

CITY OF COLUMBUS, NEBRASKA ECONOMIC DEVELOPMENT PLAN 2025

In collaboration with the Columbus Economic Council

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Revised: June, 2025

Economic Development Plan City of Columbus, Nebraska

SECTION ONE: GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY

CURRENT COMMUNITY ASSESSMENT

The voters of the City of Columbus (**City**) approved an Economic Development Plan (LB-840) in 2006, 2018, and 2025 pursuant to the Local Option Municipal Economic Development Act. The City requests voter approval for a reauthorization and extension of the existing Economic Development Program effective through March 31, 2047, with funding through March of 2042.

The city intent of the Economic Development Program (E.D. Program) is to enhance the economic vitality of the Columbus area through incentives to current and new companies and businesses. The community recognizes the success in maintaining and expanding the economic vitality connected to the program goals, eligible activities and needs outlined in this program.

The city and its surrounding area have enjoyed steady community growth and economic stability for many years. This tradition and commitment to economic development can be traced back to the 1940's with the acquisition of our first industrial park. Columbus is now recognized in Nebraska as having more industrial jobs per capita than any other first class Nebraska community.

SECTION TWO: PROGRAM INTENT AND STATEMENT OF GOALS

The city recognizes continued population growth and economic prosperity benefits the quality of life in Columbus and its surrounding communities. The intent of the Mayor and City Council of the City is to continue the commitment to progressive economic development approaches, together with other stakeholders in the city. Activities shall meet one or more of the following goals prior to recommendation by the Citizens Advisory Review Committee (**CARC**).

The primary goals shall be:

- 1) Actively promote Columbus as a place where businesses can locate and be profitable;
- 2) Broaden the tax base;
- 3) Create new job opportunities;
- 4) Diversify our economic base;
- 5) Encourage attraction of new businesses;
- 6) Foster capital investment in the region;
- 7) Grow existing companies;
- 8) Strengthen existing industry clusters;
- 9) Strengthen technology skills of workforce;
- 10) Improve housing options for both current and prospective employees and families.

SECTION THREE: TYPES OF ELIGIBLE AND NON-ELIGIBLE ACTIVITIES

ELIGIBLE ACTIVITIES

The E.D. Program may be used for the following program activities:

- 1) Expenditures for infrastructure including, but not limited to, water lines, sewer lines, and sewer pump stations that directly serve projects;
- 2) Expenditures for streets, storm water drainage systems, railway switching and spurs, telecommunications, and fiber optic infrastructure to meet new and existing business needs;
- 3) The purchase and ownership of real estate, options for real estate, and renewal or extension of options to include land acquisition and construction of new buildings;
- 4) Agreements to assist with the cost of job training for new and existing companies;
- 5) Technical support for existing and new businesses, such as marketing assistance, management counseling and financial packaging;
- 6) Loans to companies for the purchase of fixed assets;
- 7) Revolving loan fund program for new and growing companies;
- 8) Payment for legal, loan packaging, site studies, and engineering expenses directly related to eligible program activities;
- 9) To prudently obtain debt as authorized by state statute;
- 10) Company relocation expenses for equipment and personal property;
- 11) Wages or other compensation for city staff or contract for the administration of the Revolving Loan Program;
- 12) Housing projects designed to create workforce housing for employees and families;
- 13) Other activities as permitted by the Nebraska state law.

INELIGIBLE ACTIVITIES

The following activities are ineligible for funding from the E.D. Program generated from the sales tax as provided for under LB-840. The expenditures outlined below are currently being met through other partners in the Columbus community.

- 1) Contracting with consultants for economic development plan administration;

SECTION FOUR: QUALIFYING BUSINESSES AND BUSINESS ACTIVITIES

Qualifying companies and businesses shall include any corporation, partnership, LLC or sole proprietorship, which derives its principal source of income from the following:

- 1) The manufacturing 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 interstate commerce;
- 5) Telecommunications activities;
- 6) Headquarter facilities relating to eligible activities;
- 7) Improve workforce housing opportunities for both current and prospective employees and families;
- 8) Any other eligible activities as allowed by the Local Option Municipal Economic Development Act, or as amended.

Qualifying businesses for the E.D. Program need not be located within Columbus or its zoning jurisdiction. Qualifying businesses need to be reasonably located to offer employment opportunities and economic benefit for residents of Columbus.

SECTION FIVE: FUNDING SOURCE AND ANTICIPATED ANNUAL BUDGET/RESERVES

FUNDING SOURCE – BEGINNING APRIL 1, 2027

The existing E.D. fund would remain in place, and E. D. Program would be further funded by a portion of the sales tax, if approved by voters in June 2025, up to 8% of the 1% local option sales tax or a maximum of \$650,000 per year for the remainder of the sales tax authorization of one-percent previously approved for fifteen years. The current sales tax terminates in March of 2027. The economic development program funding of up to 8% or a maximum of \$650,000 annually will terminate in 2042. A reauthorization beyond 2042 would require voter approval.

The CARC shall provide guidance to the City elected officials and staff of proposed budgetary numbers for inclusion in annual budgets reviewed and considered by the Mayor and City Council. While program expenditures will vary from year-to-year due to the projects presented, the annual new funding dollars from the sales tax will be 8% of the 1% sales tax, not to exceed \$650,000 annually from April 1, 2027, through current authorization ending April 2042.

SECTION SIX: PROGRAM ADMINISTRATION AND ACCOUNTABILITY

The intent of this program is to commit the maximum dollar amount to the retention, expansion, recruitment of business and industry, and development of workforce housing in the Columbus area. No funds are permitted for routine administrative activities. However, specific project needs will often require the use of professionals to assist in project development as outlined in the eligible activities. Administration of the economic development program is shared by the City Mayor, City Council, CARC, and the Program Administrator, whose duties shall be jointly held by the City Administrator, and the Co-Chair of the Columbus Economic Council to ensure proper accountability and to meet the goals of the economic development plan.

COLUMBUS MAYOR AND CITY COUNCIL

- 1) Will exercise final authority over expenditure of funds in compliance with state statutes and the guidelines set forth in the economic development plan;
- 2) Will conduct an annual audit by a licensed CPA under generally accepting auditing standards;
- 3) Will review and consider all contracts with eligible companies receiving assistance upon recommendation by the CARC;
- 4) Will appoint all members of the CARC who shall be residents of Columbus;
- 5) Will assign the City Finance Director (or city staff member) as loan fund program administrator to maintain appropriate financial records;
- 6) Shall adopt as needed, operating by-laws to guide CARC activities.

CITIZEN'S ADVISORY REVIEW COMMITTEE (CARC)

- 1) Appointments shall be for four-years or as specified in state law or city ordinance.
- 2) Members of the CARC shall include the following:
 - a) Three representatives at large from the community;
 - b) Co-Chair or representative of the Columbus Economic Council;
 - c) President or Executive Board Member of the Chamber of Commerce.
- 3) CARC shall semi-annually make a report/presentation to the Mayor and City Council in a public hearing.

- 4) No member of the CARC shall be a city elected official, city employee or current company official/employee of any qualifying business at the time of appointment to the CARC.
- 5) CARC shall review applications and make recommendations for project funding to the Mayor and City Council.
- 6) CARC shall develop proposed by-laws as needed for consideration and approval by the Mayor and City Council. These by-laws shall serve as a guide to CARC activities and comply with applicable state laws and city ordinances.
- 7) All CARC members shall meet applicable state and local laws regarding conflicts of interest to ensure program integrity is maintained.

PROGRAM ADMINISTRATOR

- 1) The Columbus City Administrator and Co-Chair of the Columbus Economic Council shall jointly serve in this capacity;
- 2) Shall assist the CARC with the preparation of reports before the Mayor and City Council;
- 3) Shall maintain minutes of CARC meetings;
- 4) Shall serve as ex-officio to the CARC (non-voting member);
- 5) Shall solicit and screen qualifying businesses for this program;
- 6) Shall work closely with state and local economic development officials in the implementation of this plan;
- 7) Shall meet as necessary with CARC members, the Mayor, and City Council to update and advise on potential projects;
- 8) Shall exercise other duties as specified by state law.

Compliance with all relevant laws, regulations and requirements of applicable state statutes and the economic development program are jointly the responsibility of the CARC and program administrator.

In formalizing agreements with qualifying companies, the Mayor, City Council, and CARC will secure adequate collateral, personal/corporate guarantees and other securities necessary to protect the quality and integrity of the E.D. Program. When CARC voting is required, a simple majority (three members voting in favor of motion) of the CARC is sufficient for passage and recommendations to the Mayor and City Council. It is understood the Mayor and city Council will follow its rules, state statutes, and procedures in reviewing applications

APPLICATION PROCESS FOR FINANCIAL ASSISTANCE

- 1) For a Qualifying Business to be considered for Program benefits, the Qualifying Business shall first become an "Applicant" by applying to the City for assistance. The application shall contain information as required by this Plan and any additional information as requested by the Administrator and/or CARC (as explained below).

- 2) Upon receipt of an application, the Program Administrator shall make a preliminary determination as to whether:
 - a) The Applicant is eligible as a Qualifying Business
 - b) The proposed activities are eligible
 - c) The Applicant has no legal actions underway that may significantly impact its capacity
 - d) The Applicant's business complies with the provisions of the application guidelines
- 3) Once the Administrator makes the preliminary determinations above, the application is referred to the CARC. The CARC shall review the application, including any financial information furnished, and shall provide recommendations to the Administrator concerning negotiations with the Applicant. Once the CARC has completed its review, and following any negotiations conducted by the Administrator, the CARC shall make a recommendation that:
 - a) The application be approved;
 - b) The application be disapproved;
 - c) The CARC is not able to make a recommendation on the Applicant due to lack of information or other factors cited by the CARC;
 - d) The application be referred to the Mayor and City Council for a determination of finding as set forth below;
- 4) Approval or disapproval will be based on whether the Applicant is able to show a)
 - a) Eligibility for funding;
 - b) The type of level of assistance will not unduly enrich the business or be unreasonable in relation to the public benefit to be achieved from the funding; if the recommendation is for disapproval or if the CARC is unable to make a recommendation, it shall provide reasons for its decision.
- 5) All approval recommendations from the CARC shall be submitted to the City Council for consideration of funding. The CARC may also refer to the City Council certain applications, in its sole discretion, where it is unable to make a recommendation. In making its determination, the City Council shall generally not be presented with any information which has been determined by the Administrator or CARC as confidential.
- 6) An Applicant which has been awarded funding under the Program shall thereafter be referred to as a "Funded Business."
- 7) There shall be no limit on the number of times a Qualifying Business may apply for assistance. Applications shall be received until all funds anticipated for the Program have been committed. The decision of whether or not Program funds shall be granted, including the timing and amount and the allocation of funds where there are not sufficient funds to fulfill the requests of all qualified Applicants, is at the sole discretion of the City.

INFORMATION REQUIRED FROM APPLICANTS

- 1) Applications for assistance submitted by an Applicant shall include the following information:
 - a) Application in a form prescribed and provided by the Administrator;
 - b) Business Plan which includes financial projections for the next three years where appropriate;
 - c) Signed copies of the most recent two years' fiscal tax returns, or copies of all years where the applicant has been in existence for less than two years;
 - d) Signed copies of financial statements of the Applicant for the two most recent fiscal years, or copies for all fiscal years where the applicant has been in existence for less than two years;
 - e) Where the applicant is a closely held entity, signed balance sheets from holders of more than 25% of the ownership interests in the entity, and;
 - f) Other information as requested by the Administrator or the CARC.
- 2) The Administrator may waive the furnishing of all or any portion of the above items where the Administrator is able to obtain reasonable assurances as to the stability of the Applicant from other reliable sources or information to include audited financial statements and filing with regulatory agencies (i.e., SEC filings).
- 3) The Administrator may also waive the furnishing of all or any portion of the above items where the Applicant agrees that no funds shall be paid to the Applicant until the Applicant has performed according to agreed-upon-criteria
- 4) The Administrator may use any reasonable methods to verify the information provided by the Applicant

CONFIDENTIALITY

- 1) In the process of gathering information about an Applicant or Qualifying Business, the City may receive information about the business which is confidential and, if released, could cause harm to the business or give unfair advantage to competitors. Nebraska law authorized the City to maintain confidentiality of business and project records which come into its possession.

SECTION SEVEN: IDENTIFICATION AND PURCHASE OF LAND

Property purchased or optioned to be purchased with financial participation from the E.D. Program should meet the following criteria:

- 1) Land should be properly zoned or reasonably eligible for proper rezoning if covered by local zoning jurisdiction.
- 2) Property should comply with local land use plans or reflect the community growth patterns where applicable.

- 3) Emphasis should be given to land that can be developed with reasonable infrastructure costs and meet environmental regulations.
- 4) Property may be located outside of Platte County, but situated where Columbus residents have reasonable access for employment.
- 5) Land will be sold to industries at reasonable costs. Any profit would return to the E.D. Program.
- 6) Land may be sold for less than cost based on the overall economic cost-benefit of the project.

SECTION EIGHT: IDENTIFICATION AND PURCHASE OF EXISTING BUILDINGS

The economic development plan does not allow for the construction of a new speculative City owned building with the E.D. Program. However, opportunities may exist where the CARC, with Mayor and City Council approval, will want to acquire or purchase an existing building. An existing building purchased or optioned to be purchased with financial participation from the E.D. Program should meet the following criteria:

- 1) Building should be thoroughly examined for environmental and other concerns to ensure the marketability and reduce potential risk in ownership;
- 2) Building should be of newer construction and meet the test for obsolescence or other features not attractive for the industries being recruited or expanded;
- 3) Purchase of existing buildings is not a priority of this plan, but certain economic situations or opportunities may create a need to own one or more buildings. Companies who leave a community will often approach the community and offer the building for sale to the community at a significantly reduced price below market value.

SECTION NINE: SMALL BUSINESS CONCENTRATION

It is a community goal to support the growth of small companies. Small companies are often locally owned and grow at a pace the community can easily support. Small businesses with local ownership can often diversify the employment base during difficult economic times and often remain committed to the Columbus area as business needs change. It is understood an eligible company must be involved in the eligible business activities identified in Section Four. The development and growth of entrepreneurs is widely recognized as part of the solution to the economic challenges of communities in Nebraska.

SECTION TEN: REVOLVING LOAN FUND GUIDELINES

Revolving loan funds are designed to assist new and existing companies with location and expansion opportunities. The program shall be administered by the CARC with staff assistance

and recommendation by the loan fund program administrator. The primary focus is based on potential cost-benefit to the Columbus community. The following general guidelines shall apply in loan review:

- 1) The CARC shall review all loan applications submitted in accordance with CARC requirements. Direct loans, loan guarantees and performance-based loans will be made available to qualifying businesses. Performance-based loans would allow a business to recapture a portion of the loan amount (principal and/or interest) to be determined by the CARC based upon job creation, job retention or economic cost-benefit to the community;
- 2) Revolving loan funds are not intended to replace other private financing, but to facilitate the growth opportunities of qualifying businesses. The loans shall not be made for a period in excess of 10 years;
- 3) Revolving funds shall not be more than 50% of the project costs;
- 4) A minimum equity investment of 10% is required for each project;
- 5) Additional funding or lending sources is required for the project;
- 6) Lending rates shall be negotiable as determined by the Mayor and City Council;
- 7) Revolving loan funds shall not exceed a maximum of 10 years for repayment. However, the CARC may delay initial repayment for up to two years;
- 8) Collateral should be set aside to encourage repayment of the loan on a timely basis. It is expected the CARC will accept a secondary position to the primary lending authority;
- 9) Loan repayments will be deposited in the E.D. Program for other projects as permitted in the economic development plan;
- 10) The program administrator will administer the loan repayment program. Should problems with repayment occur, the CARC and loan fund program administrator shall work with the business to identify solutions and corrective action to be taken;
- 11) The investment strategies the City of Columbus will pursue to promote the growth of the loan fund, while assuring its security and liquidity, are described in the City of Columbus Investment Policy.

SECTION ELEVEN: PRIVACY AND CONFIDENTIALITY

The process of gathering information about a company often requires review of private company documents and records. State law requires the program administrator, CARC and City of Columbus officials to maintain confidentiality of business records that come into their possession during the application process. In order to protect the company, the following steps shall be taken:

- 1) The program administrator shall maintain company records in a secure manner and restrict access to only authorized CARC and City Officials;

- 2) The CARC shall set up a procedure to protect the privacy requirements of a company and also to ensure adequate information is provided to the Mayor and City Council during the review process;
- 3) Expenditure of public funds and loan repayment information is public information and available upon request.

SECTION TWELVE: PROGRAM AMENDMENTS

The economic development plan may only be amended as provided for in state statutes. Except for changes authorized by the state legislature, no other activity inconsistent with the economic development plan is permitted without resubmitting the plan to the voters of Columbus for approval.