

CITY OF SCRIBNER ECONOMIC DEVELOPMENT PLAN

Adopted by the City of Scribner on October 1, 2009

Pursuant to the Local Option Municipal Economic Development Act

Neb. Rev. Stat, §18-2701 to 18-2738

As amended by Ordinance No. 562-17, approved on September 25, 2017

CITY OF SCRIBNER, NEBRASKA ECONOMIC DEVELOPMENT PLAN

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CITY OF SCRIBNER, NEBRASKA
ECONOMIC DEVELOPMENT PLAN

Nebraska’s voters enacted a constitutional amendment in November 1990, granting cities and villages the power to use local sources of revenue for economic or industrial projects and programs. In 1991, the Unicameral implemented this amendment with the passage of Legislative Bill 840, the Local Option Municipal Economic Development Act.

The Local Option Municipal Economic Development Act is based on the premise that communities should use their own tax dollars in ways that best meet local needs. While ongoing planning processes in many towns have identified development, job creation, and increased economic opportunity as their highest priority for the future, a variety of constitutional and legislative prohibitions kept them from investing local public funds in development programs. The removal of these limitations, gives municipalities greater latitude in determining and acting upon local needs.

As towns have witnessed population declines and a loss of younger people, they have thought about their futures and the types of actions and investments needed to reverse these past trends. At the same time, smaller towns and cities are beginning to grow concern about the problems and quality of urban life, including cost and relative safety, the advantages offered by the smaller cities have become uniquely attractive. At the same time, the revolution in information and communication technology as well as goods distribution has reduced the isolation of small towns. As a result, it is increasingly possible to operate a significant business in growth areas outside of major urban centers.

SECTION I. GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY AND OVERVIEW:

The Nebraska Legislature, in the Local Option Municipal Economic Development Act (18-2701 et seq.) has made the following legislative findings:

- (1) There is a high degree of competition among states and cities in our nation in their efforts to provide incentives for businesses to expand or relocate in their respective jurisdictions;
- (2) Municipalities in Nebraska are hampered in their efforts to effectively compete because of their inability under Nebraska law to respond quickly to opportunities or to raise sufficient capital from local sources to provide incentives for business location and expansion decisions which are tailored to meet the needs of the local community;
- (3) The ability of a municipality to encourage business location and expansion has a direct impact not only upon the economic well-being of the community and its residents, but upon the State as well.
- (4) There is a need to provide Nebraska municipalities with the opportunity of providing assistance to business enterprises in their communities. Assistance could be for expansion of existing operations or the creation of new businesses, using funds raised by local taxation, when the voters of the municipality determine that it is in the best interest of their community to do so.

Scribner’s community and economic development strategy involves building on our strengths to promote existing industries and the retention of jobs and to recruit new industries and jobs to the community. The principal strategy is directed at maintaining a good quality of life for our citizens and a strong workforce, developing community resources, attracting new capital investment, broadening the community’s tax base; and ensuring economic stability and viability for Scribner.

Economic diversification will continue to be a critical priority for Scribner’s economic development program. Diversification will be strengthened by the recruitment of new business from outside and development of new businesses from inside the city. A small business development program can establish the city as a nurturing environment for small business and as a center for economic opportunity. This atmosphere, in turn, can encourage people with skills and ideas to move or return to Scribner to make a start in business.

In addition to recruitment, the city can create job opportunities by helping existing businesses in the city to expand their markets and compete more successfully. The successful marketing of Scribner as a center for opportunity is important to the city’s effort to expand its labor force and attract new residents.

The City of Scribner recognizes that the attraction of new business and industry to a community, or the expansion of existing business or industry, takes place in a very competitive market place. In order to keep Scribner, Nebraska as competitive as possible in that market place the community will strive to use all financial and human resources available in a partnership using federal, state, municipal and private sources.

The City of Scribner, by special election, proposes to pass a local option sales tax referendum in compliance with LB840 July 14, 1998. The program would become effective on October 1, 2009 and will sunset on September 30, 2024.

This program is projected to raise \$110,000 in sales tax funds per year.

The program will help to provide for:

- A small business revolving loan program,
- Business assistance,
- Local and regional marketing,
- Grant writing for community and organization projects
- Funding for Community Development Block Grant (CDBG) matches,
- A full time Economic Development Director,
- Regional/national marketing,
- Participation in regional development efforts,
- Grants or loans for: community infrastructure; or public works improvements to business benefactors
- Commercial/industrial recruitment and promotional activities
- Necessary infrastructure studies directly related to development and
- A direct point of contact for those seeking new or expanded business opportunities in the city of Scribner.

Future projects anticipated could include:

- Business updates/renovation
- Market/recruit dentist
- Funding for Community Development Block Grant (CDBG) matches,
- Regional/national marketing,
- Participation in regional development efforts

- Necessary infrastructure studies directly related to development,
- Workforce Housing and
- A direct point of contact for those seeking new or expanded business opportunities in the City of Scribner.

Economic Development funds have previously been used for other projects such as:

- A small business revolving loan program,
- Grant writing,
- Business assistance,
- Funding for Community Development Block Grant (CDBG) matches,
- A full time Economic Development Director,
- Regional/national marketing,
- Participation in regional development efforts,
- Necessary infrastructure studies directly related to development, and
- A direct point of contact for those seeking new or expanded business opportunities in the City of Scribner.

The City of Scribner continues to face stiff competition to recruit businesses to the community. In the last ten (10) years the United States has seen more and more jobs leave the borders for other countries. So competition is now not only driven by local, regional or national efforts but for the first time a significant increase in international rivalry.

The Nebraska Department of Economic Development continues to strengthen their requirements for communities to be eligible for shrinking state economic development programs and funds. All Community Development Block Grant funds are now required to be matched by local funds.

Businesses both existing and start-up continue to look for bottom line savings and community incentives.

The Economic Development program helps to keep Scribner competitive with site-selection criteria.

Retention of existing businesses also faces challenges. Economic factors can create hardships for businesses. In a small, rural community, existing businesses can be considered sustainable, not marketable.

All of these factors exhibit the need and importance of the Economic Development Program for diversification of industries, retention of jobs, and growth of property tax valuations.

The Local Option Development Act became effective June 3, 1991, and authorizes cities and villages to appropriate and spend local sales tax and property tax revenues for certain economic development purposes. An Economic Development Plan formulated by the City to implement this legislation is subject to a vote of the people.

This process involves the formation of a proposed Plan for a local Economic Development Program. The Plan forms the foundation for the collection and expenditure of local tax revenues for economic development efforts and thereby expanding job opportunities and the tax base, both property and retail sales, within the community.

The LB840 Committee, consisting of representatives from Scribner Area Chamber of Commerce, Scribner Improvement and Industrial Corporation and Scribner NCIP, with the assistance and leadership of the Director of Economic Development and City Administrator, has prepared this plan for submission for City Council approval. After City Council approval, the voters will then have an opportunity to vote for the Economic Development Program. Through voter approval of the Economic Development Plan, the City will be in a position to: operate a low interest revolving loan fund; acquire commercial and industrial sites; promote their development; offer performance based or forgivable loans (grants); leverage other grant funds; bond the cost of economic development projects pending sales tax collections; provide for the salary of an Economic Development Director; and other activities that are directly attributable to the Economic Development or Community Development program.

This plan will be called the Economic Development Plan and will become effective beginning October 1, 2009. The City proposes that a 1^{1/2} percent local option sales tax be collected to fund the Economic Development Program.

SECTION II. STATEMENT OF PURPOSE, DESCRIPTION OF GENERAL INTENT AND PROPOSED GOALS

It is the intent of the City of Scribner, Nebraska, to implement an economic development program ("The Program"), the purpose and goals of which will be to create jobs/generate employment opportunities, to expand labor markets of Scribner and Dodge County, to attract new capital investment to the community stability and vitality for the community of Scribner and the surrounding area.

The City of Scribner has adopted a Comprehensive Plan. This Comprehensive Plan was the culmination of a planning process that also involved citizens of the city to define its future. It is important in preparation of an economic development plan that, in addition to soliciting specific input for the plan, an effort be made to ensure consistency with other plans and goals of the city.

The general intent and goal of the Scribner Economic Development Program is to establish a sustainable and diversified economy for the citizens of Scribner, Nebraska. This is accomplished through the recruitment of a variety and balanced new companies; providing new or expanded job opportunities; retention of key existing businesses; assisting in local business growth; stimulating new construction; aiding in the development of new industrial and commercial building sites; and assisting local tourism efforts. Some detailed components of "The Program" also involve: establishing a list of target industries and business; analyzing trends; assisting in planning and zoning; annexation development as necessary for industry development; providing for the training of labor; assisting in regional efforts; application submission for Certified City status under the Nebraska Department of Economic Development; and participation in key legislative issues.

The success of the program will be measured by: the number of new jobs created; the number of jobs retained; the total dollars in fixed assets gained; the total valuation growth of the city; and the number of businesses recruited or retained.

SECTION III. DEFINITION OF "THE PROGRAM":

The definition of the Scribner Economic Development Program encompasses the plan in its entirety; including program renewal, funding and the execution of the plan.

“The Program” shall also encompass any project utilizing funds for the purpose of providing: direct or indirect financial assistance to qualifying retail and non-retail businesses; the payment of related costs or expenses; the operations of the revolving loan fund; projects that partner with the City of Scribner, or any other formally established ‘development based’ organization; related administrative expenses including a full-time director, support staff and associated administrative expenses; marketing; or any other ancillary project or promotion such as tourism or value added agricultural endeavors.

These funds are derived from the collection of the 1^{1/2} cent sales tax collection; Community Development Block Grant ‘reuse’ funds; principal and interest receivables; regional, state or federal grants leveraged with local funds; contributions naming the Economic Development Program as the benefactor; balance of funds not yet expended from any original Economic Development Program previously in place; City of Scribner funds that City Council authorizes for utilization for “The Program”; or any other funds either private or public (including bonded or non-bonded) that have been designated for use by the City of Scribner for “the Program”.

SECTION IV: TYPES OF ACTIVITIES ELIGIBLE FOR ASSISTANCE

Eligible activities under the economic development program may include, but shall not be limited to, the following:

- 1) A revolving loan fund from which low interest loans, forgivable loans, grants matching Community Block Grant Funds, commercial real estate improvement grants/loans, performance based loans/grants will be made to qualifying businesses or organizations. These businesses shall create jobs at above regional average pay scale, retain existing jobs, provide expansion/retention funds, contribute to the sales tax base; contribute to the property tax base, provide essential products/services or possess other merits not previously defined. The Economic Development Loan Committee will base the approval for loans on loan guidelines as established, approved and monitored.
- 2) Grants or loans for: community infrastructure; or public works improvements to business benefactors; and/or purchase of fixed assets, i.e. real estate and real estate options that are essential to the location or expansion of a qualifying business. Equity investments may or may not have specific performance requirements such as job creation and shall be secured by Mortgage, Deed of Trust, Promissory Note, personal and/or corporate guarantees or other financial instruments as requested by the loan fund committee.
- 3) The authority to issue bonds pursuant to the Act and/or as provided by any other applicable statutes or law.
- 4) Grants, assistance or agreements for job training.
- 5) Payments for: salaries, support staff costs, or contracting with an outside entity for Economic Development management and direction.
- 6) Commercial/industrial recruitment and promotional activities.
- 7) Costs associated with Tax Increment Financing for the graduated abatement of property tax as allowed by state law.
- 8) Costs associated with any other abatement of taxes as allowed by any future state law.
- 9) Purchase of real estate, real estate options and the renewal or extension of such options.
- 10) Direct loans or grants for any typical business expenses including but not limited to: fixed assets, fees, studies, working capital, required infrastructure or utility connection.

11) Grants or loans for the construction or rehabilitation for sale or lease of housing as part of a Workforce Housing Plan.

12) Tourism related activities

13) Local or Regional recruitment activities

The eligible activities described above are considered priority activities for the use of funds generated under the local Option Municipal Economic Development Act. The City of Scribner recognizes that the attraction of new business to a community or the expansion of existing businesses takes place in a very competitive market place. In order to keep Scribner as competitive as possible in that market place, and in the creation of new jobs in the area, the City retains the right to include as eligible activities those additional activities allowable by law.

14) The Local Option Municipal Economic Development Act has been changed in several Legislative sessions since it was signed into law on June 3, 1991. It is reasonable to assume the law will change during the course of Scribner Economic Development Program. In order to stay current with Nebraska Statutes, the City of Scribner retains the right to amend this Economic Development Plan when such amendment pertains to changes made to the Local Option Municipal Economic Development Act or to other statutes that affect Scribner's Program. Such amendments can only be made after a public hearing and a majority vote of Scribner's City Council.

SECTION V. DESCRIPTION OF ELIGIBLE BUSINESSES:

A. A qualifying business shall mean any corporation, partnership, limited liability company, sole proprietorship, or organization that derives its principal source of income from any of the following:

- 1) The manufacture of articles of commerce
- 2) The conduct of research and development
- 3) The processing, storage, transport or sale of goods or commodities which are sold or traded in interstate commerce
- 4) The sale of services in intra or interstate commerce
- 5) Headquarter facilities relating to eligible activities as listed in this section
- 6) Telecommunications activities
- 7) Tourism-related activities
- 8) Construction and/or rehabilitation of housing.
- 9) Retail Trade and Services, provided that no more than 50% of total sales tax option funds generated during life of program be utilized for such businesses.
- 10) Services as deemed essential by the Economic Development Committee.
- 11) Any other business deemed as a qualifying business through future action of the legislature.

B. If a business which would otherwise be a qualifying business employs people and carries on activities in more than one city in Nebraska or will do so at any time during the first year following the application for participation in "The Program," it shall be a qualifying business only if, in each such city, it maintains employment for the first two years following the date on which such business begins operations in the city as a participant in its Program at a level not less than its average employment in such city over the twelve-month period preceding participating.

C. A qualifying business must be located within the zoning jurisdiction of the City of Scribner unless the City Council grants a variance for special circumstances.

- D. Any other business deemed a qualifying business through future action of the Legislature, Nebraska Department of Economic Development officials, or the Economic Development Committee as presented to and approved by City Council.

SECTION VI. REVOLVING LOAN FUND; PURPOSE AND ADMINISTRATION

- A. Purpose: Scribner should maintain a revolving loan fund for business and economic development. This fund provides loans, loan guarantees, real estate acquisitions and/or real estate options for future development, speculative buildings, and investments to private businesses. This process should target the assistance of the financing of:
 - 1. Expansion and improvement of existing local businesses.
 - 2. Attraction of relocating businesses that add to the labor pool; or increase total city valuation; or increase the existing sales tax base; are named target industries; or are matched to the features of the community; or provide a synergetic cluster to existing businesses.
 - 3. Start up of new businesses.
- B. Program Administration: The revolving loan fund requires specific administration procedures to insure that applications receive an objective underwriting review; remain confidential and outside the political process; and are administered in a way that is consistent with sound banking procedures. The authorizing statute also requires a "Citizens Advisory Committee" to oversee all activities of the "Program".
 - 1. The City Administrator and Economic Development Director will Co-administer the revolving loan fund. The co-directors will establish a "Loan Committee" which will be composed of the following voting members:
 - a. One representative of a local financial institution that is thoroughly familiar with commercial lending and loan underwriting practices or a Certified Public Accountant thoroughly familiar with business spreadsheets.
 - b. The Mayor or his/her appointee from City Council,
 - c. A member of either the Scribner Improvement and Industrial Corporation, the Chamber Board, or other private business development corporation or local business owner.
 - d. Two members of the Citizens Advisory Committee, as elected by the members of the Citizens Advisory Committee.
 - 2. The Mayor shall appoint a minimum of five (5) or a maximum of seven (7) to the "Citizens Advisory Committee". Of these, two shall be elected to become voting members of the "Loan Committee" by the members of the "Citizens Advisory Committee." The authorizing statute does not permit elected officials to be voting members of the "Citizens Advisory Committee." Suggested participants for this committee include:
 - a. Small business owners.
 - b. Private citizen.
 - c. Those familiar and experienced with the local Economic Development Program.
 - d. Local representative from the school district.
 - e. Representatives from the Planning Commission.
 - f. Those that hold special knowledge or expertise in Economic Development activities.

- g. Representatives from local financial institutions that are not represented on the “Loan Committee.”
- 3. Appointments or reappointments shall be made during the City of Scribner’s annual re-organization meeting prior to the beginning of each calendar year and approved by City Council. Vacancies shall be filled as soon as practical.
- 4. The two components of the Economic Development Committee i.e. the “Loan Committee” and the “Citizens Advisory Committee” will hold meetings concurrently so that all may provide input in the different facets of the program.

SECTION VII. WORKFORCE HOUSING PLAN:

“Workforce Housing Plan” means a program to construct or rehabilitate single family housing or market rate multi-family housing which is designed to address a housing shortage that impairs the ability of the City of Scribner to attract new businesses or impairs the ability of existing businesses to recruit new employees. In connection with the Workforce Housing Plan:

- a. In August, 2017, the Economic Development Committee completed for the City of Scribner, a Community Housing Study with Strategies for Affordable Housing (the “Housing Study”). The Housing Study found that the current housing stock in the City of Scribner, including both single-family and market rate multi-family housing, was deficient with a need for larger, more affordable housing units to meet the demand of families, as well as a need for housing rehabilitation for homes that are cost effective for such activity.
- b. The Workforce Housing Plan is intended to include all single-family housing and market rate multi-family housing. No special provisions for housing for persons of low or moderate income are provided for.
- c. Due to the lack of available housing within the City of Scribner, existing businesses have difficulty in recruiting new employees. The Plan encouraged the creation of a Housing Partnership in order to take the lead role to design and implement a Workforce Housing Assistance Program for local major employers to become directly involved with assisting their employees in securing appropriate and affordable housing, with the eventual goal of becoming homeowners in Scribner, Nebraska.
- d. Construction costs, and the cost of providing infrastructure for housing (to include streets and utilities) are adversely impacting the ability of housing for persons seeking new or rehabilitated housing in the City of Scribner.
- e. The Plan provided that there is a need for expanded housing options that include safe, decent and affordable housing and rehabilitation or demolition of distressed housing structures. Future housing activities should be directed towards providing the local workforce and first-time homebuyers with a variety of housing options through both new construction and the moderate- or substantial rehabilitation of current housing stock.

SECTION VIII. SOURCE OF FUNDING:

- A. The program will be funded by the collection of a one and one-half (1 ^{1/2}) cent City of Scribner local Option Sales Tax. The voters will have to approve the collection of this sales tax by a specific vote on the issue.
 - 1. The City will not impose any additional property tax to support the Economic Development Program.

2. The City shall not appropriate from the sales tax approved for Economic Development Programs, in any years which such programs are in existence, an amount in excess of four-tenths of one percent of actual valuation of the City of Scribner in the year which the funds are collected. This appropriation is further limited by a one million dollar ceiling for any one year.
3. The City of Scribner may appropriate a greater amount, subject to statutory limitations, as may be generated, as outlined in the special election ballot questions, which approves the Economic Development Plan and Program. The restrictions on the appropriation of funds from local sources of revenue shall not apply to the re-appropriation of funds, which were appropriated but not expended during the previous fiscal years or to funds that may be bonded for a specific project as allowed by the Act or other statutes or laws.
4. Funds collected shall be accounted as an increase in the City of Scribner’s budgeted restricted funds, by \$110,000 for the fiscal year 2009-2010, subject to the terms and conditions as outlined in the special election ballot questions.

B. The program will be in effect for a period of 15 years. This time period will commence from the date the sales tax is first collected for the duration of the program or as provided by statute.

C. Proposed total collections for the program:

<u>Year</u>	<u>Estimated Collection</u>
1	\$110,000
2	\$110,000
3	\$110,000
4	\$110,000
5	\$110,000
6	\$110,000
7	\$110,000
8	\$110,000
9	\$110,000
10	\$110,000
11	\$110,000
12	\$110,000
13	\$110,000
14	\$110,000
15	\$110,000
TOTAL	\$1,650,000

D. Basic preliminary proposed yearly budget:

1. Project Development 65%-\$71,500
2. Economic Development Operations
(Expenses not delegated to a specific project) 35% - \$38,500

SECTION IX. OPERATION OF THE REVOLVING LOAN FUND:

This section will describe details of the operation of the revolving loan fund. The special features of this fund, combined with the requirement of LB 840 Economic Development, requires that its operation be outlined.

A. General Guidelines

The amount of funds available for any single project shall not exceed the amount of funds available under the Economic Development Program during the project term, nor shall it provide for more than fifty percent (50%) of applicant's total project costs. An applicant must provide participation and evidence of participation through private funding as distinguished from Federal, State or Local funding in the minimum amount of ten percent (10%) equity investment. The right is reserved to negotiate the terms and conditions of the loan with each applicant, which terms and conditions may differ substantially from applicant to applicant.

1. The interest rate shall be fixed and negotiated on an individual basis, usually one-half the rate of the lending rate for the project at a traditional banking source. Rates shall not be less than one-half of national prime rate established by the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks known as the Wall Street Journal U.S. prime rate on the date of loan approval, or less than four percent (4%) per annum. The term shall not exceed ten (10) years for loans used for capital assets and five (5) years for loans involving any other asset category. Security for loans will include, but will not be limited to, Promissory Notes, Mortgages or Deeds of Trust, and personal and/or corporate guarantees as appropriate and may be in a subordinate position of the primary lender.
2. If the loan is approved as performance based, a qualifying business may be approved to recapture a portion of the loan amount on a grant basis. The captured amount will be recommended by the Economic Development Loan Committee (as based on job creation/retention and/or economic impact of the project to the community) and forwarded to the City Council for approval. Any performance based grant may contain non-reciprocal conditions (claw-backs) as a further guarantee of the performance by the business. Reciprocal conditions (claw-backs) requiring performance standards by the City of Scribner must be approved by the City council regardless of whether the loan is performance based, forgivable, or non-forgivable.
3. Grants may be awarded as part of a CDBG project whereby the state requires that the community make an equitable grant injection. These grants must be approved by the City Council.
4. A loan repayment schedule providing for monthly, quarterly, or annual payments will be approved in conjunction with project approval. Repayment will be held in the revolving loan fund for future projects when approved.
5. The co-directors or contracted loan administrator is responsible for auditing and verifying job creation and retention and for determining grant credits toward any loans made. No grant credits are available unless pre-approved in the initial application and project approval process. No grant credits will be made available beyond the level initially approved without a separate and new application and subsequent approval.
6. A selected firm of certified public accountants will audit the Revolving Loan Fund. This process may be held concurrently and by the same firm performing the City of Scribner's annual audit.
7. It is anticipated that the Program can be fully administrated by the co-directors and/or contracted loan administrator. Loan fees and the portion of sales tax revenue directed to staff will generate administration costs for the loan fund and recruitment as outlined in the Plan budget.

B. Eligible Applicants Priority Standards:

The revolving loan fund can provide loans or loan guarantees to any business eligible for assistance under LB 840. While not meant to restrict the scope or flexibility of the fund, evaluation of applications should give special priority to businesses which meet one or more of the following criteria:

1. Businesses which create jobs that pay a minimum of \$10.00 per hour and provide a benefit package consisting of health coverage, retirement and paid time off.
2. Applications that provide for the expansion or enhancement of existing businesses in Scribner or its immediate surroundings.
3. New business starts
4. Businesses that in the opinion of the loan committee, have unusual potential for growth.
5. Businesses that are relocating from outside Nebraska.
6. Businesses that provide for important local or regional needs.
7. Business transfers of locally owned businesses provided that they remain in the community.
8. Businesses that provide a necessary service
9. Businesses that construct or rehabilitate houses.

C. Application Requirements:

1. Applicants shall complete an application that may be obtained from the office of Economic Development, at 530 Main Street, Scribner.

2. Applicants shall accompany their application with a signed letter requesting funding. Additionally, this letter shall outline: the merits of the project; the source of conventional financing secured; or a statement from a conventional lender on why the project is not eligible for conventional financing.

3. Applicant shall submit a completed and signed application together with all the information requested to the same office. The application shall then be reviewed by the Economic Development Director and forwarded to the Economic Development Committee for review. The Loan Committee component will make a decision regarding the project. Applicants may be asked to provide other information or attend the meeting.

4. The Economic Development Director will notify any applicant of the decision of the committee.

D. Information Required:

All applicants are required to notify the City if 1) the business has filed or intends to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act, 2) if the application includes or will include a refund of the city's local option sales tax, and 3) if the application has been filed if the application has been approved under the Nebraska Advantage Act.

In addition to the above, the qualifying business shall provide the following information before the Program Administrator and the Loan Committee considers any application:

1. Completed and signed application (all applicants).
2. Business plan (all applicants).

3. Two years completed and signed individual federal tax (all applicants).
4. Current and signed year to date profit and loss statement (existing business applicants).
5. Recent signed balance sheet (existing business applicants).
6. Two years completed and signed corporate federal tax returns (for any corporation "S" or "C" existing business returns applicants)
7. Two years signed and completed partnership federal tax returns (for any partnership existing business applicants).
8. "K-1" recent and signed balance sheet (for all partnerships existing business applicants).
9. Complete partnership agreement (new or existing partnership business applicants).
10. Corporate statement of authority to borrow on behalf of the corporation (all corporate business applicants, new or existing).
11. Two years projected balance sheets (new business or expansion applicants).
12. Two years projected profit and loss sheets (new businesses expansions).
13. Source and use of funds (all applicants).
14. Schedule of disbursement (all applicants).
15. Personal financial statement (all applicants and for every member of any corporation, partnership or limited liability companies).
16. Statement of collateral (all applicants).
17. Documentation of ability to provide equity injection.
18. Documentation of any felonious charges pending or felony convictions to any of the associated applicants.
19. Letter of intent or denial by conventional lender (if applicable).
20. Other information that may be requested that is particular to the project.

E. Evaluation and Approval of Assistance:

The Economic Development Loan Committee will evaluate each application according to the following conditions:

1. Eligibility under LB840 Economic Development "Plan" or associated plan guidelines.
2. Soundness and credibility of the business proposal.
3. Suitability in reaching "Program" goals
4. Track record, credibility, and credit worthiness of applicant.
5. Required ability to leverage significant private financing.
6. Probability that the business assistance will be repaid.
7. Other criteria that the loan committee may establish for application review.
8. Decision of the Loan Committee will be final.

F. Types of Financing Available:

1. Low interest loans, subordinated to a loan from private sources. The Revolving Loan Fund may provide a blended loan at lower than market interest, repaid simultaneously with the private financing, or may accept sequential payment, being repaid following full payment of the private loan. The Economic Development Loan Committee will negotiate specific loan terms.
2. Loan guarantees, by which a portion of the Revolving Loan Fund proceeds, are pledged against private financing. Guarantees make private financing more available with the minimum expenditures

of public funds. The Economic Development Loan Committee will negotiate fees and other considerations for guarantees.

3. Equity investments, in which funds are invested as equity, with return on equity occurring as a part of business profit.

G. Bond Authority

Scribner may have a business opportunity or other economic development project that requires initial funds that exceed the single year proceeds of the local option sales tax. In order to take advantage of such an opportunity, Scribner should have the ability to issue bonds. These bonds are then retired by future sales tax receipts. The City Council may authorize the issuance of bonds to carry out the economic development program, following a public hearing.

SECTION X. PROCESS TO INSURE CONFIDENTIALITY OF BUSINESS INFORMATION RECEIVED:

- A. In the process of gathering information about a qualifying business, the City of Scribner may receive information about the business that is confidential and, if released, could cause harm to such business or give unfair advantage to competitors. The City is authorized to maintain the confidentiality of the business records that come into its possession.
- B. To protect businesses applying for assistance and encourage them to make full, frank and complete disclosure of business information relevant to their application, the City will take the following steps to insure confidentiality of the information it receives:
 1. The adherence to existing state statutes that makes such information confidential and publishes the disclosure.
 2. A restriction of the number of people with access to the applicants' business files. The applicant's files will be maintained in the office of the Economic Development Director, who shall be primarily responsible for their safekeeping and any distribution of information contained therein.
 3. Require any persons involved in the program review, including the Economic Development Director, secretarial staff, Economic Development Committee members, the City Council, Citizen Advisory Review Committee, Loan Committee members, the Chamber or any other private economic development organization, to sign statements of confidentiality regarding all personal and private submissions by any business.

SECTION XI. PROCESS TO ASSURE LAWS, REGULATIONS, AND REQUIREMENTS MET BY THE CITY AND QUALIFYNG BUSINESS

The City will assure that the "Program" follows all applicable laws, regulations and requirements and furthermore ascertain that qualifying businesses are indeed qualified and that if they are to receive assistance, confirmation made that the businesses are bona fide.

The "Citizens Advisory Committee" will review the program as follows:

1. Review the functioning and process of the "Program" at regular meetings as set forth by ordinance and to advise the City Council with regard to the "Program."

2. Report to the City Council on its findings and suggestions at public hearing called for that purpose at least once in every six-month period after the effective date of the ordinance.
3. All members of the “Citizens Advisory Committee” shall have equal voting rights in regard to setting policies, goals, reviewing target industries, authorizing generalized projects not related to one specific business, and evaluating “Program” success.
4. Members that have material conflicts of interest regarding any project should declare so at the beginning of any affected discussion.
5. All rules regarding the Open Meetings Act shall prevail.

SECTION XII. ADMINISTRATION SYSTEM FOR ECONOMIC DEVELOPMENT PROGRAM:

The current Economic Development Director is a part of the City of Scribner working for the city. The Economic Development Director will report directly to the Scribner City Council. The Economic Development Director will work in coordination and cooperation with the City Administrator, subject to all rules and regulations of the City of Scribner. The City Administrator and the Economic Development Director will co-administer the Economic Development Program.

1. The Co-Directors will serve as liaisons, advisors and ex-officio members of the Economic Development Committees.
2. The Economic Development Director will review on a regular basis the progress of on-going projects and shall provide a comprehensive report to the Economic Development Committees and the City Council no less than every six months.
3. The Co-Directors will review, on a regular and as needed basis, the progress of on-going projects to ensure the qualifying or recipient businesses are complying with the terms of any approved project.
4. The Economic Development Director will advise the City Administrator and the City Council on a monthly basis as regard to on-going projects in the “Program.”
5. The Economic Development Director may attend Planning Commission meetings and other related meetings as required to offer information regarding future projects.

SECTION XIII. PURCHASE OF REAL ESTATE OR OPTION TO PURCHASE:

If and when real estate is to be purchased or optioned by the City of Scribner under the “Program”, it should meet the following general criteria:

1. Be properly zoned or able to be properly zoned, as outlined by the City of Scribner’s Planning and Zoning document and Master Plan.
2. Contain no excessive easement(s), covenants, or other encumbrances.
3. Planned use should be cohesive with surrounding property owners.
4. Should be located within City of Scribner boundaries, zoning jurisdiction zone, or eligible for annexation. Properties not within these parameters shall be purchased with the intent to ultimately transfer within a reasonable time to a private party or other governmental entity.

5. Any proceeds from the future sale of such land, (either improved or unimproved), would be returned to the City's Economic Development Fund for reuse on other activities eligible in the "Plan". Any proceeds could also be allowed for additional land purchases, as outlined by the "Plan."

SECTION XIV. INVESTMENT OF ECONOMIC DEVELOPMENT FUNDS:

All funds received for the "Program" shall be retained in established City of Scribner Economic Development accounts. State reuse funds shall be delineated or they may be otherwise accounted so that they can be utilized first in any qualifying assistance projects.

Other guidelines are as follows:

1. All funds derived from local fund sources of revenue for the "Program"; any earnings from the investment of such funds; any loan or interest payments; any proceeds from the sale of assets purchased by the "Program"; or any other monies received and designated for the "Program"; shall be deposited into the established Economic Development Fund Accounts.
2. No money in the Economic Development Funds shall be deposited in the General fund of the City of Scribner except as provided by statute. Warranted and specific transfer for administrative reasons such as salary reimbursement to the payroll fund or benefit reimbursement for the benefit funds, or other such similar transfers or deposits shall be allowed.
3. The City shall not transfer or remove funds from the Economic Development Fund other than for purposes provided by the Act, outlined in the Economic Development Plan, or otherwise allowed by law.
4. The money from the Economic Development Fund shall not be commingled with any other City funds.
5. Any money in the Economic Development Fund not currently required or committed for "program" projects shall be invested as provided in Section 77-2341 R.R.S., Nebraska.
6. In the event that the Economic Development Program is terminated, any funds remaining will be transferred as provided by statute to the General fund of the City and will be used on an installment basis to reduce the property tax levy of the City as provided by the Act.
7. If there is a conflict between the "Plan" and the Act or any other state statutes, then the applicable statute will prevail.

SECTION XV. DISCLAIMERS

If any part, portion, section or statement of this Economic Development Plan be deemed unlawful, unconstitutional, non-useful or rendered ineffective for any reason including but not limited to: changing legislation, errors or omissions of required verbage or text, then only that portion will be affected and the rest of the document will continue to prevail.

The Economic Development Program should remain flexible to changing trends, laws/regulations and effectiveness. Small and non-substantive changes may be recommended by majority vote of both the

Loan Committee and the Citizen’s Advisory Committee and then presented to City Council for approval without jeopardizing the integrity or validity of the program or requiring a special election to approve.

The Economic Development Program does not guarantee that all Economic Development goals will be achieved. However, the driving object of the “Program” is to: continue to remain competitive; provide funding resources for new and existing businesses; remain viable and eligible to reserve state or federal grant funds; maintain a full time Economic Development Director to serve as a point of contact and resources; and establish the foundation for a diversified and stable business climate and workforce.