

State of Nebraska

Accountability and Disclosure Commission

P.O. BOX 95086
Lincoln, Nebraska 68509
nadcd.nebraska.gov



Centre Terrace, 1225 L St. #400
Phone (402) 471-2522
Fax (402) 471-6599

October 16, 2024

Ty Lucas
North Platte City Council
3510 Tyler Court
North Platte, NE 69101

Re: Potential Conflict of Interest Statement

Dear Mr. Lucas,

This will acknowledge receipt of correspondence from you on October 11, 2024. The correspondence raises the question of whether you have a conflict of interest. We also note that on said date we discussed the correspondence in more detail with you.

You are a member of the North Platte City Council ("Council"). You are also a Director and a shareholder of NebraskaLand Bank. You are a minority shareholder with the Bank, with a stock value exceeding \$10,000.

In view of your position with the Bank, it appears that it is a business with which you are associated, as defined in §49-1408 of the Nebraska Political Accountability and Disclosure Act ("NPADA").

In your letter, you note that a matter came before the Council in February of 2024 concerning whether the Council would approve a "MicroTIF Bond." At the time the said Bond was voted upon by the Council, you have stated in our telephone conference that it was your understanding that Hershey State Bank was going to provide the financing for the Bond. It was your further understanding that NebraskaLand Bank was not a candidate for providing financing for the Bond. Based upon this information, you voted to approve the financing for the Bond.

However, on or about October 9, 2024, you were advised that Hershey State Bank had declined to provide financing for the Bond. Subsequent to this denial, the owners of the project contacted you with respect to whether NebraskaLand Bank would be interested in financing the Bond. At this point, you sent us the subject letter asking for an opinion

of whether you would have a conflict of interest if you participated with your Bank in deciding whether to provide financing for the Bond.

The NPADA provides, at §49-1499.03(2)(a) of the NPADA, that if you (as an elected City Council Member) are required to, "take any action or make any decision in the discharge of [your] official duties that may cause financial benefit or detriment to [you], a member of your immediate family, or a business with which [you are] associated," then you should prepare and file with the NADC a written statement describing the matter. We accept your letter as such a written statement.

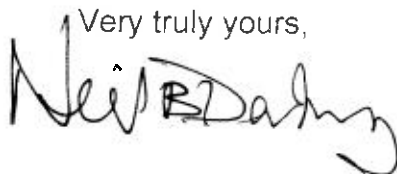
Based upon the facts as we understand them, at the time you voted in favor of approval of the MicroTIF Bond, you did not believe that your Bank was a potential candidate for or would be involved in the financing of the Bond. Eight months later, you were advised that the Bank which you had believed would provide the financing for the Bond, had elected not to do so.

You voted to approve the MicroTIF Bond at a time when you believed you were not confronted with a potential conflict of interest, as described above. Now, the Council is in a position in which the Bond has been approved, and it is our opinion that there is no further action or decision for the Council to make at this time with respect to the Bond. Since there is no decision or action for the Council to make at this time, the terms of §49-1499.03(2) would not apply to you. This is because you are **not** faced with taking an official action or decision in the discharge of your duties as a Councilmember in which you are faced with a potential conflict of interest with respect to the current status of this matter. Any decision which you would make at this time would be in your capacity as an officer of NebraskaLand Bank, and it would not fall within your duties as a Council member.

In addressing your Letter, we are relying upon our understanding, as we have expressed it in this letter, of the accuracy and completeness of information and facts which you have provided in your subject Statement and in our subsequent telephone call. If our expressed understanding of these facts is incorrect or incomplete, please advise us immediately.

Thank you for your filing of the subject Statement. Please contact me directly if you have any questions concerning this opinion.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Neil B. Danberg". The signature is fluid and cursive, with the first name "Neil" being more prominent and the last name "Danberg" written in a more compact, cursive style.

Neil B. Danberg, General Counsel

10/11/2024

Nebraska Accountability and Disclosure Commission

nadc@nebraska.gov

RE:

Ty Lucas,
North Platte City Council
3510 Tyler Court
North Platte, NE 69101

Dear NADC,

I am a member of the North Platte City Council. I continue to have a business affiliation with NebraskaLand Bank. I am a salaried employee, am on the Board of Directors, and remain as a minority shareholder with a stock value that exceeds \$10,000.

NebraskaLand Bank received a loan application from MADD Properties, LLC on 10/10/2024 to provide a loan to help monetize a MicroTIF bond that is going to be provided by the City of North Platte.

In February of 2024, the approval of the MicroTIF bond came to the North Platte City Council and I voted in favor of the issuance. MADD Properties, LLC is working with a local construction lender on their remodel project and had planned to borrow money against the MicroTIF bond, if City approved, to help with project expenses. They planned to use Hershey State Bank for this loan.

On 10/9/24 Hershey State Bank denied their loan request due to the Type of Collateral being insufficient and cited Uncertainty regarding MicroTIF rules and/or changes. (denial letter is attached)

After receiving this loan denial, the owners of MADD Properties, LLC contacted me to see if our Bank would loan money against this type of collateral. NebraskaLand Bank has the interest and ability to do this type of loan.

I would appreciate your opinion on whether I have a potential conflict of interest on this matter since I previously voted in favor of this MicroTIF bond approval.

My phone number is (308) 520-2254 and email is tlucas@nlmb.com.

Sincerely,

A handwritten signature in blue ink, appearing to be 'TL' or 'Ty Lucas', written in a cursive style.

Ty Lucas
City Council, Ward 2 North Platte

HERSHEY STATE BANK

Statement of Credit Denial, Termination or Change



Applicant's Name: MADD Properties, LLC

Date: 10/9/2024

Applicant's Address: 306 East 6th St North Platte, NE 69101

Thank you for your interest in Hershey State Bank. At this time we have taken the following action in regard to your recent request:

Description of Account, Transaction or Requested Credit:

- ☒ Application for credit
☐ Application for credit on a retail installment contract from _____
☐ Application for an increase in the amount of credit available

Description of Action Taken:

- ☒ We regret that we are unable to approve your application.
☐ We regret that we are unable to approve your request for an increase in the amount of available credit.
☐ We regret that it is necessary to terminate your line of credit number _____
☐ Other: _____

Principal Reasons For Credit Denial, Termination Or Change Concerning Credit:

- | | |
|--|--|
| ☐ Credit application incomplete | ☐ Length of residence |
| ☐ Insufficient number of credit references provided | ☐ Temporary residence |
| ☐ Unacceptable type of credit reference provided | ☐ Unable to verify residence |
| ☐ Unable to verify credit reference | ☐ No credit file |
| ☐ Temporary or irregular employment | ☐ Poor credit performance with us |
| ☐ Unable to verify employment | ☐ Limited credit experience |
| ☐ Length of employment | ☐ Delinquent past or present credit obligations with others |
| ☐ Income insufficient for amount of credit requested | ☐ Garnishment or Attachments |
| ☐ Excessive obligations in relation to income | ☐ Collection Action or Judgment |
| ☐ Unable to verify income | ☐ Foreclosure or Repossession |
| ☐ Number of recent inquiries on credit bureau report | ☐ Bankruptcy |
| ☒ Value or type of collateral not sufficient | ☒ Other <u>Uncertainty regarding MicroTif rules and/or changes</u> |

Disclosure Of Use Of Information Obtained From An Outside Source:

- ☐ Our Decision was based in whole or in part on information obtained from an affiliate or from an outside source other than a consumer reporting agency. Under Fair Credit Reporting Act, you have the right to make a request, no later than 60 days after you receive this notice, for disclosure of the nature of this information

- ☐ Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency(s) listed below.

You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency. The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you. You also have a right to a free copy of your report from the reporting agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report you receive is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency:

(Circle as applicable)

Trans Union
P.O. Box 1000
Chester, PA 19022
Phone (800) 888-4213

Equifax
P.O. Box 740241
Atlanta, GA 30374
Phone (800)-685-1111

Experian
P.O. Box 2002
Allen, TX 75013
Phone (888)397-3742

Credit Information Systems
225 S. Main
Council Bluffs, IA 51503
Phone (800) 782-9094

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is: FDIC Consumer Response Center, 1100 Walnut St, Box #11, Kansas City, MO 64106.

If you have information which might affect our credit decision or if you have question please contact:

HERSHEY STATE BANK

PO Box 459
Hershey, NE 69143
(308) 368-5555

301 E Philip Ave.
North Platte, NE 69101
(308) 535-9999