

BOARD OF COUNTY COMMISSIONERS, SARPY COUNTY, NEBRASKA

A RESOLUTION AUTHORIZING CHAIR TO EXECUTE THE APPLICATION DOCUMENTS FOR THE APPLICATION OF A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FOR SERGEANT'S PET CARE PRODUCTS, INC.

WHEREAS, pursuant to Neb. Rev. Stat. § 23-104 (Reissue 2007), the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. § 23-103 (Reissue 2007), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, Sergeant's Pet Care Products, Inc. has applied for use of \$505,000 of the Community Development Black Grant (CDBG) Economic Development funds to be used to fund installation of machinery and equipment for the relocation of Sergeant's Pet Care Products, Inc. as stated in the CDBG Application for Economic Development Category (Application), which Application is attached hereto and incorporated by reference; and,

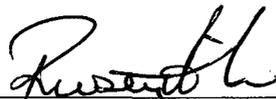
WHEREAS, installation of machinery and equipment is an eligible activity under the CDBG Economic Development Category and further such activity and relocation of Sergeant's Pet Care Products, Inc. to Sarpy County will be of benefit for the County; and,

WHEREAS, a public hearing was held to receive input from the public on the Application on January 24, 2012; and,

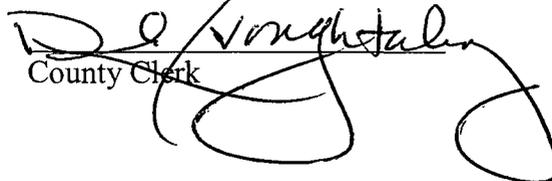
WHEREAS, it is the decision of this board that the execution of the attached Application for CDBG Economic Development, for the reasons recited therein, is in the best interests of the citizens of Sarpy County.

NOW THEREFORE, BE IT RESOLVED BY THE SARPY COUNTY BOARD OF COMMISSIONERS THAT the attached Community Development Block Grant (CDBG) Application for Economic Development is hereby approved, and that the Chairman is hereby authorized to sign the application and all associated documents therein.

The above Resolution was approved by a vote of the Sarpy County Board of Commissioners at a public meeting duly held in accordance with applicable law on the 24th day of January, 2012.


Sarpy County Board Chairman

Attest
SEAL



County Clerk

Sarpy County Board of Commissioners

1210 GOLDEN GATE DRIVE
PAPILLION, NE 68046-2895
593-4155

www.sarpy.com

ADMINISTRATOR Mark Wayne

DEPUTY ADMINISTRATOR Scott Bovick

FISCAL ADMIN./PURCHASING AGT. Brian Hanson



COMMISSIONERS

Rusty Hike District 1
Jim Thompson District 2
Tom Richards District 3
Jim Nekuda District 4
Jim Warren District 5

MEMO

January 24, 2012

TO: Sarpy County Board of Commissioners

FROM: Scott Bovick, Deputy County Administrator

RE: \$505,000 Community Development Block Grant (CDBG) for Sergeant's Pet Care Products located at 134th and Cornhusker Road

Jake Hansen from MAPA has been assisting Sergeant's Pet Care Products obtain a CDBG grant from the State of Nebraska Department of Economic Development (NDED) to establish a pet care product manufacturing and office operation in an existing facility near 134th and Cornhusker Road. While the State of Nebraska is providing all the funds for the project, Sarpy County serves as the local pass through agency for the funds and is responsible for 1) holding a public hearing, 2) approving the grant application, and 3) having the required CDBG policies on file.

At the January 24, 2012 meeting the Board will be asked to approve the following Resolutions:

1. Resolution to approve CDBG program policies, consisting of:
 - a. Excessive Force Policy
 - b. Procurement Procedures and Code of Conduct
 - c. Residential Anti-Displacement and Relocation Assistance Plan (RARA)
 - d. Citizen Participation Plan
 - e. Fair Housing Policy
 - f. Financial Management Certification
2. Resolution authorizing the Chair to execute the CDBG Application and grant documents

A public hearing must be held before the Board can approve the Application. Jake Hansen will be present at the meeting to introduce the project and respond to any questions the Board or the public may have.

Please feel free to contact me if you have any questions. Thank you.



Scott Bovick, Deputy County Administrator

Cc: Deb Houghtaling, Mark Wayne, Brian Hanson, Jake Hansen, Lisa Haire, Nicole O'Keefe

**APPLICATION FOR ECONOMIC DEVELOPMENT CATEGORY
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
Nebraska Department of Economic Development (DED)**

DED USE ONLY
Application Number 11-ED-004
Date Received

2011

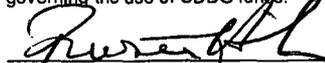
PART I. GENERAL INFORMATION

TYPE OR PRINT ALL INFORMATION

1. APPLICANT IDENTIFICATION Applicant Name: <u>Sarpy County</u> Address: <u>1210 Golden Gate Drive</u> City: <u>Papillion</u> State: <u>NE</u> Zip: <u>68046</u> Local Government Contact: <u>Mark Wayne</u> Phone: <u>402-593-2347</u> Fax: <u>402-593-4304</u> Email: <u>markw@sarpy.com</u> Federal Tax ID Number: <u>47-6006504</u> Duns # (Local Government): <u>078008018</u>	2. APPLICATION PREPARER INFORMATION Name: <u>Jake Hansen</u> Address: <u>MAPA; 2222 Cuming</u> City: <u>Omaha</u> State: <u>NE</u> Zip: <u>68102</u> Phone: <u>(402) 444-6866 x226</u> Email: <u>jhansen@mapacog.org</u> Federal Tax ID #/SSN#: <u>47-0522862</u> Application Preparer (check one) <input type="checkbox"/> Local Staff <input type="checkbox"/> Out-of-State Consultant <input type="checkbox"/> In-State Consultant <input type="checkbox"/> Non-Profit Organization <input checked="" type="checkbox"/> Economic Development District <input type="checkbox"/> DED Staff
3. DEVELOPMENT CATEGORY <input checked="" type="checkbox"/> Direct Loan <input type="checkbox"/> Job Training <input type="checkbox"/> Spec Building/Park <input type="checkbox"/> Public Works/Infrastructure <input type="checkbox"/> Entrepreneur Development	5. FUNDING SOURCES CDBG Funds Requested: <u>\$505,000</u> Matching Funds: <u>\$7,000,000</u> Other Funds: <u>\$0</u> Total Project Funds: <u>\$7,505,000</u> <i>(round amounts to the nearest hundred dollars)</i>
4. APPLICATION TYPE <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Joint	

6. PROGRAM SUMMARY: Brief narrative description of the project for which CDBG funds are requested:
Sergeant Pet Care Products is proposing to occupy a building located at 10067 South 134th Street for the purpose of manufacturing several pet products, including flea & tick treatments, pet shampoos, and pet toothpaste. Activities for which federal funds would be utilized include installation of machinery and equipment in the facility. The subject site encompasses approximately 9.73 acres and the building to be acquired occupies 131,150 square feet. The legal description for the subject property is Lot 3, Hilltop Industrial Park Replat 1, Sarpy County, Nebraska.

7. CERTIFYING OFFICIAL: Chief elected officer of local government requesting CDBG funds
 To the best of my knowledge and belief, data and information in this application are true and correct, including any commitment of local or other resources. This application has been duly authorized by the governing body of the applicant following an official public hearing. This applicant will comply with all Federal and state requirements governing the use of CDBG funds.

	Rusty Hike, Chair	1/24/12
Signature in ink	Typed Name and Title	Date Signed
	Deb Houghtaling, Clerk	1/24/12
Attest	Typed Name and Title	Date Signed

SUBMIT THE ORIGINAL OF THE ENTIRE APPLICATION (no additional copies are required) TO:
 Nebraska Department of Economic Development
 Division of Community and Rural Development
 PO Box 94666 - 301 Centennial Mall South
 Lincoln, NE 68509-4666
 (800)426-6505 Fax (402) 471-8405

Individuals who are hearing and/or speech impaired and have a TDD, may contact the Department through the Statewide Relay system by calling (800) 833-7352 (TDD). The relay operator should be asked to call DED at (800) 426-6505 or 402-471-3119.

PART II. FUNDING SUMMARY

(Round amounts to the nearest hundred dollars.)

Activity Code	CDBG Funds	Matching Funds	Other Funds	Total Funds	Sources of Matching or Other Funds
0010 Acquisition					
0020 Planning ¹					
0070 Public Fac. & Improvements					
0230 Streets					
0250 Storm Sewers					
0270 Sanitary Sewers					
0290 Sewage Treatment					
0310 Water Source/Well					
0330 Water Distribution					
0350 Water Storage					
0370 Flood & Drainage Facilities					
0600 ED Infrastructure Development					
0690 Fixed Assets / Land and Building					
0691 Speculative Building / Park					
0700 Direct Financial Assistance to For-Profit Biz	\$0	\$4,400,000	\$0	\$4,400,000	Sargent Pet Care, Bank of the West
0710 Job Training					
0730 Working Capital					
0750 Fixed Assets / Machinery & Equipment	\$500,000	\$2,600,000	\$0	\$3,100,000	Bank of the West
0770 Fixed Assets / Leaseholds Improvements					
0780 Entrepreneur Development					
0791 Microenterprise Lending					
0181 General Administration	\$5,000	\$0	\$0	\$5,000	NA
1000 TOTAL PROGRAM COSTS	\$505,000	\$7,000,000	\$0	\$7,505,000	

¹ Only allowable as an Activity when associated with a Speculative Park/Data Center project.

Exhibit A

Participation Identification and Project Summary

1. Name of Business Sergeant Pet Care Products, Inc.

Address 2625 South 158th Plaza
Omaha NE 68130
(City) (Zip)
Telephone No. (402) 938-7020
Fax No. (402) 938-7092

Contact Person: Joseph Connealy, CFO
DUNS Number (Business) 876995171

3. Business Type

- Start-Up
- Existing
- Business Buy-Out
- Spec Building / Park

2. Business Organization

- Proprietorship
- Partnership
- Corporation
- Other

4. Business Classification

- Administrative Technology
- Management Headquarters Tourism
- Manufacturing Transportation
- Retail
- Service Warehouse/Distribution

5. Project Location:

- Within the City Limits of (Name of City) _____
- Outside the City Limits, but within the Zoning Jurisdiction of (Name and City) LaVista, NE
- Outside the Zoning Jurisdiction of (Name of City) _____ in (County) _____
- Located in county (not in incorporated areas.) _____

Zoning Action Required? Yes No Project in 100 yr. floodplain? Yes No

- If zoning action is required, please attach an explanation.
- Attach a legal description of the project's location.
- Attach a map of the applicant's jurisdiction, identifying the areas in which the project activity will occur.

6. Ownership Identification

A. Name	%
<u>Jim Sowell</u>	<u>66</u>
<u>Steven Smather</u>	<u>10</u>
<u>Bob Scharf</u>	<u>10</u>
<u>Alan Brown</u>	<u>5</u>
<u>Safeton Trust</u>	<u>3</u>

B. Percentage of Company Owned by:

Women 0 %
Minorities 0 %
Disabled Persons 0 %

7. Affiliated Businesses

- A. Does the Company have a Parent or Subsidiary? Yes No
If Yes, Identify List of Subsidiaries is attached to following page.
- B. Do the Owners of the Company have an Ownership interest in any Other Company? Yes No
If Yes to Either A or B Identify Below:

Company Name **Relationship** **% Owned**

List of Subsidiaries Attached.

Exhibit B

PROJECT FINANCING AND USE OF LOAN PROCEEDS

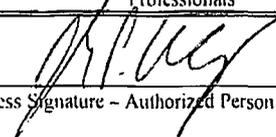
I. Project Financing	Amount	Percent Project Cost	Annual Debt Service	Maturity	Interest Rate	Lien Position
1. CDBG Share of Project Cost	\$505,000	7.2%	\$50,000	5 years	0% (250K) Forgivable (250k)	1 st - equipment
2. Private Sector Financial Institution	\$6,520,000	85.9%	Variable- Line of Credit	3/1/2013	3.796%	1 st - building/ inventory
Other (Identify)	\$		\$			
Total Private Sector Financing	\$		\$			
3. Other Federal Sources	\$		\$			
4. Equity Injection	\$480,000	6.9%	\$			
5. TOTAL PROJECT FINANCING	\$7,505,000	100%	\$			

Job Creation / Retention Information

1. Total full time equivalent positions as of 12/1/2011 72
(date)
2. Total new full time equivalent positions being created from the project which will be filled for one year or longer. 58
3. The total number of retained FTEs that will result from the project for which notification of lay-off or termination has occurred, or is apt to occur (provide explanation) if the project is not carried out. Classify retained FTEs as follows: 0
 - a. Total jobs known to be currently held by LMI people. For each employee, submit the Employee Certification Form or _____
 - b. Total number of jobs that can reasonably be expected to become available through turnover to LMI persons within a two year period from an award of CDBG funds. The number of jobs should be based upon the historical turnover rate for each of the past two years converted to FTE positions. _____
4. (For seasonal hiring only). Total new full time equivalent positions being created from the project which will be filled for 3 months or longer. 0
5. Provide a job description for each new position. Complete all information for each job title and identify the number of positions to be created. (Use the attached list for job titles) Projected list below
6. Describe training and recruitment opportunities that would make the retained jobs available to LMI persons. All CDBG funded projects may use Nebraska Workforce Development for their recruiting of new employees to assist in the documentation of first consideration being given to low and moderate income persons. Nebraska Workforce Development will obtain and keep on file for verification the necessary information about the person to determine low and moderate income status. The distance from residence and availability of transportation to the employment site should also be considered in determining whether a particular low and moderate income person can seriously be considered an applicant for the job.
7. Complete the projected hiring schedule for positions expected to become available through turnover.

Job Descriptions

No. of FTE Positions	Job Title	Skills (describe)	Education (indicate HS education, specialized training, 4-yr degree, other)	Experience (Yrs.)	Wage/Salary	Benefit Package
<u>Created</u>	<u>Retained</u>					
5	Craft- Semi-Skilled	Line Leader	HS Education	0	\$ 10.50	Benefits for all positions include health insurance, 401K, vacation, sick leave, etc.
2	Craft- Semi-Skilled	Forklift Operator	HS Education	0	\$ 10.50	
3	Craft- Skilled	QA Auditor	HS Education	1	\$ 11.50	
1	Craft- Skilled	QA Coordinator	HS Education	3	\$ 15.00	
4	Craft- Skilled	Maintenance Tech	HS Education	1	\$ 21.00	
5	Craft- Skilled	Machine Operator	HS Education	0	\$ 11.50	
3	Craft- Skilled	Production Supervisor	HS Education	2	\$ 19.81	
1	Craft- Skilled	Team Leader Chemical	HS Education	2	\$ 13.05	
7	Laborer	Packer	HS Education	0	\$ 10.15	
2	Sales	Customer Service Rep.	HS Education	0	\$ 14.31	
3	Technicians	Lab Technician	BS Degree	0	\$ 17.50	
3	Technicians	Regulatory Specialist	BS Degree	2	\$ 19.23	
1	Technicians	Intl. Reg. Specialist	BS Degree	2	\$ 21.63	
1	Technicians	Lab Manager	BS Degree	5	\$ 32.69	
1	Officials	Quality Manager	BS Degree	5+	\$ 29.33	
1	Officials	Plant Manager	BS Degree	5+	\$ 37.50	
1	Office/Clerical	HR Generalist	BS Degree	1	\$ 21.63	
3	Office/Clerical	Accountant/Analyst	Assoc. Degree	0	\$ 19.23	
1	Office/Clerical	Admin. Services Spcc	Assoc. Degree	1	\$ 18.27	
3	Professionals	Category Manager Asst.	BS Degree	0	\$ 16.83	
2	Professionals	Food Scientist	BS Degree	3	\$ 28.85	
1	Professionals	Purchasing Assistant	BS Degree	0	\$ 17.31	
1	Professionals	Programmer	BS Degree	2	\$ 36.06	
1	Professionals	Asst. Purchasing Mgr.	BS Degree	0	\$ 24.04	
2	Professionals	Network & Systems Eng.	BS Degree	3	\$ 31.25	


 Business Signature - Authorized Person
 Joseph Connealy, CFO
 Typed Name and Title

1-10-12
 Date

**STATE OF NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM INCOME CERTIFICATION**

Applicants are required to commit all available CDBG Local Program Income to a project, provided funds have not been committed to an already approved local project. The Department reserves the right to reduce additional CDBG program funds based on the amount of local program income funds available.

III. RLF Reconciliation	
1) Beginning Balance (account balance to date):	\$0
2) Total Committed Funds Not Yet Disbursed (*see below)	(-) \$0
3) Uncommitted Funds on Hand	(=) \$0

* RLF Loans/Grants Committed but not yet disbursed				
Recipient	Loan/Grant	Description	\$ Amount	Date of Commitment

Note: for each loan/grant committed but not yet disbursed, include supporting documentation, such as application approval or minutes from board meetings from the City or Village, showing approval of program income funds to be used for the project.

I certify that to the best of my knowledge and belief the information contained in this report is true and correct.


Rusty Hike,
Chairman

1/24/12

Name/Title of Certifying Officer
Signature
Date

Sarpy County Board of Commissioners

1210 GOLDEN GATE DRIVE
PAPILLION, NE 68046-2895
593-4155

www.sarpy.com

ADMINISTRATOR Mark Wayne

DEPUTY ADMINISTRATOR Scott Bovick

FISCAL ADMIN./PURCHASING AGT. Brian Hanson



COMMISSIONERS

Rusty Hike District 1
Jim Thompson District 2
Tom Richards District 3
Jim Nekuda District 4
Jim Warren District 5

EXHIBIT D

APPLICANT'S STATEMENT OF ASSURANCES AND CERTIFICATIONS

Sarpy County, Nebraska (Applicant) hereby assures and certifies to the Nebraska Department of Economic Development (the Department) regarding an application for Community Development Block Grant (CDBG) funds, the following:

LOCAL GOVERNMENT CERTIFICATIONS

1. It has previously adopted, on **January 24, 2012**, an **Excessive Force Policy** which remains in effect.
2. It has previously adopted, on **January 24, 2012**, a **Code of Conduct** which remains in effect.
3. It has previously adopted, on **January 24, 2012**, **Procurement Procedures** which remains in effect.
4. It has previously adopted, on **January 24, 2012**, a **Residential Anti-displacement and Relocation Assistance Plan** which remains in effect.
5. It has previously adopted, on **January 24, 2012**, a **Citizen Participation Plan** which remains in effect. The adopted Citizen Participation Plan contains substantially similar language as the sample plan in these guidelines.
6. It has previously adopted, on **January 24, 2012**, and continues to pursue **Fair Housing Practices** which remains in effect.
7. It has previously furnished to the department a **Financial Management Certification** dated **January 24, 2012**, which remains accurate.
8. There are no significant unresolved audit findings relating to any prior grant award from the federal and/or state government which would adversely affect the administration of this grant.
9. No legal actions are underway or being contemplated that would significantly impact the Applicant's capacity to effectively administer the program, and to fulfill the CDBG program; and
10. No project costs have been incurred which have not been approved in writing by the Department.

FEDERAL COMPLIANCE CERTIFICATIONS

11. It will adopt and follow a residential anti-displacement and relocation assistance plan which will minimize displacement as a result of activities assisted with CDBG funds.
12. It will conduct and administer its programs in conformance with:
 - a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1).
 - b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing and the provision of brokerage services.
 - c. The Fair Housing Act of 1988 (42 USC 3601-20) and will affirmatively further fair housing.
13. It will not attempt to recover any capital costs of public improvements assisted in whole or part by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment

made as a condition of obtaining access to such public improvements, unless (1) grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than grant funds, or (2) for purposes of assessing any amount against properties owned and occupied by persons of LMI who are not persons of very-low income, the recipient certifies to the State that it lacks sufficient grant funds to comply with the requirements of clause (1).

14. It will comply with all provisions of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable laws.

SPECIAL REQUIREMENTS AND ASSURANCES.

15. The Applicant will comply with the Administrative Requirements of the program, those applicable items in the current Consolidated Plan, Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, and 24 CFR Part 570 including parts not specifically cited below and the laws, regulations and requirements, both federal and state, as they pertain to the design, implementation and administration of the local project, including but not limited to the following:

CIVIL RIGHTS AND EQUAL OPPORTUNITY PROVISIONS.

- Public Law 88-352, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et. seq.) (24 CFR Part 1)
- Section 109 of the Housing and Community Development Act of 1974, As Amended
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101, et. seq.)
- Section 504 of the Rehabilitation Act of 1973, As Amended (29 U.S.C. 794) and the Americans with Disability Act
- Executive Order 11246, As Amended
- Executive Order 11063, As Amended by Executive Order 12259 (24 CFR Part 107)

ENVIRONMENTAL STANDARDS AND PROVISIONS.

- Section 104(f) of the Housing and Community Development Act of 1974, As Amended
- Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831) and the Implementing Regulations found at 24 CFR Part 35
- The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et. seq., and 24 CFR Part 58)
- The Clean Air Act, As Amended (42 U.S.C. 7401, et. seq.)
- Farmland Protection Policy Act of 1981, (U.S.C. 4201, et. seq.)
- The Endangered Species Act of 1973, As Amended (16 U.S.C. 1531, et. seq.)
- The Reservoir Salvage Act of 1960 (16 U.S.C. 469, et. seq.), Section 3 (16 U.S.C. 469 a-1), As Amended by the Archaeological and Historic Preservation Act of 1974
- The Safe Drinking Water Act of 1974 [42 U.S.C. Section 201, 300(f), et. seq., and U.S.C. Section 349 as Amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)]
- The Federal Water Pollution Control Act of 1972, As Amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et. seq.)
- The Solid Waste Disposal Act, As Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.)
- The Fish and Wildlife Coordination Act of 1958, As Amended, (16 U.S.C. Section 661, et. seq.)
- EPA List of Violating Facilities
- HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979)
- The Wild and Scenic Rivers Act of 1968, As Amended (16 U.S.C. 1271, et. seq.)
- Flood Insurance
- Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et. seq.)
- Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et. seq.)
- Environmental Protection Act, NEB. REV. STAT. 81-1501 to 81-1532 (R.R.S. 1943)
- Historic Preservation

LABOR STANDARDS AND PROVISIONS.

- Section 110 of the Housing and Community Development Act of 1974, As Amended
- Fair Labor Standards Act of 1938, As Amended, (29 U.S.C. 102, et. seq.)
- Davis-Bacon Act, As Amended (40 U.S.C. 276-a - 276a-5); and Section 2; of the June 13, 1934 Act., As Amended (48 Stat. 948.40 U.S.C. 276(c), Popularly Known as The Copeland Act
- Contract Work Hours and Safety Standards Act (40 U.S.C. 327, et. seq.)
- Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701(u)]

FAIR HOUSING STANDARDS AND PROVISIONS.

- Section 104(a)(2) of the Housing and Community Development Act of 1974, As Amended
- Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601, et. seq.). As Amended by the Fair Housing Amendments Act of 1988
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, As Amended (42 U.S.C. 4630) and the Implementing Regulations Found at 49 CFR Part 24
- Relocation Assistance Act, NEB. REV. STAT. 76-1214 to 76-1242 (R.S. Supp. 1989)
- Nebraska Civil Rights Act of 1969 20-105 to 20-125, 48-1102 and 48-1116
- Uniform Procedures for Acquiring Private Property for Public Use, NEB. REV. STAT. 25-2501 to 25-2506 (R.R.S. 1943)

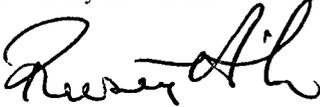
ADMINISTRATIVE AND FINANCIAL PROVISIONS.

- U.S. Office of Management and Budget Circular A-87 "Cost Principles for State and Local Governments"
- U.S. Office of Management and Budget Circular A-102 "Uniform Administrative Requirements for Grants-in-aid to State and Local Governments"
- 24 CFR 570.503 - Grant Administration Requirements for Use of Escrow Accounts for Property Rehabilitation Loans and Grants
- 24 CFR 570.488 to 570.499a - States Program: State Administration of CDBG Non-entitlement Funds
- Community Development Law, NEB. REV. STAT. 18-2101 to 18-2144 (R.S. Supp. 1982)
- Public Meetings Law, NEB. REV. STAT. 18-1401 to 18-1407 (R.R.S. 1943)

MISCELLANEOUS.

- Hatch Act of 1938, As Amended (5 U.S.C. 1501, et. seq.)

The Applicant hereby certifies that it will comply with the above stated assurances.

Signed 

Title Chair

Date 1/24/12

EXHIBIT E

PUBLIC PARTICIPATION INFORMATION

NOTICE OF PUBLIC HEARING ON APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM GRANT

Notice is hereby given that on Tuesday, January 24, 2012 at 3:00 PM at the Sarpy County Courthouse, the County will hold a public hearing concerning an application to the Nebraska Department of Economic Development for a grant under the Community Development Block Grant ("CDBG") program. Such grants are available to local governments for economic development activities in the local community.

The Sarpy County Board of Commissioners is requesting \$ 505,000 to provide assistance for equipment purchases to Sergeant Pet Care Products, Inc, which intends to locate a manufacturing and distribution facility in Hilltop Industrial Park Replat 1 at 10067 South 134th Street. All the CDBG funds will be used for activities that will meet the CDBG national objective of benefiting low-to-moderate- income persons. The CDBG funded activities are unlikely to result in the residential displacement of people, and should such displacement occur it will be minimized and resolved pursuant to the City's anti-displacement and relocation plans.

All interested parties are invited to attend this public hearing at which time you will have the opportunity to be heard regarding the loan application. Written testimony will also be accepted at the public hearing. Written comments addressed to Debra Houghtaling, Sarpy County Clerk, 1210 Golden Gate Drive, Papillion, NE 68046 will be accepted as part of the record of the hearing if received on or before the scheduled date of the hearing.

Individuals requiring physical or sensory accommodations including interpreter service, Braille, large print, or recorded materials, please contact Debra Houghtaling at 1210 Golden Gate Drive, Papillion, 593-5915, no later than January 23, 2012.

Dated at the Sarpy County Courthouse on January 13, 2012 by the Sarpy County Board of Commissioners.



City of Omaha
Jim Suttle, Mayor

Office of the Mayor
1819 Farnam Street, Suite 300
Omaha, Nebraska 68183-0300
(402) 444-5000
FAX: (402) 444-6059

November 7, 2011

Rod Moseman
Greater Omaha Chamber of Commerce
1301 Harney Street
Omaha, NE 68102

RE: CDBG for Sergeant's Pet Care Products

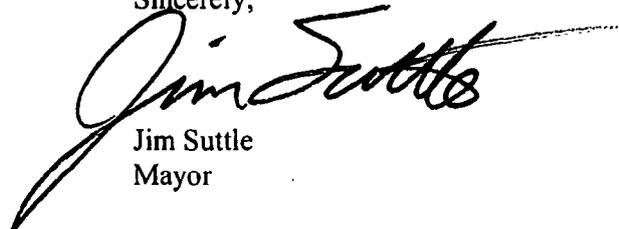
Dear Mr. Moseman:

The City of Omaha acknowledges that Community Development Block Grant (CDBG) funds will be used through the State of Nebraska for the expansion of Sergeant's Pet Care Products as they relocate from their current address of 2637 S. 158th Plaza in the City of Omaha to 10067 South 134th Street in Sarpy County.

We also acknowledge that this move will cause the company to physically leave the city limits of Omaha and reside within Sarpy County. We realize that Sergeant's Pet Care Products must complete this relocation in order to retain this company in the Omaha metropolitan area, benefitting the entire region in the process. We understand that the CDBG funds will be applied to creating new jobs for lower income individuals in our metro area.

We continue to support economic development in the Omaha metropolitan area and stand ready to play our part to create growth through the addition of new jobs and investment.

Sincerely,



Jim Suttle
Mayor

EXHIBIT F

ENVIRONMENTAL REVIEW RECORD

ENVIRONMENTAL REVIEW RECORD

GRANT NUMBER: 11-ED-004

PROJECT NAME: Sargent Pet Care Manufacturing Facility

DETERMINATION OF LEVEL OF REVIEW

ERR GRANT# 11-ED-004

Project Name: Sargent Pet Care Manufacturing Facility Program Year: 2011

Project Location: 10067 South 134th Street, LaVista, NE 68138

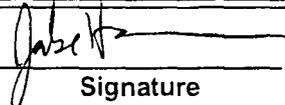
Project Description (Attach additional descriptive information, as appropriate to the project, including narrative, maps, photographs, site plans, budgets and other information.):

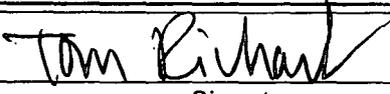
Project description is attached in comment letters. Project maps can be found on following pages.

The subject project has been reviewed pursuant to HUD regulations 24 CFR Part 58, "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities," and the following determination with respect to the project is made:

- Exempt** from NEPA review requirements per 24 CFR 58.34(a)(____)
- Categorically Excluded NOT Subject** to §58.5 authorities per 24 CFR 58.35(b)(____)
- Categorically Excluded SUBJECT** to §58.5 authorities per 24 CFR 58.35(a)(5)
(A Statutory Checklist for the §58.5 authorities is attached.)
- An **Environmental Assessment (EA)** is required to be performed. (An Environmental Assessment performed in accordance with subpart E of 24 CFR Part 58 is attached.)
- An **Environmental Impact Statement (EIS)** is required to be performed.

The ERR (see §58.38) must contain all the environmental review documents, public notices and written determinations or environmental findings required by Part 58 as evidence of review, decision making and actions pertaining to a particular project. Include additional information including checklists, studies, analyses and documentation as appropriate.

<u>Jake Hansen</u> Preparer Name	 Signature
<u>CD/ED Manager</u> Title	<u>10/27/11</u> Date

<u>Tom Richards</u> Responsible Entity Certifying Officer	 Signature
<u>Board Chair</u> Title	<u>11/1/11</u> Date

STATUTORY CHECKLIST

Use this worksheet only for projects that are CATEGORICALLY EXCLUDED SUBJECT TO (CEST) Related Federal Statutes and Authorities [24 CFR §58.35(a)]

GRANTEE: Sarpy County

GRANT#: 11-ED-004

A "Determination of Level of Review" form should be provided as a cover to this checklist.

This checklist is a component of the Environmental Review Record (ERR) [§58.38]. In addition the "Requirements listed at 24 CFR §58.6" form must also be completed. Supplement the ERR, as appropriate, with photographs, site plans, maps, narrative and other information that describe the project.

24 CFR §58.5 – NEPA-Related Federal Statutes and Authorities

DIRECTIONS – For each authority, check either Box "A" or "B" under "Status."

"A box" The project is in compliance, either because: (1) the nature of the project does not implicate the authority under consideration, or (2) supporting information documents that project compliance has been achieved. In either case, information must be provided as to WHY the authority is not implicated, or HOW compliance is met; OR

"B box" The project requires an additional compliance step or action, including, but not limited to, consultation with or approval from an oversight agency, performance of a study or analysis, completion of remediation or mitigation measure, or obtaining of license or permit.

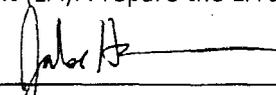
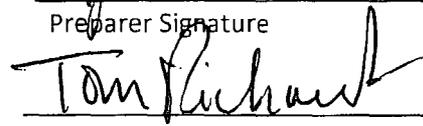
IMPORTANT: Compliance documentation consists of verifiable source documents and/or relevant base data. Appropriate documentation must be provided for each law or authority. Documents may be incorporated by reference into the ERR provided that each source document is identified and available for inspection by interested parties. Proprietary material and studies that are not otherwise generally available for public review shall be included in the ERR. Refer to HUD guidance for more information.

Statute, Authority, Executive Order, Regulation, or Policy cited at 24 CFR §58.5	STATUS		Compliance Documentation
	A	B	
1. Air Quality [Clean Air Act sections 176(c) & (d), and 40 CFR 6, 51, 93]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NDEQ Consulted September 2, 2011. No response from NDEQ as of October 3, 2011. Sarpy County, NE is not located within an EPA designated nonattainment or maintenance area. (See http://www.epa.gov/oar/oaqps/greenbk/mapnmpoll.html)
2. Airport Hazards (Clear Zones and Accident Potential Zones) [24 CFR 51D]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Project is not located within any Airport Clear Zones or Accident Potential Zones. NE Department of Aeronautics concurrence obtained September 7, 2011.
3. Coastal Zone Management [Coastal Zone Management Act sections 307(c) & (d)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No coastal zone management programs are in the states of HUD Region VII, per Nat'l Oceanic & Atmospheric Administration, Office of Ocean and Coastal Resource Management. (http://www.ocrm.nos.noaa.gov/czm/czmsitelist.html) 9/2/2011.
4. Contamination and Toxic Substances [24 CFR 58.5(i)(2)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NE State Fire Marshal and NDEQ consulted September 2, 2011. Concurrence from NE State Fire Marshal obtained on September 7, 2011. No response obtained from NDEQ as of October 3, 2011.
5. Endangered Species [50 CFR 402]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Letters sent to USFWS & Nebraska Game & Parks Commission September 2, 2011. No comments received from either agency as of October 3, 2011.
6. Environmental Justice [Executive Order 12898]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed project will not have any disproportionate effect on LMI neighborhoods. End use of project does not constitute an environmental burden as defined by http://www.epa.gov/compliance/environmentaljustice/index.html . 9/2/2011.

7. Explosive and Flammable Operations [24 CFR 51C]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NE State Fire Marshal consulted September 2, 2011. Concurrence from NE State Fire Marshal obtained on September 7, 2011.
8. Farmland Protection [7 CFR 658]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is no farmland involved in this project, so compliance is not applicable. Concurrence from USDA-NRCS obtained September 6, 2011.
9. Floodplain Management [24 CFR 55, Executive Order 11988]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FEMA Floodplain Map reviewed September 2, 2011. Project activities will not occur in 100-year floodplain.
10. Historic Preservation [36 CFR 800]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Project will not impact any historic properties. Initial SHPO Consultation sent September 2, 2011. Concurrence from SHPO obtained September 12, 2011.
11. Noise Control [24 CFR 51B]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No noise sensitive uses proposed in project or near project site. Project activities are not subject to HUD Noise Assessment guidelines. See http://www.hud.gov/offices/cpd/environment/review/noise.cfm
12. Water Quality (Sole Source Aquifers) [40 CFR 149]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NDEQ and Nebraska DNR consulted September 2, 2011. Concurrence from DNR received on September 26, 2011, and no objection received from NDEQ as of October 3, 2011. There are no sole source aquifers in HUD Region VII. See http://www.epa.gov/safewater/sourcewater/pubs/grq_ssamap_req7.pdf
13. Wetland Protection [24 CFR 55, Executive Order 11990]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	USGS Wetland map reviewed September 2, 2011. US Army Corps of Engineers consulted initially September 2, 2011. No correspondence received from USACE as of October 3, 2011
14. Wild and Scenic Rivers [36 CFR 297]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed project will not impact any wild and scenic rivers. See http://www.rivers.gov/wildriverslist.html .

DETERMINATION:

- Box "A" has been checked for all authorities.** The project can convert to Exempt, per §58.34(a)(12), since the project does not require any further compliance measure (e.g. consultation, mitigation, permit, or approval) with respect to any law or authority cited at §58.5. Complete Finding of Exempt Activity and document in writing per §58.34(a)(12) & (b); OR
- Box "B" has been checked for one or more authorities.** The project cannot convert to Exempt since one or more authorities require compliance, including but not limited to consultation with or approval from an oversight agency, performance of a study or analysis, completion of remediation or mitigation measure, or obtaining of license or permit. Complete pertinent compliance requirement(s), publish NOI/RROF, request release of funds (HUD-7015.15), and obtain HUD's Authority to Use Grant Funds (HUD-7015.16) per §§58.70 & 58.71 before committing funds: OR
- The unusual circumstances of this project may result in a significant environmental impact. The project requires preparation of an Environmental Assessment (EA). Prepare the EA according to 24 CFR Part 58 Subpart E.

<u>Jake Hansen</u>		<u>10/27/11</u>
Preparer Name	Preparer Signature	Date
<u>Tom Richards</u>		<u>11-1-11</u>
RE Certifying Officer Name	RE Certifying Officer Signature	Date

24 CFR §58.6 – OTHER REQUIREMENTS

Use this worksheet for projects that are EXEMPT, CATEGORICALLY EXCLUDED SUBJECT TO (CEST), and CATEGORICALLY EXCLUDED NOT SUBJECT TO (CENST) Related Federal Statutes and Authorities.

This 58.6 Form is a component of the Environmental Review Record (ERR) [§58.38]. Supplement the ERR, as appropriate, with photographs, site plans, maps, narrative and other information that describe the project.

1. AIRPORT RUNWAY CLEAR ZONES AND CLEAR ZONES NOTIFICATION [24 CFR Part 51.303(a)(3)]

Does the project involve the sale or acquisition of property located within a Civil Airport Runway Clear Zone or a Military Airfield Clear Zone?

No. Cite or attach Source Documentation: Letter from NE Department of Aeronautics dated September 7, 2011 indicates that project is not in Runway Clear Zone or Accident Potential Zone. [Project complies with 24 CFR 51.303(a)(3).]

Yes. Notice must be provided to the buyer. The notice must advise the buyer that the property is in a Runway Clear Zone or Clear Zone, what the implications of such a location are, and that there is a possibility that the property may, at a later date, be acquired by the airport operator. The buyer must sign a statement acknowledging receipt of this information, and a copy of the signed notice must be maintained in the ERR.

2. COASTAL BARRIERS RESOURCES ACT [Coastal Barrier Improvement Act of 1990 (16 USC 3501)]

Is the project located in a coastal barrier resource area?

No. Cite or attach Source Documentation: No CBRA's in Nebraska according to <http://www.fema.gov/nfip/cobra.shtm> [Proceed with project.]

Yes. Federal assistance may not be used in such an area.

3. FLOOD DISASTER PROTECTION ACT [Flood Disaster Protection Act of 1973, as amended (42 USC 4001-4128)]

Does the project involve acquisition, construction, or rehabilitation of structures located in a FEMA-identified Special Flood Hazard Area (SFHA)?

No. Cite or attach Source Documentation: FEMA Floodplain Map reviewed September 2, 2011. Map panel number is 3101920065G. [Proceed with project.]

Yes. Cite or attach Source Documentation: _____

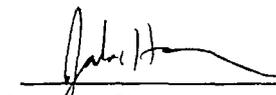
Is the community participating in the National Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?

Yes. Flood Insurance under the National Flood Insurance Program must be obtained. If HUD assistance is provided as a grant, insurance must be maintained for the economic life of the project and in the amount of the total project cost (or up to the maximum allowable coverage, whichever is less). If HUD assistance is provided as a loan, insurance must be maintained for the term of the loan and in the amount of the loan (or up to the maximum allowable coverage, whichever is less). A copy of the flood insurance policy declaration must be kept on file in the ERR.

No. Federal assistance may not be used in the Special Flood Hazard Area.

Jake Hansen

Preparer Name


Preparer Signature

10/27/11
Date

Tom Richards

RE Certifying Officer Name


RE Certifying Officer Signature

11-11-11
Date

FINDING OF EXEMPT ACTIVITY [24 CFR 58.34(a)]

GRANTEE: Sarpy County

GRANT # 11-ED-004

DIRECTIONS: Certain CDBG, HOME, and NAHTF funded activities, which do not have a physical impact, require a grantee, as defined at 24 CFR Part 58.2, to determine whether the proposed activity is Exempt from the National Environmental Policy Act of 1969 (NEPA), as amended, and not subject to the environmentally-related statutory authorities listed at 24 CFR Parts 58.5.

This form provides a grantee with a format to make this determination. A description of the activity (or project) should be attached to this form and the documentation maintained in the Environmental Review Record (24 CFR Part 58.38). Note that the 24 CFR 58.6 requirements will also need to be completed. Consult HUD's environmental regulation (24 CFR Part 58) as necessary.

Check a single box that best describes or fits the proposed activity. Submit the completed form to your Responsible Entity Certifying Officer for review.

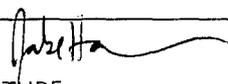
- Environmental and other studies, resource identification and the development of plans and strategies [58.34(a)(1)].
- Information and financial services [58.34(a)(2)].
- Administrative and management activities [58.34(a)(3)].
- Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs [58.34(a)(4)].
- Inspections and testing of properties for hazards or defects [58.34(a)(5)].
- Purchase of insurance [58.34(a)(6)].
- Purchase of tools [58.34(a)(7)].
- Engineering or design costs [58.34(a)(8)].
- Technical assistance and training [58.34(a)(9)].
- Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration [58.34(a)(10)].
- Payment of principal or interest on loans made or obligations guaranteed by HUD [58.34(a)(11)].
- Any of the categorical exclusions listed in §58.35(a) provided there are no circumstances which require compliance with any other Federal laws and authorities cited in §58.5 [58.34(a)(12)].

PROJECT DESCRIPTION: Provide a description of all project activities including those activities funded by sources other than CDBG, HOME, or NAHTF: (Attach additional pages as necessary.)

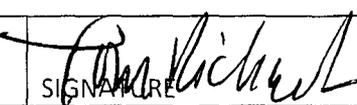
Sargent Pet Care Products is proposing to lease a property located at 10067 South 134th Street for the purpose of manufacturing several pet products, including flea & tick treatments, pet shampoos, and pet toothpaste. Activities for which federal funds would be utilized include installation of machinery and equipment in the facility. The subject site encompasses approximately 9.73 acres and the building to be acquired occupies 131,150 square feet.

In accordance with the provisions of 24 CFR 58.34(a), the grantee has determined that the subject CDBG, HOME, or NAHTF-assisted activity (or program) explained above is Exempt from the National Environmental Policy Act of 1969 (NEPA), as amended.

DETERMINATION BY (PREPARER)

PRINT NAME Jake Hansen	SIGNATURE 	DATE 10/27/11
------------------------	---	---------------

RESPONSIBLE ENTITY CERTIFYING OFFICER

PRINT NAME Tom Richards	SIGNATURE 	DATE 11/1/11
-------------------------	---	--------------

Washington County, NE
 Bennington
 Boyd Town
 Omaha
 Omaha City Council
 Pawnee
 Valley
 Waterbury

METROPOLITAN AREA PLANNING AGENCY

2222 Cuming Street, Omaha, Nebraska 68102-4328
 Phone: (402) 444-6866 Fax: (402) 342-0949
 Email: mapa@mapacog.org www.mapacog.org
 In the MAPA Region: 1-800-827-6866



Sarpy County, NE
 Bellevue
 Gretna
 La Vista
 Papillion
 Springfield

September 2, 2011

Nebraska State Fire Marshal
 246 South 14th Street
 Lincoln, NE 68508

Washington County, NE
 Arlington
 Blair
 Fort Calhoun
 Herman
 Kennard
 Washington

RE: Sarpy County, Nebraska CDBG Economic Development Project
 Request for Comment on Environmental Review Process

To Whom It May Concern:

Hills County, IA
 Emerson
 Glenwood
 Hastings
 Henderson
 Malvern
 Pacific Junction
 Silver City

Sarpy County, Nebraska is anticipating the development of a project to be funded in part by Community Development Block Grant (CDBG) funds. The purpose of this letter is to request your review and response regarding any environmental, cultural, and/or historical impacts that your agency may identify for this proposed project pursuant to the National Environmental Policy Act.

Pottawattamie County, IA
 Avoca
 Carson
 Carter Lake
 Council Bluffs
 Crescent
 Hancock
 Macedonia
 McClelland
 Minden
 Neola
 Oakland
 Treynor
 Underwood
 Walnut

Sargent Pet Care Products is proposing to lease a property located at 10067 South 134th Street for the purpose of manufacturing several pet products, including flea & tick treatments, pet shampoos, and pet toothpaste. Activities for which federal funds would be utilized include installation of machinery and equipment in the facility. The subject site encompasses approximately 9.73 acres and the building to be acquired occupies 131,150 square feet. The legal description for the subject property is Lot 3, Hilltop Industrial Park Replat 1, Sarpy County, Nebraska.

Enclosed is a series of maps showing the proposed project's area of potential effect for all activities. The building to be occupied was constructed in 1999 and the building footprint will not be altered as a result of this project. There will be no change in land use to the area of potential effects as a result of this project. Although chemicals are generally stored on the site as part of the manufacturing process, rarely are quantities stored that present hazardous materials dangers.

Please advise us of any comments that you may have regarding this project in writing, no later than **October 3, 2011** so the County can proceed with the completion of the environmental assessment for this project. If you have any questions or require any additional information, please contact me at Metropolitan Area Planning Agency, (402) 444-6866, ext. 226 or by email at jhansen@mapacog.org.

Sincerely,

Jake Hansen
 Community Development Manager

Enclosures

Bellevue Public Schools
 Council Bluffs Airport Authority
 Council Bluffs Planning Commission
 Golden Hills Resource Conservation & Development District
 Iowa Western Community College
 Metro Area Transit
 Metropolitan Community College
 Metropolitan Utilities District
 Platte Valley Public Schools
 Platte Valley Suburban Fire District
 Omaha Airport Authority
 Omaha Housing Authority
 Omaha Planning Board
 Omaha Public Power District
 Papillion / La Vista Public Schools
 Raccoon / Missouri River Natural Resources District
 Raccoon Creek Drainage District
 Washington Public Schools

Omaha County, NE
 Bennington
 Boys Town
 Omaha
 Omaha City Council
 Paiston
 Valley
 Waterloo

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Sarpy County, NE

Bellevue
 Gretna
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 Springfield

September 2, 2011

US Army Corps of Engineers
 8901 South 154th Street
 Omaha, NE 68138-3621

Washington County, NE

Arlington
 Blair
 Fort Calhoun
 Herman
 Kennard
 Washington

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Enclosed is a series of maps showing the proposed project's area of potential effect for all activities. The building to be occupied was constructed in 1999 and the building footprint will not be altered as a result of this project. There will be no change in land use to the area of potential effects as a result of this project. Although chemicals are generally stored on the site as part of the manufacturing process, rarely are quantities stored that present hazardous materials dangers.

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 Omaha Housing Authority
 Omaha Planning Board
 Omaha Public Power District
 Papillion, La Vista Public Schools
 Papion, Missouri River National Resources District
 Pony Creek Drainage District
 Paiston Public Schools
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 Valley
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In the MAPA Region: 1-800-827-6366



Sarpy County, NE
 Bellevue
 Gretna
 La Vista
 Papillion
 Springfield

September 2, 2011

Nebraska State Historical Society
 State Historic Preservation Officer
 PO Box 82554
 Lincoln, NE 68501-2554

Washington County, NE
 Arlington
 Blair
 Fort Calhoun
 Herman
 Kennard
 Washington

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Enclosed is a series of maps showing the proposed project's area of potential effect for all activities. The building to be occupied was constructed in 1999 and the building footprint will not be altered as a result of this project. There will be no change in land use to the area of potential effects as a result of this project. Although chemicals are generally stored on the site as part of the manufacturing process, rarely are quantities stored that present hazardous materials dangers.

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Jake Hansen
 Community Development Manager

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 Council Bluffs Airport
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 Mulard Public Schools
 Mulard Suburban Fire District
 Omaha Airport Authority
 Omaha Housing Authority
 Omaha Planning Board
 Omaha Public Power District
 Papillion - La Vista Public
 Schools
 Pattee - Missouri River
 National Resources District
 Rock Creek Drainage
 District
 Washburn Public Schools

Hansen, Jake (Mapa)

From: Hansen, Jake (Mapa)
Sent: Friday, September 02, 2011 11:30 AM
To: Dave Lehnert (dave.lehnert@nebraska.gov); Grell, Carey; John_Cochnar@fws.gov; Isaacs, Howard; McMaster, Steve; Joe Francis (joe.francis@nebraska.gov); Vanek, Wayne - Lincoln, NE; chin.chew@nebraska.gov
Cc: Scott Bovick
Subject: Sarpy County, Nebraska: CDBG Economic Development Project- Request for Comment on Environmental Review Process
Attachments: Sargent CDBG ERR Maps.pdf

To All Interested Agencies and Parties:

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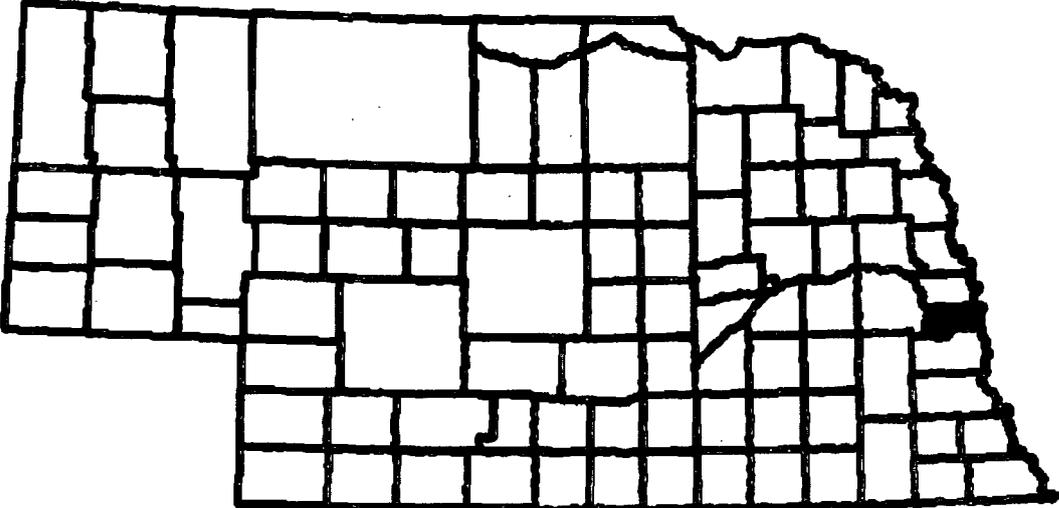
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Attached is a series of maps showing the proposed project's area of potential effect for all activities. The building to be occupied was constructed in 1999 and the building footprint will not be altered as a result of this project. There will be no change in land use to the area of potential effects as a result of this project. Although chemicals are generally stored on the site as part of the manufacturing process, rarely are quantities stored that present hazardous materials dangers.

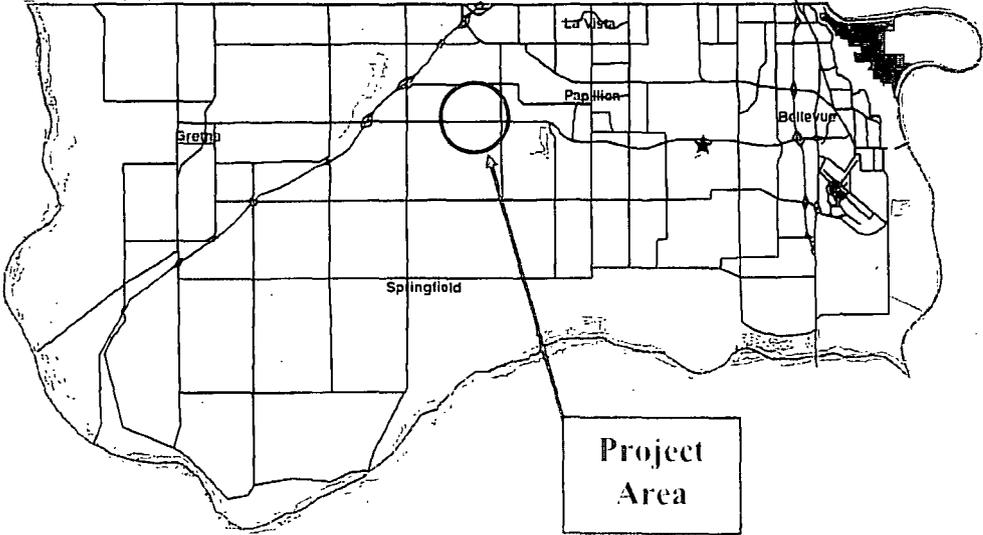
Please advise us of any comments that you may have regarding this project in writing, no later than **October 3, 2011** so the County can proceed with the completion of the environmental assessment for this project. If you have any questions or require any additional information, please contact me at your earliest convenience. Thank you for your assistance.

Jake Hansen
Community/Economic Development Manager
Metropolitan Area Planning Agency
2222 Cuming
Omaha, NE 68102-4328
p: (402) 444-6866 x226
f: (402) 342-0949
www.mapacoq.org

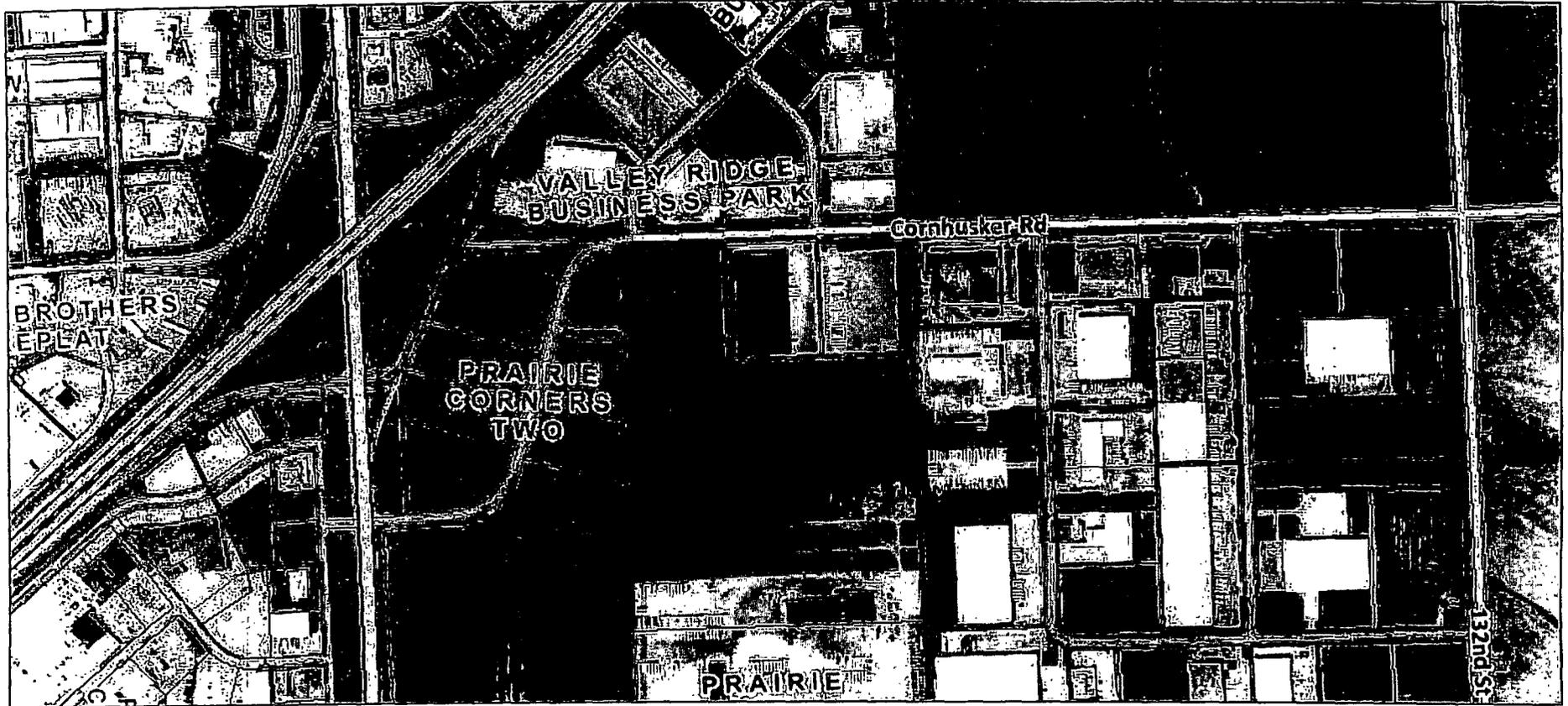
Sarpy County, Nebraska



Project Location Map



Sargent Pet Care Aerial Map



Parcel ID Number	011355352	Property Type	COMM
Owner Name	PROFESSIONAL VETERINARY PRODUCTS LTD	Improvements Value	\$5,410,245
Mailing Address	10077 S 134TH ST	Land Value	\$1,059,755
City State	OMAHA NE	Total Value	\$6,470,000
Zip Code	68138-3720	Estimated Acres	9.72422562
Property Address	10067 S 134TH ST	Tax District	46051
Legal Description	LOT 3 HILLTOP INDUSTRIAL PARK REPLAT 1 (9.73 AC)	Snow Ordinance	County #3-1-01
Neighborhood Code	WH250		

Disclaimer: This data is for informational purposes only, and should not be substituted for a true titles search, property appraisal, survey, or for zoning district verification. Sarpy County and the Sarpy County GIS Coalition assume no legal responsibility for the information contained in this data.

Map Scale
1 inch = 743 feet

9/2/2011

Hansen, Jake (Mapa)

From: McNulty, Steve [Steve.Mcnulty@nebraska.gov]
Sent: Monday, September 19, 2011 7:38 AM
To: Hansen, Jake (Mapa)
Subject: RE: Sarpy County, Nebraska: CDBG Economic Development Project-Sargent Pet Care Products

Hi Mr. Hansen,

It would appear that the Project discussed in the above-referenced correspondence deals with construction within a Community setting. As long as the Project adheres to all State regulations and local ordinances, and does not impact any encroachment criteria to public drinking water wells or compromise the drinking water system, the Department does not foresee issues affecting drinking water quality.

Sincerely,

Steve McNulty
DHHS-Office of Water and Environmental Health
301 Centennial Mall South
PO Box 95026
Lincoln, NE 68509-5026
Ph. 402\471-1006
Fax 402\471-6436

Hansen, Jake (Mapa)

From: Lehnert, Dave [dave.lehnert@nebraska.gov]
Sent: Wednesday, September 07, 2011 10:28 AM
To: Hansen, Jake (Mapa)
Subject: RE: Sarpy County, Nebraska: CDBG Economic Development Project- Request for Comment on Environmental Review Process

Dear Mr. Hansen,

Thank you for your email and attachments of September 2nd, 2011, detailing the proposed Sargent Pet Care Products property lease.

The Nebraska Department of Aeronautics has no objection to the project, provided any building, factory, or facility's height (including any towers or antennae installed atop it), or the height of any equipment (especially cranes) used in installing machinery and/or equipment, does not exceed any local airport's Height Restriction Zoning.

The local public-use airport is Millard Airport, about 2.5 miles just slightly east of due north. Your project site is not in the approach or departure zones for either end of the runway.

However, please keep in mind that any contractor involved in the project should file a 7460-1 Form with the FAA for all structures (temporary or permanent) over 200' tall, or *that break a 100:1 slope* from a public-use airport.

The airport Zoning should be on file with the City of Millard. You may also be able to obtain a copy from the Omaha Airport Authority.

Should you have any questions or concerns, please feel free to contact me at the NDA.

Sincerely,

Dave Lehnert
Nebraska Department of Aeronautics
P.O. Box 82088
Lincoln, NE 68501
(402) 471-7928
(402) 471-2906 fax
dave.lehnert@nebraska.gov

From: Hansen, Jake (Mapa) [<mailto:JHansen@Mapacog.org>]

Sent: Friday, September 02, 2011 11:30 AM

To: Lehnert, Dave; Grell, Carey; [John Cochnar@fws.gov](mailto:John_Cochnar@fws.gov); Isaacs, Howard; McMaster, Steve; Francis, Joe; Vanek, Wayne - Lincoln, NE; Chew, Chin

Cc: Scott Bovick

Subject: Sarpy County, Nebraska: CDBG Economic Development Project- Request for Comment on Environmental Review Process

To All Interested Agencies and Parties:

Sarpy County, Nebraska is anticipating the development of a project to be funded in part by Community Development Block Grant (CDBG) funds. The purpose of this letter is to request your review and response regarding any environmental, cultural, and/or historical impacts that your agency may identify for this proposed project pursuant to the National Environmental Policy Act.

Sargent Pet Care Products is proposing to lease a property located at 10067 South 134th Street for the purpose of manufacturing several pet products, including flea & tick treatments, pet shampoos, and pet toothpaste. Activities for which federal funds would be utilized include installation of machinery and equipment in the facility. The subject site encompasses approximately 9.73 acres and the building to be acquired occupies 131,150 square feet. The legal description for the subject property is Lot 3, Hilltop Industrial Park Replat 1, Sarpy County, Nebraska.

Attached is a series of maps showing the proposed project's area of potential effect for all activities. The building to be occupied was constructed in 1999 and the building footprint will not be altered as a result of this project. There will be no change in land use to the area of potential effects as a result of this project. Although chemicals are generally stored on the site as part of the manufacturing process, rarely are quantities stored that present hazardous materials dangers.

Please advise us of any comments that you may have regarding this project in writing, no later than **October 3, 2011** so the County can proceed with the completion of the environmental assessment for this project. If you have any questions or require any additional information, please contact me at your earliest convenience. Thank you for your assistance.

Jake Hansen
Community/Economic Development Manager
Metropolitan Area Planning Agency
2222 Cuming
Omaha, NE 68102-4328
p: (402) 444-6866 x226
f: (402) 342-0949
www.mapacog.org

Hansen, Jake (Mapa)

From: Vanek, Wayne - NRCS, Lincoln, NE [Wayne.Vanek@ne.usda.gov]
Sent: Tuesday, September 06, 2011 8:32 AM
To: Hansen, Jake (Mapa)
Subject: Sarpy County, Nebraska: CDBG Economic Development Project- Request for Comment on Environmental Review Process

United States Department of Agriculture



ATTENTION: Jake Hansen - Community/Economic Development Manager

I am responsible for the Farmland Protection Policy Act (FPPA) concerns and have reviewed the information you sent regarding the project for which you requested review of impacts. This review only covers FPPA concerns and does not include any other environmental concerns such as wetlands or endangered species. For general conservation concerns or questions relating to wetlands under the jurisdiction of the Food Security Act, contact your local county Natural Resources Conservation Service office.

It has been determined that a Farmland Conversion Impact Rating form (AD-1006) will not be needed on this project since the project area is zoned commercial and no additional cropland will be taken out of production, thus, **NRCS has determined that your project was found to be cleared of FPPA significant concerns.** We encourage you to continue to be aware of prime and important farmlands in general and the role they play in current and future projects.

Wayne Vanek
USDA-NRCS
Fed. Bldg. Rm. 152
100 Centennial Mall North
Lincoln, NE. 68508-3866
402.437.4125
wayne.vanek@ne.usda.gov



Nebraska Game and Parks Commission

2200 N. 33rd St. / P.O. Box 30370 / Lincoln, NE 68503-0370

Phone: 402-471-0641 / Fax: 402-471-5528 / www.OutdoorNebraska.org

October 28, 2011

Jake Hansen
MAPA
2222 Cuming
Omaha, NE 68102-4328

RE: Sargent Pet Care Products, Sarpy County

Dear Mr. Hansen:

Nebraska Game and Parks Commission (NGPC) staff members have reviewed the information for the proposal identified above. This review was requested pursuant to the National Environmental Policy Act (NEPA).

Based on our review, we have determined that the project as described will have no adverse affect on resources within our agency's areas of concern, including state-listed threatened and endangered species, fish and wildlife resources and their habitats, or NGPC properties.

Thank you for the opportunity to review this proposal. If you have any questions regarding these comments, please contact me at (402) 471-5423 or carey.grell@nebraska.gov.

Sincerely,

Carey Grell
Environmental Analyst
Environmental Services Division

EXHIBIT G

BUSINESS AND FINANCIAL INFORMATION

(SEE FOLDER LABELED "EXHIBIT G")

CONFIDENTIAL

**FOR REVIEW BY NDED APPLICATION REVIEW STAFF
ONLY!**

EXHIBIT H

PROJECT NARRATIVE AND
MEMORANDUM OF UNDERSTANDING

NARRATIVE PROJECT SUMMARY

Sergeant Pet Care Products is proposing to occupy a building located at 10067 South 134th Street for the purpose of manufacturing several pet products, including flea & tick treatments, pet shampoos, and pet toothpaste. Activities for which federal funds would be utilized include installation of machinery and equipment in the facility. The subject site encompasses approximately 9.73 acres and the building to be acquired occupies 131,150 square feet. Sergeant will create 58 new FTE jobs within two years.

The total cost of this project is estimated to be \$7,505,000. Sarpy County is requesting \$505,000 in CDBG Economic Development funds for the purpose of providing a combination forgivable/repayable loan to Sergeant to assist with the purchase of equipment for the project. The following is a discussion of the merits of the proposed project and specifics as they relate to the CDBG Economic Development program.

**APPLICATION DECISION-MAKING CRITERIA
APPLICANT PROJECT REVIEW**

I.	PROJECT IMPACT	<u>SCORE</u>
	<p>A. <u>CDBG \$ Invested per job created/retained:</u></p> <p>The project will use \$505,000 in CDBG funds to create 58 FTE jobs, for an average of \$8,707 in CDBG funds invested per job created.</p>	<p>20 points</p>
	<p>B. <u>CDBG \$ compared to total project \$ (as %):</u></p> <p>The County will request \$505,000 in CDBG funds for the project, which will be matched by the business with \$460,000 in equity injection and \$6,520,000 in private financing, meaning that CDBG funds will account for 7.2% of the total cost before administration.</p>	<p>10 points</p>
	<p>C. <u>Aggregate wages and benefits paid to employees in created jobs within one year compared to CDBG \$ invested:</u></p> <p>The project will create fifteen jobs paying aggregate wages and benefits totaling at least \$1,549,978 in the first year. With the total CDBG request of \$505,000, the wages and benefits paid will total 307% of CDBG investment.</p>	<p>5 points</p>
<p><i>Total Score for CDBG Utilization Section (35 possible)</i></p>		<p><i>35 points</i></p>
II.	COMMUNITY IMPACT AND INVESTMENT	<u>SCORE</u>
	<p>A. <u>Location of community as more economically distressed than others, based on three broad location sectors:</u></p>	

The project will be located in Sarpy County.
Therefore the "larger community locations"
classification will apply for this project. 5 points

B. Credit for Speculative Building Project

The project will not be located in a speculative building.
Therefore points are not earned in this category. 0 points

Total Score for Community Impact Section (30 possible) 5 points

III. BUSINESS FACTORS SCORE

A. Owner's Equity in Project:
The company's principals are pledging \$460,000 in
equity for the project, representing 7.2% of the budget. 0 points

B. Loan, Collateral, and Loan Guarantees:
Sarpy County will obtain a security agreement for machinery
and equipment purchased using CDBG funds. 4 points

C. Established Business or Start-Up Venture
The applicant company is an established business showing
positive trends. 6 points

D. Documentation of Commitments by Other Sources
The company has furnished a letter committing
all matching funds for the project, including funds from their
lending institution 4 points

E. Duration of Commitment to Maintaining Created Jobs
The company has committed to retention of all created jobs for a
minimum of three years, exceeding minimum NDED requirements. 2 points

F. Targeted Industry
The proposed project will provide manufacturing and warehousing
jobs. Both classifications are identified as targeted industries. 10 points

Total Score for Business Components Section (40 possible) 26 points

IV. ECONOMIC DEVELOPMENT CERTIFIED COMMUNITY SCORE

Sarpy County is not currently designated by NDED as
an Economic Development Certified Community. No bonus points
are awarded for this category. 0 points

Total Score for EDCC Section (5 possible) 0 points

OVERALL TOTAL SCORE (110 POSSIBLE) 66 POINTS

PROGRAM ELIGIBILITY

Sergeant proposes to use CDBG funds for machinery and equipment associated with job creation activity at its anticipated location in Sarpy County. The use of CDBG funds for machinery and equipment is an eligible activity under the economic development category, and the project will occur in the state of Nebraska outside of an entitlement community.

CDBG NATIONAL OBJECTIVE

Completion of this project will create at least 58 permanent, full-time jobs, all of which will pay at least \$10.00 per hour. 45 of the 58 jobs can be easily obtained by persons from LMI households. Sergeant will give first consideration for all positions to individuals from LMI households.

READINESS TO IMPLEMENT PROJECT

Upon notice of CDBG award and clearance of contract conditions, Sergeant expects to proceed with the project immediately. An Environmental Review Record has been completed for the project, and the company expects to execute a lease agreement and initiate job creation activities immediately upon Release of Funds.

TERMS OF CDBG FINANCING

Sarpy County is requesting \$505,000 in CDBG funds for this project on behalf of Sergeant Pet Care Products, Inc. \$500,000 of the funds will be provided to the company in the form of a combination forgivable/repayable loan, with the remaining \$5,000 to be used for general administration of the project.

One-half of the loan (\$250,000) will be forgiven to the business based on job creation performance, and repayment of this portion of the loan will occur only if and when default occurs. This portion of the loan will be totally forgiven provided the Business creates at least 58 new, full-time equivalent (FTE) positions. At least 51%, or thirty (30) of these new FTE positions must be taken or made available through first consideration to persons from low-to-moderate income (LMI) households. The business must maintain these positions for at least 3 years from date of hire and project completion. If default occurs, 100% of the award will be required to be repaid, plus default interest at the rate of 8% per annum.

The remaining one half of the loan will be offered as a repayable, zero interest loan with a term of five years. Repayments will be made to the Nebraska Department of Economic Development monthly in the amount of \$4,170 over a period of sixty months. All remaining funds for the project will be provided in the form of equity injection from the company and financing from Bank of the West.

STATEMENT ON INTRA-STATE RELOCATION AND ANTI-PIRATING ISSUES

Completion of this project will result in relocation of Sergeant's existing facility from the City of Omaha into Sarpy County. Included in Exhibit E is a letter from the Mayor of the City of Omaha acknowledging this relocation and endorsing the use of CDBG funds to support the business' expansion.

REASONABLENESS OF PROJECT COSTS

The total cost of the proposed project will be approximately \$7,000,000. All of these costs are needed for working capital expenditures and machinery and equipment purchases associated with establishment of Sergeant's manufacturing facility in Sarpy County. A breakdown of projected project expenses can be found in Exhibit G of this application.

The proposed investment of \$500,000 by NDED in this project will yield economic benefits in the state almost immediately. The company will use those funds to create at least fifty-eight full-time jobs in a two-year period. Total payroll expenses over those two years are expected to surpass \$3 million, and the project will create quality jobs for LMI persons in the project area.

LOAN REPAYMENT CAPACITY OF THE BUSINESS

The corporate guarantees provided in conjunction with this project will provide DED with adequate security for this investment. Additionally, the company will grant security interests and deeds of trust on equipment valued at more than \$500,000, exceeding the amount of assistance provided.

PROJECT VIABILITY AND RISKS

The risks associated with this project are similar to those with any corporate expansion venture. One of the primary risks is a lack of access to sufficient working capital to keep up with rapid demand for services as the company grows. The likely viability of this proposal is evidenced by the level of investment already pledged by investors and by the market analysis and sales plans included within the company's business plan. This project has an above-average chance for success, provided that the company can access sufficient levels of working capital to accommodate growth.

**MEMORANDUM OF UNDERSTANDING
COMMITMENT OF PRIVATE FUNDING**

The following pages contain both a Memorandum of Understanding for the project and a letter committing funding for the project from Sergeant Pet Care Products, Inc. and Bank of the West.

MEMORANDUM OF UNDERSTANDING

**(with respect to a special economic development activity involving
the County of Sarpy County, Nebraska;
with Sergeant's Pet Care Products, Inc., as the benefited business)**

This Memorandum of Understanding ("MOU") is entered into among the State of Nebraska, Department of Economic Development ("Department" or "DED"); Sarpy County, Nebraska ("County"); Sergeant's Pet Care Products, Inc. ("Business"); Bank of the West ("Bank"); upon the date of signature by all parties.

RECITALS

PART I: IDENTIFICATION OF PARTIES.

Business: The benefited business—
Sergeant's Pet Care Products, Inc.
2625 South 158th Plaza
Omaha, Nebraska 68130

County: County of Sarpy County, Nebraska
1210 Golden Gate Drive
Papillion, Nebraska 68046

Department or DED: Nebraska Department of Economic Development
P.O. Box 94666
Lincoln, Nebraska 68509-4666

Bank: Bank of the West
13220 California Street
Omaha, Nebraska

PART II: PROJECT SUMMARY DESCRIPTION.

The project involves a CDBG award of \$505,000 from the Department to the County, \$5,000 of which is for the County's costs of administration of the grant, and \$500,000 of which is to be loaned to the Business for direct financial assistance to a for-profit business; associated with the Business' facility in Sarpy County, Nebraska. CDBG funding will require the Business to satisfy various job requirements as set forth in §5.01 below.

AGREEMENT:

Premised on the *Recitals* above, and in consideration of the mutual promises and understandings of the parties set forth below, the parties agree as follows:

PART III: DEFINITIONS; FEDERAL FUNDING SOURCES and GOVERNING FEDERAL LAW CITED; AND INCORPORATION OF RECITALS.

§3.01 *Full-Time Equivalent Position (FTE)*: An FTE position represents a culmination of 2,000 work hours per annum per position by a person in a permanent position of employment with Business at its facility in Sarpy County, Nebraska.

§3.02 *Low-to-Moderate Income Person (LMI)*: LMI persons are defined as members of a family (single-person or multi-person) where the family has an income equal to or less than the most recent HUD-established income limits for the family residence location. These income limits may be found generally via the HUD national website. The specific webpage address (subject to change by HUD) at the time of this writing is:

<http://www.huduser.org/datasets/il.html>

§3.03 Specifics about how an employment position is considered to be "*held by*" or "*made available to*" an LMI person, and other related definitional matters, may be found in the HUD CDBG regulations in 24 C.F.R. Part 570.

§3.05 Based on the provisions of this MOU, the County has submitted, or will submit, and the Department will consider, the County's application for funding for the project which will undertake community development activities authorized under the Housing and Community Development Act of 1974, as amended, and as authorized under the federal regulations governing CDBG at 24 C.F.R. Part 570.

§3.06 All provisions of the *RECITALS* above are incorporated as agreed provisions of the MOU.

PART IV: ADDITIONAL TERMS AND CONDITIONS OF THE CDBG FUNDING.

§4.01 CDBG Amount.

The amount of CDBG funds to be granted from the Department to the County will not exceed \$505,000. \$5,000 of the \$505,000 is for the County's costs of administration of the grant, and \$500,000 of the \$505,000 is to be loaned to the Business.

Unless otherwise excepted from such requirement (or otherwise specified as to a limited amount requirement) elsewhere in this MOU, the County acknowledges and agrees that any CDBG program income (defined in the HUD CDBG regulations) available to the County at the time of any "drawdown" request by the County to the Department must be first utilized in the project, thus lessening the amount of new CDBG funding paid from the Department to the County for this project.

§4.02 Sources and Uses of Funds.

SOURCES→	CDBG total from DED	BANK OF THE WEST	BUSINESS	TOTAL
USES (Activities)↓				
0700 Direct financial assistance to for-profit business		\$3,920,000	\$480,000	\$4,400,000
0750 Fixed Assets/Machinery/Equip	\$500,000	\$2,600,000		\$3,100,000
0181 General Administration	\$5,000			\$5,000
TOTAL	\$505,000	\$6,520,000	\$480,000	\$7,505,000

The Sources and Uses of Funds table above reflects:

- The anticipated total costs of the CDBG-assisted project.
- The CDBG-assisted activities being funded.
- The sources and amounts of other matching funds required for each activity.
- The maximum authorized CDBG funds for each CDBG-assisted activity.
- The ratio of CDBG funds to other matching funds for each CDBG-assisted activity-is currently, based upon the Sources and Uses Table above, 7.2% of the matching funds (i.e. the CDBG funds equal 7.2% of the non-CDBG funds). The maximum authorized amount of the CDBG funds may not exceed 17% of matching (non-CDBG) funds. The ratio is invoked as a limitation if the actual total costs of the activity are less than anticipated.
- The proportionality (derived by computation, not expressly shown) of funding from all funding sources, for each activity and for the project in total. Disbursement of CDBG funds will be made only on a pro rata basis with all other funding sources, for each activity and for the project in total. CDBG funds will not be the first funds invested in the project—but rather—CDBG funds will flow into the project in proportion to all other funding sources.
- The timing (of CDBG funds flowing into the project on a pro rata basis) is that CDBG funding is reimbursement funding. Reimbursement after-the-fact of the expense having been incurred is what will be done. This timing may well result in the benefited business having to temporarily carry the costs which are then later reimbursed through CDBG funding.

[An example illustrates this point: If the actual cost of an activity such as the acquisition of equipment was \$100,000, with \$40,000 to be from CDBG funds as the source, and \$60,000 to be from the benefited business as the source—then the benefited business would have to first pay the entire \$100,000 cost of acquisition, and then seek reimbursement of \$40,000 from CDBG funding.]

§4.03 CDBG Loan Terms.

The \$500,000 to be loaned to the Business is for the purpose(s) set forth in **PART II** above, and will be loaned by the County to the Business using CDBG funds under the following terms:

- (a) The promissory note evidencing the loan to the Business will be drawn in favor of the County, and the payments are to be made by the Business to the County.
- (b) Repayment of full loan amount will be required by the County of Sarpy County as stated in (e) below, to be paid to the Department within 60 days of receipt by the County.
- (c) Collateral requirements, if any, or loan guarantee requirements, if any, are specified in §4.04 below.
- (d) One component of the total loan is a \$250,000 portion which bears no interest (0% interest) and is forgivable upon the meeting of certain conditions by the Business with respect to job creation, job maintenance, and LMI benefit. If the requisite conditions for forgiveness are not met, the principal is repayable in full by the Business (bearing no interest) upon appropriate notice from the County, and under factual circumstances supporting such conclusion by the County.
- (e) The other component of the total loan is a \$250,000 portion which bears no interest, the principal of which is to be repaid in 59 equal monthly payments of \$4,170.00 and one final payment of \$3,970.00. Monthly payments are due on the 1st day of each month beginning two months after the calendar month of DED issuance of the Notice of Release of Funds.

These favorable CDBG loan terms are conditioned upon the Business' agreements concerning job creation, job maintenance, and jobs benefiting LMI persons, all as specified in other portions of this MOU.

§4.04 Collateral/Guarantees.

The CDBG loan is to be secured by a senior security interest granted to the County by the Business in machinery and equipment. A detailed description of said equipment will be provided by the Business to the Department upon loan closing.

§4.05 Reporting Requirements.

- (a) Employment Reporting. The Business will have each employee for which LMI status is relevant (normally this includes employees for created jobs, and employees for retained jobs, but not employees forming the measuring baseline of present employment by the Business), complete the Department's Employee Certification Form (such form to be provided to the Business by the County). Such form requests information from the employee concerning the employee's income status, race, gender, and handicap status. The information from such forms, and other pertinent employment data reasonably required by the County, will be provided by the Business, at least semi-annually. Such information is for use by the County and the

Department in assembling and reporting LMI and other employment data to meet HUD requirements for the CDBG program.

(b) Financial Reporting. The Business will provide to the County or to the Department, in a timely manner, the Business' financial statements, including balance sheets and income statements, in such form as may be reasonably required by the County or by the Department, following the close of the Business' fiscal year.

§4.06 Due on Sale.

Unless the obligations hereunder are assumed by any entity purchasing, merging with, or otherwise taking control of the Business, repayment of the entire amount of any outstanding balance of the CDBG funded obligation of the Business may be declared (by the County) immediately due and payable upon any material change in the ownership control of the principal assets of the Business, or of the Business itself, including mergers and/or consolidations with other persons or entities. This provision exists to protect the interests of the County and the Department in seeing to it that the obligations of the Business as set forth in this MOU are completely fulfilled, as they must be to comply with HUD CDBG statutes and regulations permitting CDBG funds to be used for financial assistance to the Business in the first place.

§4.07 Maintain Location of Project.

Until all the requirements of this MOU are satisfied, the Business agrees to keep its facility in Sarpy County, Nebraska, located in Sarpy County. Repayment of the entire amount of any outstanding balance of the CDBG funded obligation of the Business may be declared (by the County) immediately due and payable upon a failure to adhere to this requirement.

§4.08 Prohibition on Use of CDBG Assistance for "Job-Pirating" Activities.

The parties to this MOU recognize and acknowledge that a portion of the federal statutes dealing with CDBG funding, particularly as codified at 42 U.S.C. §5305(h), and implementing regulations issued by HUD at 24 C.F.R. §570.482(h), prohibit the Department from using CDBG funds for activities likely to result in significant job loss in a Labor Market Area (LMA) from which the Business is relocating. The HUD regulations prohibit CDBG funding if the funding will assist in the relocation of a plant, facility, or operation (terms defined in the regulations)—and—if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs. A "significant job loss" is defined in HUD regulations using the following measurements:

- 500 jobs lost in a LMA is definitionally a significant loss; and thus CDBG funds cannot be used in such cases.
- 25 or fewer jobs lost in a LMA is definitionally not a significant loss; and thus not a job-pirating problem, so CDBG funds can be used in such cases.

- **26-499** jobs lost may be a significant job loss if the lost jobs are equal to or greater than one-tenth of one percent (0.1%) of the total number of persons in the labor force of the LMA from which the proposed business relocation would occur.

The HUD regulations require the Department to obtain from the business assisted with CDBG funds:

- A statement from the assisted business as to whether the CDBG-assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and if so, the number of jobs that will be relocated from the LMA. An "operation" is defined in the regulations as including (but not being limited to) any equipment, employment opportunity, production capacity, or product line of the business.
- If the assistance will not result in a relocation, then the business must certify that neither it, nor any of its subsidiaries, has plans to relocate jobs (at the time the agreement is signed) that would result in a significant job loss.
- An agreement requiring the business to reimburse CDBG funds if a relocation prohibited by the regulations should occur within three years from the date the CDBG assistance is provided to the business. Under the regulations, jobs will be considered to have been relocated if positions are eliminated at an existing operation within three (3) years of the time when CDBG funding assistance was provided to the expansion site operation of the business.

Pursuant to the requirements outlined in this section, the Business hereby states for purposes of this MOU that (check mark and initial **one or the other** alternative, but **not both**):

_____ (initials of official executing MOU for the Business). The CDBG-assisted activity **will** result in the relocation of a plant, facility, or operation from one LMA to another LMA, with the number of jobs that will be relocated from the LMA being as follows: **58** (insert number of jobs).

OR

_____ (initials of official executing MOU for the Business). The CDBG-assisted activity **will not** result in the relocation of a plant, facility, or operation from one LMA to another LMA. The Business hereby certifies that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time this agreement is signed, that would result in a significant job loss as defined in the regulations.

In a circumstance where neither of the alternatives above is marked and initialed, the second alternative (indicating the activity will not result in relocation) will be deemed to have been selected and agreed to by the Business.

Pursuant to the requirements outlined in this section, the Business further agrees if a relocation prohibited by the regulations should occur within three years from the date the CDBG assistance is provided to the Business, the Business agrees to reimburse the County for all amounts of CDBG assistance provided to the Business, or expended on behalf of the Business, pursuant to this MOU.

PART V: JOB CREATION AND JOB MAINTENANCE REQUIREMENTS.

§5.01 Job Creation and Job Maintenance Requirements.

The Business must:

(a) create at least 58, new, permanent jobs (on an FTE basis), in the Business' facility in Sarpy County, Nebraska over and above the agreed baseline of employment at the Sarpy County facility which agreed baseline is 72 FTEs for purposes of this MOU:

(1) within 24 months of the date on the Notice of Approval letter from the Department.

(2) meeting the requirement that 51% or more of all jobs (on an FTE basis) created as a result of the CDBG-assisted project must be held by (or if not actually "held by", then the Business must meet the required regulatory standards so as to be considered to have made the jobs "available to") low-to-moderate income (LMI) persons.

(b) maintain the minimum required created 58 FTE jobs, and maintain all additional jobs created as a result of the CDBG-assisted project, for 24 months measured from the date of hire for each respective job.

(c) maintain the 72 FTE positions which represent the agreed baseline of employment for 24 months measured from the Notice of Approval letter from the Department.

(d) pay all employees of the Business a minimum hourly rate of \$10.00 per hour, and provide all employees with an appropriate package of employee benefits.

Only permanent employees (not temporary employees); and only employee positions at the Business' facility in Sarpy County, Nebraska and Douglas County, Nebraska; will be credited in assessing whether the job creation and job maintenance requirements have been satisfied.

§5.02 Proration of Any Repayment Obligation Arising from Failure by the Business to Meet the Job Requirements of §5.01.

If the Business fails to meet the job requirements set forth in §5.01, the default remedy specified at §6.02 will be mitigated by allowing, in some instances, proration of the principal amount of any repayment obligation which is triggered by such failure to meet such job requirements, as follows:

(a) CDBG statutes and regulations require CDBG-assisted projects to meet the national objective of principally benefiting low-to-moderate income (LMI) persons. These statutes and regulations require that at least 51% of the created jobs benefit LMI persons. If Business fails to meet the national objective by not having at least 51% of the created jobs benefiting LMI persons, then full repayment of the CDBG funding is required, and no proration is allowed.

(b) If the national objective (51% LMI benefit) is met, but the job creation requirement (58 jobs in this instance) is not achieved, then a pro rata portion of the CDBG funds will be required to be repaid, equivalent to the ratio of→jobs not created, divided by the number of jobs required to be created.

(c) If the national objective (51% LMI benefit) is met, but the jobs are not maintained for the required job maintenance period (24 months in this instance), then a pro rata portion of the CDBG funds will be required to be repaid, equivalent to the ratio of→the required maintenance period in months, less the number of months the jobs were maintained, divided by the required maintenance period in months.

(d) If the national objective (51% LMI benefit) is met, but there is a failure as to both the job creation/retention requirement and the job maintenance period, then a pro rata portion of the CDBG funds will be required to be repaid, equivalent to→using the number of jobs required to be created, multiplied by the number of months the jobs were to be maintained, resulting in a computational factor of "required job-months"—then using the number of jobs actually created multiplied by the number of months the jobs were actually maintained, resulting in a computational factor of "achieved job-months"—and then subtracting the "achieved job-months" factor from the "required job-months" factor to calculate a "failed job-months" factor—and then establishing the ratio of:

$$\frac{\text{"failed job-months"}}{\text{"required job-months"}}$$

with such ratio (with "failed job-months" as the numerator, and "required job-months" as the denominator), being the required pro rata portion of CDBG funds to be repaid.

An example to illustrate application of this requirement is:

CDBG assistance total = \$250,000

of jobs to be created = 20

of months the jobs were to be maintained = 24

of jobs actually created = 15

of months the jobs were actually maintained = 16

20 x 24 = 480 "required job-months"

15 x 16 = 240 "achieved job-months"
480 - 240 = 240 "failed job-months"

240 "failed job-months"
----- = .50
480 "required job-months"

\$250,000 x .50 = \$125,000 to be repaid.

PART VI: OTHER TERMS AND CONDITIONS OF THIS MOU.

§6.01 Events of Default.

In addition to other events or fact settings where debt acceleration or other remedies may be specified elsewhere in this MOU, the following are (but are not exclusively the only) events of default, each of which triggers the general default remedy set forth in §6.02 (or the remedies specified elsewhere in this MOU associated with such event or fact setting):

- (a) Failure by Business to fully satisfy the Job Creation and Job Maintenance Requirements set forth in §5.01, subject, however, to the provisions of Section 5.02 above.
- (b) A breach of the Maintain Location of Project provisions in §4.07.
- (c) Bankruptcy or insolvency of the Business.
- (d) Failure by Business to provide, in a timely manner, reports and other administrative documentation identified in this MOU.
- (e) Any other failure by the Business to substantially comply with the terms and conditions of this MOU.
- (f) If the Business, or its officers or employees, engage in:
 - 1) material misrepresentation concerning CDBG funds; or,
 - 2) unauthorized use or theft of CDBG funds.

§6.02 General Default Remedy (applicable to events of default where remedies for specific events or fact settings are not specified elsewhere in this MOU).

If an event of default occurs, then CDBG funding will be disallowed, and immediate repayment to DED of the entire amount of any outstanding balance of the CDBG funded obligation of the Business will be required, together with interest computed at 8% per annum (simple interest), from the date(s) CDBG funds were advanced to the Business by the County.

§6.03 Loan Documentation Responsibility.

The Business shall have the duty to prepare any necessary loan documentation instruments (e.g., a promissory note reflecting the CDBG loan obligation of the Business in favor of the County), including (if applicable) any necessary security instruments or

guarantees, associated with the CDBG loan. If others, such as an attorney representing the County, prepare such documentation at the request of the Business, then payment for such attorney's services shall be borne by the Business. None of the costs of loan documentation for the CDBG portion of this project, including any attorney's fees for loan documentation preparation or review, will be the responsibility of DED, nor of the County unless voluntarily undertaken by the County.

§6.04 Severability, Binding Effect, Counterparts, and Governing Law.

If any provision of this MOU or its application to any person or circumstance is held invalid by any court of competent jurisdiction, such invalidity will not affect other provisions of this MOU.

This MOU will be binding upon, and will inure to the benefit of, the successors, assigns, and legal representatives of the parties.

This MOU may be signed in any number of counterparts, each of which will be an original, but all of which taken together will constitute one agreement.

This MOU will be governed by; construed according to the laws and regulations of; and subject to the jurisdiction of; the State of Nebraska.

§6.05 No Legal Actions.

The Business warrants there are no legal actions, suits, or other proceedings, pending or threatened, before any court or administrative agency, which, if determined adversely to the Business, would have a material adverse effect on the financial condition of the Business nor on the ability of the Business to complete the project which is the subject of this MOU.

§6.06 Authorization of Representative Signing for the Benefited Business.

The Business, by and through the officer or other representative accepting this MOU by signing below on behalf of the Business, has entered into this MOU with the full knowledge and authorization of the Business, under proper procedures prescribed by the articles of incorporation, bylaws, and other organizing documents applicable to the governance of Business.

§6.07 This MOU is NOT a Notice of Approval of the Project.

Project funding approval by DED is neither expressed nor implied by DED's execution of this MOU, and project costs should not be incurred based solely upon this MOU. Additional approval steps beyond the MOU are required before a project receives a Notice of Approval, including satisfying other steps of the application and approval process at DED, and obtaining the approval of the Governor of the State of Nebraska.

§6.08 Conditions Precedent to Drawdown of CDBG Funds.

Certain conditions must be satisfied before any requests for funds (so-called "drawdowns") by the County would be paid by DED, in the event a Notice of Approval for this project is ultimately issued by DED. The conditions are emphasized here so that all parties to this MOU will be aware of, and can appropriately plan for, the requirements for drawdowns, should the project be approved.

- (a) The requirements set forth in §4.02, *Sources and Uses of Funds*, must be strictly observed. These requirements include CDBG-activity maximum payments; the injection of matching funds; and CDBG funds payments being limited and governed by the ratio, proportionality, and reimbursement timing requirements detailed in §4.02.
- (b) Documentation, in such form as DED may prescribe, showing disbursement by other project funding sources for qualified expenditures, will be required by the DED.
- (c) Compliance with the environmental review process pertaining to the project, established by the National Environmental Policy Act of 1969 (NEPA), and other provisions of federal law as specified in 24 C.F.R. Part 58 which further the purposes of NEPA, is required.
- (d) Proper execution, by the Business, of this MOU and any other required documents (e.g., loan documents), is required.

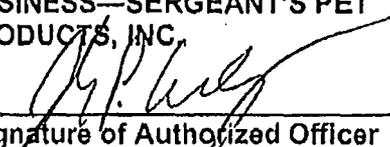
ACCEPTANCE PROVISIONS.

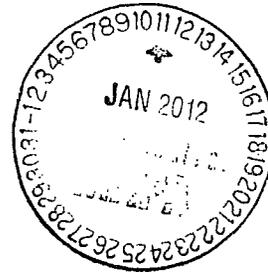
The parties acknowledge they have read and understand this MOU and agree to its provisions, and that it will be effective on the date when all parties have signed.

<p>DED—NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT</p> <p>By: _____ (Signature of Director or Designee)</p> <p>_____ (Typed or Printed Name/Title)</p> <p>_____ (Date)</p>	<p>COUNTY—COUNTY OF SARPY COUNTY</p> <p>By: <u>Tom Richards</u> (Signature of Chief Elected Official)</p> <p><u>Tom Richards, Chairman</u> (Typed or Printed Name/Title)</p> <p><u>11-8-11</u> (Date)</p> <p><u>47-6006504</u> (Federal Identification Number)</p>
<p>BUSINESS—SERGEANT'S PET PRODUCTS, INC.</p> <p>By: _____ (Signature of Authorized Officer)</p> <p>_____ (Typed or Printed Name/Title)</p> <p>_____ (Date)</p>	<p>BANK—BANK OF THE WEST</p> <p>By: _____ (Signature of Authorized Officer)</p> <p>_____ (Typed or Printed Name/Title)</p> <p>_____ (Date)</p>

ACCEPTANCE PROVISIONS.

The parties acknowledge they have read and understand this MOU and agree to its provisions, and that it will be effective on the date when all parties have signed.

<p>DED—NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT</p> <p>By: _____ (Signature of Director or Designee)</p> <p>_____ (Typed or Printed Name/Title)</p> <p>_____ (Date)</p>	<p>COUNTY—COUNTY OF SARPY COUNTY</p> <p>By: _____ (Signature of Chief Elected Official)</p> <p>_____ (Typed or Printed Name/Title)</p> <p>_____ (Date)</p> <p>_____ (Federal Identification Number)</p>
<p>BUSINESS—SERGEANT'S PET PRODUCTS, INC.</p> <p>By:  (Signature of Authorized Officer)</p> <p><u>Joseph P. Conneady</u> (Typed or Printed Name/Title)</p> <p><u>11-4-11</u> (Date)</p>	<p>BANK—BANK OF THE WEST</p> <p>By: <u>924 Jeth</u> (Signature of Authorized Officer)</p> <p><u>Kurt Grote, VP</u> (Typed or Printed Name/Title)</p> <p><u>11-4-11</u> (Date)</p>



Jamie Bretschneider
National Banking
Credit Officer
13220 California St.
Omaha, NE 68154

January 6, 2012

Timothy C. Klink
Attorney
Polsinelli Shughart
700 W. 47th St.
Suite 1000
Kansas City, MO 64112

Re: Sergeant's Pet Care Products, Inc. (\$18 Million - Line of Credit)

As referenced, Sergeant's Pet Care Products, Inc. currently has an \$18MM Line of Credit with Bank of the West that will mature March 1, 2013. The Line of Credit requires an interest rate based on the current 1 month LIBOR + 350bps (or 3.796% currently).

Sincerely,

Jamie Bretschneider

