold the Cable Operator harmless from any and all liability or claims arising out of the provision and use of Cable Service to City buildings.

(c) The Cable Operator shall not be required to provide an outlet to any such building where a standard drop of more than 200 feet is required, unless the City or building owner/occupant agrees to pay the incremental cost of any necessary extension or installation.

18-541. Technical Standards.

(a) The Cable System shall, at a minimum be a 750 MHz Hybrid Fiber-Coax Cable System.

(b) A Cable Operator shall comply with any rules and regulations of the FCC concerning technical operation, signal quality and consumer electronics equipment compatibility. Unless a Cable Operator can demonstrate that it is both technologically and economically unfeasible, programming services shall be delivered by the use of addressable technology allowing Cable Service levels to be changed without the expense (either to the Operator or a Subscriber) of a separate trip or call.

18-542. Default.

When a Cable Operator violates a provision of this Article, or acts so as to compromise the legal, financial or technical integrity and/or stability of the Cable System or the Cable Operator itself, in either case, to a degree that the interests of the Subscribers and Users are negatively affected, then a Cable Operator shall be considered in default of this Article.

(a) Examples of a default shall include, but are not limited to: bankruptcy (except for a reorganization as long as the Cable Operator is in compliance with an approved plan or other court order), insolvency, failure to pay taxes or Franchise Fees, failure to receive written City approval for an Assignment, or failure to substantially abide by the terms and conditions of the Franchise agreement or this Article, to include the failure to operate its Cable System. Events in the nature of force majeure or conditions which cannot be corrected because they are matters beyond the immediate control of the affected Cable Operator shall not be considered a default.

(b) In the event that a default occurs, the City shall provide written notice of the default to the affected Cable Operator. The notice of default shall specify the violation(s).

(c) The Cable Operator shall have 30 days from the receipt of the written notice to bring itself into compliance so that it is no longer in default of its Franchise or this Article, as the case may be; provided, however, if by the nature of default, the default cannot be cured within this 30 day period, the Cable Operator shall initiate reasonable steps to remedy the

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default and notify the City of the steps being taken and the projected date that they will be completed.

(d) If the Cable Operator fails to cure its default within the time period provided for above, the matter shall be set for public hearing before the Council to be held within 75 days after the notice of default was mailed to the Cable Operator. Written notice of the time and place of the public hearing shall be sent to the Cable Operator at least 15 days prior to the date of the hearing.

(e) At the hearing, the Cable Operator shall have an opportunity to state its position on the matter, present evidence and question witnesses. If the Cable Operator fails to attend the hearing where a continuance of the hearing has not been granted by the Council, then the Cable Operator may be declared in default of the Franchise agreement.

(f) If the default has not been resolved by the time of or as a result of the hearing, the Council may, after the public hearing, direct the Cable Operator to take corrective action within a specified period of time, or may declare the Cable Operator in default of the Franchise agreement, and revoke or terminate the Franchise. The Council's action shall be delivered to the Cable Operator in writing within 15 days of the Council's action.

(g) If the Council directs corrective action to be taken and the Cable Operator does not rectify the default within the time specified, then the Council may without further notice declare the Cable Operator to be in default and revoke or terminate the Franchise.

(h) If the Cable Operator fails to comply with any determination by the Council, which determination is not stayed or overturned by order of an appropriate court, then the City shall have any and all remedies available to it by law.

18-543. Removal of Cable System.

(a) In the event of termination or forfeiture of the a Franchise Agreement or abandonment of a Cable Operator's Cable System, the City may require the Cable Operator to remove all or any portion of its Cable System from all Public Ways; provided, however, that the Cable Operator will not be required to remove those portions of its Cable System required to provide telecommunications services or other non-cable service to the extent that the Cable Operator lawfully provides telecommunications services or other non-cable service over the Cable System.

(b) If a Cable Operator has failed to commence removal of its Cable System, or such part as designated by the City, within 120 days after written demand for removal is given, or if the Cable Operator has failed to complete such removal within twelve months after written demand for removal is given, the City may apply funds secured by the Franchise Agreement toward removal.

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18-544. Federal Legislation, Rules and Regulations; Franchise Subject to Amendment.

In addition to any requirements contained within this Article, all Cable Operators shall be expected to comply with all applicable provisions of the Cable Act and all other laws directed at controlling or regulating Cable Operators, and any rules and regulations issued pursuant to those laws. In addition, any Franchise issued pursuant to this Article shall be subject to amendment to incorporate any applicable Federal legislation, rules or regulations which become effective after the date of the Franchise.

18-545. Tampering and unauthorized reception of certain signals.

No person shall intercept or receive, or assist in intercepting or receiving, any communications service offered over a Cable System, unless specifically authorized to do so by a Cable Operator, or as may otherwise be specifically authorized by law.

(a) For purposes of this section, the term “assist in intercepting or receiving” shall include the manufacture or distribution of equipment intended by the manufacturer or distributor for the unauthorized reception of Cable Service.

(b) Without securing permission from a Cable Operator, or making payment to a Cable Operator, then no person shall be authorized to make any connection with any part of a Cable System for the purpose of receiving or intercepting, or assisting others to receive or intercept any Cable Service provided lawfully by a Cable Operator.

(c) No person shall be authorized to willfully tamper with, remove or damage any facilities used for the distribution of Cable Service.

(d) Any violation of this section shall constitute a misdemeanor and upon conviction shall be subject to a fine of up to \$100. Each day that the violation continues shall be considered a separate offense.

18-546. Severability.

The provisions of this Article will be deemed severable, and if any provision of this Article is held illegal, void, or invalid under applicable law, that provision may be changed to the extent reasonably necessary to make the provision legal, valid and binding. If any provision of this Article is held illegal, void or invalid in its entirety, the remaining provisions of this Article will not be affected.

SECTION 2. All ordinances or parts of ordinances passed and approved prior to passage, approval and publication of this ordinance in conflict herewith are now repealed.

SECTION 3. This Ordinance shall be published in pamphlet form, and shall be effective upon its passage and approval.

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Roll call vote on the first reading of Ordinance No. 2797 with the following results:

Ayes: Feldges, Seiler, Yeager, Korber-Gonzalez.

Nays: None.

Motion carried.

- The third reading of Ordinance No. 2790 which will revise the formation of the City's current Community Development Agency in to a Community Redevelopment Agency was the next agenda item before Council. Council was provided with the following background information:

[On June 6, 2015, Council held a discussion concerning the possible formation of a Community Redevelopment Agency (CRA). Since that time, City, BBDC, and legal staff have had several meetings and discussions to vet out the process and proposal.

The documents included in your packet contain a detailed explanation and discussion of the proposed 5-member CRA that will include the three following as ex-officio members of the CRA: the City Finance Director (as treasurer), the City Manager (as secretary) and the BBDC Director (as administrator). The packet includes the following:

1. CRA Implementation Plan
2. Nebraska Planning Handbook – Creating a CRA
3. CRA Attorney Comments Power Point
4. CRA Q&A's
5. Nebraska State Community Development Law §18-2101 through §18-2154.
6. Implementation by Other Cities

The second page of this document is the narrative provided for the June 2, 2015 Council discussion.

This ordinance was approved on first reading on November 3rd and on second reading on November 17th and is now before Council on final reading.

BACKGROUND & INFORMATION PREVIOUSLY PROVIDED – 6/2/2015

Members of Box Butte Development Corporation will be present to discuss ideas concerning the creation of a Community Redevelopment Agency (CRA) structure for the handling of Tax Increment Financing (TIF) initiatives.

Currently the City utilizes a "CDA" (Community Development Agency) Structure.

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The CRA actually represents what one might consider a more aggressive economic structure in that a separate board of individuals – appointed by City Council – to serve to prepare and recommend Redevelopment Plans to the City Council.

The current system is awkward at best with the City Council serving as the CDA. As such, when a redevelopment plan is to be considered, the following must take place:

1. Council convenes a City Council meeting;
2. Council adjourns the City Council meeting and opens a CDA meeting;
3. Council serving as the CDA conducts a public hearing and takes action on the application to send a recommendation to City Council;
4. Council serving as the CDA then adjourns the CDA meeting;
5. Council then reconvenes as City Council;
6. Council then hears the recommendation that the CDA just made;
7. Council considers the redevelopment plan and the CDA recommendation;
8. Council takes action on the redevelopment plan.

Clearly, the City Council convening and reconvening as well as making a recommendation to itself would not constitute a “best practice.” Instead, having the CDA function similar to other City boards, such as the Planning Commission that takes up matters, considers and then recommends to City Council would be a much better practice.

There are considerations which will need to be taken under advisement in setting up a CRA, some of which include: transferring of some authority/control from Council to the CRA; Council could fund the CRA through the budgeting process; CRA in turn chooses how to allocate the City Council-approved budgeted funds (as provided by State Statutes) to carryout community development law with such things as façade improvement program, purchase of property, demolition of dilapidated properties, etc.

Staff believes the CRA to be an improvement over the existing CDA structure. Additionally, the authority/control transfer issue is mitigated and checked by the budgeting process as well as the economic development improvements gained outweigh desires for control.]

A motion was made by Councilman Seiler, seconded by Councilman Feldges to approve the third reading of Ordinance No. 2790 which Acting Clerk Krejci read by title and follows in its entirety.

ORDINANCE NO. 2790

AN ORDINANCE OF THE CITY OF ALLIANCE, NEBRASKA, AMENDING THE ALLIANCE MUNICIPAL CODE TO PROVIDE FOR A COMMUNITY REDEVELOPMENT AUTHORITY AND REPEALING A PRIOR SECTION.

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BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF ALLIANCE, NEBRASKA:

SECTION 1. Chapter 2, Article VI of the Alliance Municipal Code is amended to add the following new Division:

DIVISION 6
COMMUNITY REDEVELOPMENT AUTHORITY

Sec. 2-340. COMMUNITY REDEVELOPMENT AUTHORITY; CREATION.

The Community Redevelopment Authority of the City of Alliance, Nebraska is created, pursuant to the provisions of Neb. Rev. Stat. §18-2102.01.

Sec. 2-341. MEMBERS.

The Authority shall be made up of five persons. The initial Members of the Authority shall be appointed by the Mayor with the approval of the City Council. The terms of office of the initial Members shall be for one year, two years, three years, four years, and five years, as designated by the Mayor. As the terms of the initial Members expire, the City Manager shall appoint or reappoint the Members with the approval of the City Council for five year terms, unless a vacancy is being filled, in which case the appointment shall be for the remainder of the term of the Member being replaced. There shall be no limit on the number of terms for which a Member can be reappointed. Three Members shall constitute a quorum for the transaction of business.

Sec. 2-342. OFFICERS.

The Authority shall organize by electing one of the Members as Chairperson of the Authority, and another of its Members as Vice Chairperson.

Sec. 2-343. RULES AND RECORDS.

The Authority shall adopt rules for the transaction of its business and shall keep a record of its resolutions, transactions, findings and determinations, which records shall be made available for public inspection during regular business hours. No member of the Authority shall have any interest directly or indirectly in any contract for property, materials, or services to be required by the Authority.

Sec. 2-344. DIRECTOR.

The City Manager, or his designated representative shall serve as the Director, and Ex Officio Secretary of the Authority. The Director shall perform such duties as may be assigned by the Authority, including the necessary administrative functions described in the statutes under which the Authority has been created.

Sec. 2-345. FUNDS.

If budgeted by the City Council, the Authority may levy a tax in an amount not to exceed the levy permitted by state law. All income, revenue, profits and other funds received by the Authority shall be deposited with the City Treasurer as Ex Officio Treasurer of the Authority without commingling such money with any other money under his or her control and disbursed

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by him or her by check or draft only upon warrants, orders or requisitions by the Chairperson of the Authority or other person authorized by the Authority, which shall state distinctly the purpose for which the same are drawn. A permanent record shall be kept by the Authority of all warrants, orders or requisitions so drawn, showing the date, amount, consideration and to whom payable.

Sec. 2-346. COMMUNITY DEVELOPMENT LAW.

The Authority shall be vested with all the powers, duties and responsibilities provided for in the Community Development Law, Neb. Rev. Stat. §§ 18-2101, et seq.

SECTION 2. All ordinances, parts of ordinances, resolutions, and policies of the City of Alliance in conflict with the revisions set forth in this Ordinance are repealed.

SECTION 3. This ordinance shall be in full force and effect from and after its approval, passage, and publication according to law.

Roll call vote on the final reading of amended Ordinance No. 2790 with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Seiler, Feldges.

Voting Nay: None.

Motion carried.

Mayor Yeager stated, "the passage and adoption of Ordinance No. 2790 has been concurred by a majority of all members elected to the Council, I declare it passed, adopted and order it published."

- A Public Hearing on the Economic Development Plan Citizen's Advisory Board's Report to the City Council was the next agenda item. Following the Public Hearing, Council will consider Resolution No. 15-119 which will accept the report as provided. Council was provided with the following Project Summary:

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CITY OF ALLIANCE
LBB40 Project Summary
September 30, 2015

Note Date	Company Name	New/ Retain FTE	Total Project	Requested Funding	Manager Recommended	Award Amount	% Funded	Max. Forgiven	% Forgiven	Term	Rate	Status	Current Balance
04/06/05	Vitalik, Inc.	9	590,000	n/a	n/a	125,000	21%	125,000	100%	10 yr	NYP-1%	Completed	N/A
09/27/06	Perrin Manufacturing, Inc.	10	700,000	n/a	n/a	150,000	21%	150,000	100%	10 yr	NYP-1%	Completed	N/A
11/13/06	Nebraska Transport Co., Inc.	10	165,000	80,000	n/a	150,000	91%	50,000	33%	8 yr	1.50%	In Progress	50,000.00
09/30/08	Iridako LTD	10	665,000	165,000	n/a	200,000	30%	100,000	50%	10 yr	1.50%	In Progress	142,500.00
05/02/12	Grossman Trailer	5	285,000	100,000	100,000	100,000	35%	50,000	50%	7 yr	1.50%	In Progress	77,499.32
01/09/13	Box Butte Development Corp.	n/a	75,000	75,000	75,000	75,000	100%	-	0%	1 yr	0.00%	In Progress	75,000.00
06/14/13	Box Butte Development Corp.	n/a	572,400	572,400	572,400	286,200	50%	-	0%	7 yr	0.00%	In Progress	286,200.00
07/08/14	Prairie Sky Seed	5	6,700,000	250,000	40,000	125,000	7%	50,000	40%	10 yr	1.50%	In Progress	117,146.91
09/30/15	Totals		9,752,400	1,242,400	787,400	1,211,200	12%	525,000	43%				748,346.23

Notes: Box Butte Development Corp. terms are the earlier of sale of real estate or term listed.
Nebraska Transport Co. loan of \$40,000 will be forgiven following timely payment of \$10,000 plus interest in December 2015.
Current available cash balance prior to allocated cash interest as of the indicated date is \$540,965.06.



Mayor Yeager stated “now is the date, time, and place to conduct a Public Hearing to hear support, opposition, criticism, suggestions, or observations of the taxpayers relating to the Economic Development Plan Citizen Advisory Board Report and opened the public hearing at 7:52 p.m.

Hearing no testimony, the Public Hearing closed at 7:52 p.m.

A motion was made by Councilman Yeager, seconded by Councilman Korber-Gonzalez to approve Resolution No. 15-119 which follows in its entirety:

RESOLUTION NO. 15-119

WHEREAS, In 2001 the citizens of Alliance approved an Economic Development Plan pursuant to the Local Option Municipal Economic Development Act; and

WHEREAS, The City of Alliance established an Economic Development Plan Citizen Advisory Board pursuant to State Statutes; and

WHEREAS, The Economic Development Plan Citizen Advisory Board reviews the function and the progress of the economic development program and reports their findings and suggestions to the Alliance City Council; and

WHEREAS, The Economic Development Plan Citizen Advisory Board has prepared a report for the City Council’s review and consideration.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the Report of the Economic Development Plan Citizen Advisory Board dated November 5, 2015 is hereby accepted.

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Roll call vote with the following results:

Ayes: Feldges, Yeager, Korber-Gonzalez, Seiler.

Nays: None.

Motion carried.

- The next items before Council were Resolution Nos. 15-120 and 15-121 regarding Economic Development Loan Extensions. Council was provided with the following background information:

[The two Economic Development Plan Committees (Citizen Advisory and Application Review) met on Thursday, November 5 to review the status of the six LB 840 loans. Two of the loans are presently not in full compliance with the current terms and staff recommended to the Committees the actions detailed below with the Committees both voting to forward the modifications to Council for approval.

- Tridako was unable to meet the employment requirements set forth by the terms of their LB840 agreement for \$100,000 of their loan package to be forgivable. Both Economic Development Plan Committees reviewed three repayment options and recommended a blended payment plan including the remaining \$40,000 unforgivable balance (at 1.5%) and the \$100,000 forgivable loan (at Wallstreet Journal Prime plus 1%, or 4.25%) along with accrued and unpaid interest. The equal payments of \$5,281.95 would be scheduled over the next eight years (32 quarterly payments) making the final payment four years beyond the present maturity date. A late payment fee of 10% of the quarterly payment would be payable if the payment is more than 30 days past the due date. A new loan (including an amortization schedule) has been prepared in accordance with recommended payment terms.
- A \$75,000 loan to Box Butte Development Corporation (BBDC) included a one-year maturity date as the sale of land and repayment appeared imminent at the time of the advance. Unfortunately, the sale of the land has not occurred and the EDP Committees both recommended extending the due date to June 14, 2018 to coincide with the other larger loan (\$286,200) to BBDC. An amendment to the original note has been prepared to extend the repayment. The provision requiring the loan to repaid upon sale of the property remains in effect.

The Economic Development Plan Application Review Committee also considered a subordination agreement request from Farmers State Bank in regard to the Tridako LB 840 loans. Tridako and its related interests and principals have refinanced their debt with the result being that the City of Alliance is now in first

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position on the business real estate with a relatively small debt remaining. The Committee recommended that the City subordinate their position to Farmers State Bank up to a \$2 million maximum in order to retain a first security interest in the remaining real estate value which was recently appraised for \$2,225,000.

A LB 840 Project Summary as of September 30, 2015 is also attached for the Council's reference.]

A motion was made by Councilman Korber-Gonzalez, seconded by Councilman Seiler to approve Resolution No. 15-120 which follows in its entirety:

RESOLUTION NO. 15-120

WHEREAS, The City of Alliance entered into an Economic Development Assistance Agreement with Tridako, Ltd., Perrin Manufacturing, Inc., and Dan A. Koch and Patricia L. Koch on September 30, 2008; and

WHEREAS, The Agreement provided for two funding arrangements; the first was a non-forgivable loan in the amount of \$100,000 and the second was a forgivable grant in the amount of \$100,000 which was based on employment numbers; and

WHEREAS, The employment expectations were not reached as required by the Economic Development Assistance Agreement and repayment of the grant is required; and

WHEREAS, The Economic Development Plan Citizen Advisory Board and Application Review Committee have recommended the repayment of the grant using a blended payment plan resulting in 32 quarterly payments of \$5,281.95 over the next eight years and providing for a late payment fee; and

WHEREAS, Along with the loan repayments, Farmers State Bank has requested the City enter into a Subordination Agreement on behalf of Tridako, Ltd./Perrin Manufacturing, Inc. to provide first security interest for the outstanding loans; and

WHEREAS, The Economic Development Plan Application Review Committee has recommended the subordinating of up to \$2,000,000 to Farmers State Bank.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the City of Alliance will accept a new Promissory Note from Tridako, Ltd. in the amount of \$148,012.74 for the repayment of economic development loans as required by the Economic Development Assistance Agreement.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the Subordination Agreement with Farmers State Bank up to a \$2,000,000 maximum in order to retain a first security interest in the remaining real estate value which as recently appraised for \$2,225,000.

Roll call vote with the following results:

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Ayes: Feldges, Yeager, Korber-Gonzalez, Seiler.

Nays: None.

Motion carried.

A motion was made by Councilman Korber-Gonzalez, seconded by Councilman Seiler to approve Resolution No. 15-121 which follows in its entirety:

RESOLUTION NO. 15-121

WHEREAS, The City of Alliance entered into an Economic Development Assistance Agreement with Box Butte Development Corporation for the purchase of land on December 20, 2012; and

WHEREAS, The Agreement provided for the repayment of the \$75,000 loan to be made upon the earlier of the sale of the real estate or within one year of closing; and

WHEREAS, Box Butte Development Corporation has requested an extension for the repayment of the loan as the real estate has not sold; and

WHEREAS, The Economic Development Plan Citizen Advisory Board has recommended the loan be extended until the real estate is sold or June 14, 2018, whichever is earlier.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the repayment of the \$75,000 loan by Box Butte Development Corporation as required by the Economic Development Assistance Agreement is deferred until the real estate is sold or June 14, 2018, whichever is earlier.

Roll call vote with the following results:

Ayes: Feldges, Yeager, Korber-Gonzalez, Seiler.

Nays: None.

Motion carried.

- Resolution No. 15-109 which will authorize the City to enter into an Inter-Governmental Agreement with the Nebraska Department of Environmental Quality was the next agenda item. Council was provided with the following information:

[The City Council approved Resolution 14-71 at the June 3, 2014 meeting which authorized submittal of a Clean Lakes grant toward a Laing Lake renovation project and the use of Council Contingency funds in the amount of \$40,000 to

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fund the required preliminary work necessary for the grant application. (Actual cost of the preliminary work was \$44,272 with \$37,572 paid by the City.)

Representatives of LakeTech and City Staff discussed potential options and solicited input at the July 15, 2014 Council meeting. The Council then approved a resolution at the August 19, 2014 which authorized Staff to apply for grant funding of \$255,000 from the Nebraska Environmental Trust (NET) and \$90,400 from the Nebraska Department of Environmental Quality. Additional funding of \$14,000 is still anticipated from Upper Niobrara White Natural Resource District (UNWNRD) for site seeding.

Primary project components include: 1) re-shaping the current lake, 2) increasing mean depth, 3) improving fill lines, 4) enhancing access, 5) water source acquisition, and 6) shoreline improvements. Estimates for the construction phase of the project are at \$391,000 with the NET grant approved at \$255,000 and the NDEQ grant at \$85,000. There is \$390,000 included in the 2015-16 capital budget for the project.

After approval and processing of the Interlocal Agreement, the Council will then be presented with the modification of the engineering contract with EA Engineering, Science and Technology, PBC of Lincoln, NE for construction phase services in the amount of \$57,000 (as included in the original proposal). It is anticipated that the project will be let for bids in March with actual construction between June and July in 2016.

Staff is working with engineers on the development and installation of a well to allow the City to supply water for regular filling and water quality control in Laing Lake. The process will continue once grant documents are executed.]

A motion was made by Councilman Seiler, seconded by Councilman Feldges to approve Resolution No. 15-109 which follows in its entirety:

RESOLUTION NO. 15-109

WHEREAS, The City of Alliance submitted Grant Applications with the Nebraska Environmental Trust Fund (NET) and the Nebraska Department of Environmental Quality (NDEQ) for a Clean Lakes Grant for the Laing Lake Renovation Project; and

WHEREAS, The City of Alliance has received notice that we have been successful in our efforts and the grants have been awarded; and

WHEREAS, The Nebraska Department of Environmental Quality has forwarded an Inter-Governmental Agreement for the Laing Lake Improvement Project No. 56-1451 which awards the City \$340,000; of which \$85,000 is from the NDEQ 319 Program and \$255,000 is from a grant awarded to NDEQ from NET.

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NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, to authorize Mayor Yeager to accept the grant and sign the Inter-Governmental Agreement with the Nebraska Department of Environmental Quality.

Roll call vote with the following results:

Ayes: Feldges, Yeager, Korber-Gonzalez, Seiler.

Nays: None.

Motion carried.

- The final agenda items were Board appointments and the announcement of the current Board vacancies.

Councilman Seiler announced the City has the following openings at this time: two vacancies on the Board of Adjustment; three vacancies on the A-1 Downtown Improvement Board; three vacancies on the A-2 Downtown Improvement Board; one vacancy on the Alliance Housing Authority, two youth ex-officio positions on the Library Board, and a Hispanic representative on the Police Advisory Board.

At the end of the year we will also have term(s) expiring on the Economic Development Plan Citizen Advisory Board, Housing Authority, Planning Commission and a homemaker, social services, business, and Native American representatives on the Police Advisory Board.

Anyone interested in serving on these Boards should contact the City Clerk's Office. Information on all of the City Boards is also available on our web site, www.cityofalliance.net.

A motion was made by Councilman Feldges, seconded by Councilman Seiler to appoint Patricia Johnston to the A-1 Downtown Improvement Board with a term to expire October 31, 2018.

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Seiler, Korber-Gonzalez.

Voting Nay: None.

Motion carried.

A motion was made by Feldges, seconded by Councilman Seiler to appoint Kathryn Worley to the A-2 Downtown Improvement Board with a term to expire October 31, 2018.

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Seiler, Korber-Gonzalez.

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Voting Nay: None.

Motion carried.

Councilman Korber-Gonzalez states Ms. Worley is willing to serve on both the A-1 and A-2 Downtown Improvement Boards, therefore, she makes a motion to also appoint Kathryn Worley to the A-1 Downtown Improvement District Board with a term to expire October 31, 2018. The motion was seconded by Councilman Feldges.

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Seiler, Korber-Gonzalez.

Voting Nay: None.

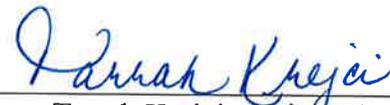
Motion carried.

- Mayor Yeager stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 8:07 p.m."



Ralph Yeager, Mayor

(SEAL)



Tarrah Krejci, Acting City Clerk