



ECONOMIC DEVELOPMENT PROGRAM

2010

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Table of Contents

SECTION I. HISTORY	3
SECTION II. STATEMENT OF PURPOSE AND GENERAL INTENT	4
SECTION III. COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY	4
SECTION IV. TYPES OF ECONOMIC ACTIVITIES THAT WILL BE ELIGIBLE FOR ASSISTANCE	5
A. Definition of Program	5
B. Allowed Activities.....	5
SECTION V. TYPES OF ENTITIES THAT WILL BE ELIGIBLE.....	7
A. Definition of a Qualifying Business	7
B. Location of Qualifying Business	8
SECTION VI. SOURCE OF FUNDING AND PROPOSED BUDGET	8
A. Time Period for Collection of Funds	8
B. Time Period for Existence of the Program	9
C. Total Collections from Local Sources (Actual & Proposed).....	9
D. Basic Preliminary Proposed Budget	9
E. Investment of Economic Development Funds.....	9
SECTION VII. TERMS OF FINANCIAL ASSISTANCE TO QUALIFYING BUSINESSES	10
A. Loan Guarantee Fund	10
B. Direct Grant Fund.....	11
C. Equity Investments Fund.....	11
SECTION VIII. APPLICATION PROCESS FOR FINANCIAL ASSISTANCE TO BUSINESSES	12
A. Information Required	12
B. Verification.....	13
C. Completed Application Review Process.....	14
SECTION IX. PROCESS TO ENSURE CONFIDENTIALITY OF BUSINESS INFORMATION	15
SECTION X. ADMINISTRATION SYSTEM FOR ECONOMIC DEVELOPMENT PROGRAM.....	15
A. Program Director	15
B. Advisory Board.....	16
C. City Council.....	16
SECTION XI. LEGAL AND REGULATORY COMPLIANCE.....	17
A. Review the Program	17
B. Monitor Participating Businesses	17
C. Monitor Regulatory Changes.....	17
D. Audit the Program	17
E. Retain an Administration Fee	17

SECTION I. HISTORY

Due to the extremely competitive nature of economic development at the national, state, and local levels, there is intense competition among states, counties, and municipalities to expand and/or locate business in their respective jurisdictions. This competition for job creation has forced states and municipalities to provide incentives to businesses in order to remain competitive. Crete has benefited from stable industries that have completed expansions and avoided a shortage of opportunities. In the past, the city had been unable to respond quickly to business recruitment opportunities by not controlling available property. Our ability to encourage business location and expansion has a direct impact not only upon the economic wellbeing of our community and its residents but on the state of Nebraska.

There is a need to empower Nebraska cities with the opportunity to provide assistance to business enterprises in their communities, whether for expansion of existing operations or the creation of new businesses, by use of the funds raised by local taxation when the voters in the municipality determine that it is in the best interest of the community to do so. The general strategy for this Economic Development Plan and the effort to be undertaken in accordance with the Local Option Municipal Economic Development Act (LB840, 1991-Section 18-2701, RRS1997, et. seq.) is to significantly enhance the city's involvement and leadership in future economic development efforts and to create new jobs in the area.

On June 3, 1991 Legislative Bill 840 was signed into law. This important piece of legislation authorizes incorporated cities and villages to appropriate and spend local sales and property tax revenues for approved economic development purposes. Consequently, this law allows Nebraska communities the opportunity to determine their own destiny by identifying shortcomings and providing, through self-determination those incentives necessary to businesses looking at their community. The economic development plan formulated by the city implementing this legislation and the mechanism for funding the plan is subject to a vote of the people of the city.

The core of the plan of the LB840 process involves the formulation of a proposed plan (the "Plan") for a local economic development program. The Plan forms the foundation for the collection and expenditure of local tax revenues for economic development and the provisions of the plan become the basis under which the municipality's program operates.

SECTION II. STATEMENT OF PURPOSE AND GENERAL INTENT

It is the intent of the City of Crete, Nebraska to implement an Economic Development Program, long range planning and funding for:

1. **Creating** high paying quality jobs by generating employment opportunities and expanding the available work force within the labor market of Crete and Saline County.
2. **Attracting** new capital investment to the community.
3. **Sustaining** existing job opportunities.
4. **Broadening** the tax base to provide economic diversification and ensure economic stability and vitality for the community of Crete and surrounding area.

SECTION III. COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY

An economic development program is a community tool that encourages and stimulates the growth of quality jobs, provides adequate infrastructure to keep the community competitive in the global marketplace, attracts permanent investment, broadens the tax base, and diversifies the area's economic base in order to find new opportunities and options for all citizens of the community.

The City intends to use this tool to spur economic development within the City. The City of Crete has adopted a Comprehensive Plan. This Comprehensive Plan is the culmination of a planning process that involved citizens of the City to define its future.

The City seeks, through this Economic Development Program, to be more competitive or at least as competitive in the economic development area as any other community in this or any other State of comparative size and to provide the residents of Crete with a better quality of life.

In order to have a successful economic development strategy and Crete to realize new growth and prosperity for existing and prospective residents, Crete must complete the following actions

1. The City can plan for the future by providing adequate community facilities.
2. The City must diversify its economy by recruitment of new industries from outside and developing new businesses from inside the City. Crete must have a program that is a nurturing environment for small businesses and is a center for economic opportunity. This atmosphere can encourage people (entrepreneurs) with the skills and ideas to come to Crete to conduct business.
3. The City can broaden the wealth producing economic base by bringing new employers and professionals to our community.

4. As Crete's economic climate expands globally, local businesses need to reinvent themselves to stay competitive. Necessary renovations in the areas of technology, shipping and receiving, employee recruitment and retention and physical plant may be too costly for small companies without the support of the community. Economic Development needs capital; therefore, the city must expand access to venture and risk capital both inside and outside the community.

SECTION IV.

TYPES OF ECONOMIC ACTIVITIES THAT WILL BE ELIGIBLE FOR ASSISTANCE

A. Definition of Program

Economic development shall mean any project or program utilizing funds derived from the ½% sales tax increase as administered through the Program Director and Advisory Board, with the consent of the City Council. The available funds shall be expended primarily for the following purposes:

1. Providing financial assistance to qualifying businesses, including financial support for recruitment of new professionals, businesses and industries to Crete;
2. Providing direct or indirect financial assistance for housing as part of Crete's Housing Development Plan;
3. Paying the costs associated with administration of the economic development program and related costs and expenses.

B. Allowed Activities

The Economic Development Program may include, but not be limited to, the following:

1. Community Facilities or Infrastructure:

a.

Purchase of real estate, options for such purchases, and the renewal or extension of such options.

If and when real estate is to be purchased or optioned by the City under the Program, it should be properly zoned or easily re-zoned with no excessive easements, covenants, or other encumbrances. It can be located either within or outside of the city limits. Land shall be purchased for future commercial, economic, or housing development, and may be held by the City for such purposes. The proceeds from the future sale of such land would be returned to the Economic Development Program Fund for reuse for any activities eligible in the Program or for additional land purchases.

- c. The authority to issue bonds pursuant to the Act.
- d. Purchase of existing buildings or the construction of new buildings.
- e. Rehabilitation of commercial buildings or potential commercial buildings.

- f. Reduction of real estate property taxes for City of Crete to stimulate local economy.

2. Qualifying Businesses:

Eligible qualifying businesses may apply and receive program benefits more than once for different purposes, if approved by the Advisory Board and the City Council.

- a. Loan guarantees for qualifying businesses obtaining commercial or business loans from local lenders (defined as any bank having a physical branch within the Crete City limits with regular business hours).
 - i) Purchase of existing buildings or the construction of new buildings for commercial purposes.
 - ii) Rehabilitation of commercial buildings or potential commercial buildings.
- b. Direct grants to qualifying businesses.
 - i) Fixed assets, working capital, employee recruitment efforts, or any combination thereof.
 - ii) Grants or agreements for job training.
 - iii) Promotion or Tourism Related Activities.
 - iv) The provision of technical assistance to businesses, such as preparation of financial packages, survey, engineering, legal, architectural or other similar assistance and payment of relocation or initial location expenses.
 - v) Expenses for business or professional recruitment activities.
 - vi) Purchase of existing buildings or the construction of new buildings for commercial purposes.
 - vii) Rehabilitation of commercial buildings or potential commercial buildings.
- c. Equity investments in or for a qualifying business.
 - i) Public works improvements and/or purchase of fixed assets, including potential land grants or real estate options essential to the location or expansion of a qualifying business or for capital improvements when tied to job creation criteria or when critical to retention of jobs of a major employer within the community, which equity investment may be secured by a Deed of Trust, Promissory Note, UCC filing, personal and/or corporate guarantees or other financial instrument.

3. Housing:

- a. Construction or rehabilitation for sale or lease of housing for persons of low or moderate income.
- b. Construction or rehabilitation for sale or lease of housing as part of Crete's workforce housing plan.
- c. Grants or loans to qualifying businesses for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income.

- d. Grants or loans to qualifying businesses for the construction or rehabilitation for sale or lease of housing as part of Crete's workforce housing plan.

4. Administration:

- a. Contracting with an outside entity for implementation of any part of the program and/or payments to the City for staff assistance with implementation, as necessary.

The eligible activities described above are considered priority activities for the use of funds generated by the ½% sales tax increase pursuant to the Local Option Municipal Economic Development Act. The City of Crete recognizes that the attraction of new business to a community and the retention or expansion of existing businesses takes place in a very competitive marketplace. In order to stay as competitive as possible, the City retains the right to include as eligible activities those additional activities allowed by law.

SECTION V. TYPES OF ENTITIES THAT WILL BE ELIGIBLE

A. Definition of a Qualifying Business

A qualifying business shall mean any corporation, partnership, limited liability company or sole proprietorship 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 interstate commerce;
5. Headquarters facilities relating to eligible activities as listed in this section;
6. Telecommunications activities including services providing advanced telecommunications capability;
7. Development, sale and support of technology, hardware and software for information technology and telecommunications;
8. Retail business (up to 20% of funds within a 5 year period or up to 40% in any one year);
9. Construction or rehabilitation of housing;
10. Tourism-Related Activities;

11. the production of films, including feature, independent, and documentary films, commercials, and television programs;
12. early childhood care and education programs; or
13. Any other business deemed as a qualifying business through action of the Nebraska Legislature.

B. Location of Qualifying Business

1. A qualifying business need not be located within the territorial boundaries of the City if the Program Director determines that there is a clear economic benefit to the City.
2. 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 its application for participation in an economic development program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two years of its participation in the economic development program at a level not less than its average employment in such city over the twelve month period preceding participation.

SECTION VI.
SOURCE OF FUNDING AND PROPOSED BUDGET

The Program will be funded from local sources of revenue, specifically the funds generated by a ½% sales tax increase, which shall be paid through the City's general fund. The City shall not appropriate any portion of the new sales tax revenue for any purpose other than economic development programs approved by the Advisory Board and the Program Director and the City shall amend its budget to address the new stream of revenue by providing for an Economic Development Fund as a separate line item therein. All approved economic development funding shall be paid through that separately established Economic Development Fund. If, after five full budget years following initiation of the approved Economic Development Program, less than fifty percent of the money collected from the sales tax increase is spent or committed by contract or loan guarantees for economic development purposes, the governing body of the City shall place the question of the continuation of the City's Economic Development Program on the ballot at the next regular election.

A. Time Period for Collection of Funds

Annual funding for the program will come from generated sales tax revenue from the ½% sales tax increase. The funds shall be paid through the City's General Fund as outlined above. These funds will be collected commencing with the FY 2010-2011 budget year as soon as the newly collected sales tax revenue becomes available to be paid to the City and will continue for 15 years through the end of that applicable fiscal year.

B. Time Period for Existence of the Program

The Economic Development Program will be in effect following implementation by City Ordinance as passed by voters in the November 2010 election and it will continue for 15 fiscal years thereafter.

C. Total Collections from Local Sources (Actual & Proposed)

Fiscal Year	Estimated Collections
2010-2011 (Actual) (Local Option ½% Sales Tax Revenue for approximately 6 months Collected June 22, 2011)	\$108,048.90
2012 (Actual)	\$352,660.65
Every year for 15 years from Start Date (Proposed)	\$350,000.00
Tax Revenue annually	(Projected Local Option ½% Sales

D. Basic Preliminary Proposed Budget

It is anticipated that the total annual budget estimated to be \$350,000 will be allocated through the Economic Development Fund. Funds received in FY 2010-2011 shall primarily be used to implement the program, providing funds necessary for administration and establishment of the program, and for initial community facility and infrastructure renovation as determined appropriate by the Advisory Board and the Program Director with the consent of the City Council. Commencing with fiscal year 2011-2012, at least five percent (5%) of the funds received annually shall be held and invested in order to provide a retained fund which will be available to provide loan guarantees for qualifying businesses as outlined below. Any funds not allocated to the retained loan guarantee fund will be used to fund the other eligible activities as set out in Section III above with the following goals in minds:

Annual Income:	\$350,000.00
Generally Intended Allocation of Expenditures:	
Infrastructure/Real Estate Purchase/Development	70%
Promotion, Tourism	5%
Business/Professional Recruitment, Retention	5%
Retained Funds for Loan Guarantees	10%
Administration	10%

E. Investment of Economic Development Funds

The City of Crete will establish a separate Economic Development Fund as set out herein which shall not be comingled with any other City or CAIDC fund. Any money in the Economic Development Fund not currently required or committed for purposes of economic development

shall be invested by the City of Crete as provided in Section 77-2341 R.R.S. Nebraska. In the event that the economic development program is terminated, any funds not committed, and any funds returned to the Fund by loan repayment, sale of assets or other reimbursements due at the time of termination, shall be transferred 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.

SECTION VII. TERMS OF FINANCIAL ASSISTANCE TO QUALIFYING BUSINESSES

A. Loan Guarantee Fund

The City of Crete shall not serve in the capacity of lender through this Economic Development Program but shall retain funds each year to be held and invested by the City for purposes of securing loan guarantees for qualifying businesses subject to the following guidelines:

1. The retained funds may be pledged as collateral to any local lender (previously defined) on behalf of a qualifying business for allowed purposes.
2. The amount of funds available to guarantee a loan 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 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 fifteen percent (15%) equity investment. The right is reserved to negotiate the terms and conditions of the loan guarantee with each applicant and their local lender, which terms and conditions may differ substantially from applicant to applicant.
3. The applicant must otherwise verify loan approval for the requested project from the local lender of their choice and shall have made lender selection and loan application prior to applying for guarantee assistance.
4. The loan guarantee term shall not exceed ten (10) years for loans used for real estate and building assets and shall not exceed five (5) years for loans involving any other asset category such as furniture, fixtures, equipment or working capital. The City may request collateral or other security for loan guarantees including, but not limited to, indemnification agreements and personal guarantees.
5. At no time may the City pledge more than 150% of the current balance of the retained funds for approved loan guarantees or projects.
6. The Loan Guarantee Fund will be audited annually together with all income and expenditures of the Economic Development Fund as provided for herein.
7. The Program Director shall be responsible for monitoring all loans guaranteed by the Loan Guarantee Fund and shall report at least quarterly to the Advisory Board.

8. All local lenders willing to accept loan guarantees shall enter into a separate written agreement with the City specifically setting out the parameters and obligations of such an arrangement, which agreement shall be the same for all local lenders. The Program Director, Advisory Board Members and City employees involved with the Loan Guarantee Fund shall not at any time recommend any one local lender and shall work with all participating local lenders in the same manner.

B. Direct Grant Fund

The City of Crete shall allocate funds each year for the purpose of providing direct grants subject to the following guidelines:

1. The funds may be approved for a qualifying business for allowed purposes.
2. The amount of funds available to 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 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 fifteen percent (15%) equity investment. The right is reserved to negotiate the terms and conditions of the loan guarantee with each applicant and their local lender, which terms and conditions may differ substantially from applicant to applicant.
3. The Direct Grant term shall not exceed ten (10) years for municipal projects; seven (7) years for grants involving purchase of property and/or structures, construction, moderate to substantial rehabilitation, or any asset category such as furniture, fixtures, equipment or working capital; and shall not exceed one (1) year for recruitment, promotion, relocation, and tourism related activities. The City may request collateral or other security for grants including, but not limited to, indemnification agreements and personal guarantees.
4. The City may request collateral or other security for direct grants including, but not limited to, Deed of Trust, Promissory Note, UCC filing, personal and/or corporate guarantees or other financial instrument.
5. At no time may the City pledge more than 100% of the current balance of the budgeted allocation of expenditures as described in Section VI.D for approved grants or projects.
6. The Direct Grant Fund will be audited annually together with all income and expenditures of the Economic Development Fund as provided for herein.
7. The Program Director shall be responsible for monitoring all grants provided by the Direct Grant Fund and shall report at least quarterly to the Advisory Board.

C. Equity Investments Fund

The City of Crete shall allocate funds each year for the purpose of providing equity investments subject to the following guidelines:

1. The funds may be approved for a qualifying business for allowed purposes.
2. The amount of funds available to 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 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 fifteen percent (15%) equity investment. The right is reserved to negotiate the terms and conditions of the loan guarantee with each applicant and their local lender, which terms and conditions may differ substantially from applicant to applicant.
3. The Equity Investment term shall not exceed ten (10) years for municipal projects or seven (7) years for investments involving public works improvements and/or purchase of fixed assets, including potential land grants or real estate options essential to the location or expansion of a qualifying business or for capital improvements when tied to job creation criteria or when critical to retention of jobs of a major employer within the community.
4. The City may request collateral or other security for equity investments including, but not limited to, Deed of Trust, Promissory Note, UCC filing, personal and/or corporate guarantees or other financial instrument.
5. At no time may the City pledge more than 100% of the current balance of the budgeted allocation of expenditures as described in Section VI.D for approved grants or projects.
6. The Equity Investment Fund will be audited annually together with all income and expenditures of the Economic Development Fund as provided for herein.
7. The Program Director shall be responsible for monitoring all investments provided by the Equity Investment Fund and shall report at least quarterly to the Advisory Board.

SECTION VIII.

APPLICATION PROCESS FOR FINANCIAL ASSISTANCE TO BUSINESSES

A. Information Required

For a qualifying business to be considered for direct financial assistance under the Crete Economic Development Program an applicant must provide to the Program Director:

1. A completed application which may be obtained from the City of Crete, the Crete Chamber of Commerce or the Program Director.
2. Necessary entity or personal financial information about the Applicant, including name, address, past experience, work history, and related information.
3. A detailed description of the proposed project which clearly states what assistance the business is requesting from the program, including evidence that the project qualifies for

assistance under the Local Option Municipal Economic Development Act and is consistent with the goals of the Crete Economic Development Program.

4. A personal financial statement of owners or guarantors including documentation verifying assets and liabilities.
5. Income statement covering the last three years of business operation, or if a new business, personal income statements.
6. A business plan for the project and the company, including employment and financial projections.
7. Total project costs and financing requirements.
8. Evidence of private financing commitments for investors or lenders.
9. A review of key management and employees and their experience as related to the proposed project.
10. Past three year tax returns.
11. Other information as requested.

B. Verification

Upon receipt of all required information the Program Director will conduct a verification process. Minimum verification will include a credit check and contact of business references. Additional forms of verification of the information may be required. The applicant will be responsible for furnishing verification of significant financial assets.

Additional information, as necessary, to determine the economic viability of the proposed project(s) may be requested by the Program Director prior to recommendation to the Advisory Board and/or by the City Council prior to final action.

The Program Director will review applications and requests for financial assistance in the order in which they are received. Application review and approval, or disapproval, will be based on project feasibility as determined by review of the applicant's business plan and other requested information by the Program Director and the potential future economic benefit to the community of Crete and Saline County. When considering an application and its merits, the Program Director may consult with other professional economic developers, up to and including staff members from the Nebraska Department of Economic Development.

Program Director may use any or all of the following methods to verify the information provided by the applicant.

1. Credit check.
2. Dunn & Bradstreet Report.
3. Examine internal records.
4. Other activities as deemed necessary.

C. Completed Application Review Process

Based on the information obtained from the business which is listed and through personal discussions with the potential applicant and business, a preliminary determination is made by the Program Director as to whether the:

1. Applicant is eligible.
2. Activities are eligible and comply with eligible business and job creation/retention requirements.
3. Applicant or business has no legal actions underway that may significantly impact its capacity.
4. Business complies with the provisions of the application guidelines. Upon a favorable preliminary determination by the Program Director, the terms and conditions of assistance will be negotiated with the applicant. Upon completion of negotiations, the project will be submitted to the Advisory Board. If an unfavorable determination is established by the Program Director, applicant may petition the determination in a written statement submitted at the next regularly scheduled Advisory Board meeting.

The Advisory Board will make a recommendation to the Program Director that:

1. The project will be approved.
2. The project will be disapproved.
3. The project will be renegotiated.

Approval or disapproval will be based on whether the negotiations show (1) that funding is appropriate for a business meeting the job creation/retention and eligible business criteria, and (2) that the type and level of assistance will not unduly enrich the business or be unreasonable in relation to the reasons to achieve public benefit. The Program Director and the Advisory Board will review the application and make recommendations to the City Council. The City Council will have final decision on all projects to be assisted and all allocations of funds. The Advisory Board will be responsible for establishing criteria, determining projects, and applying cost benefit analysis.

Application Review Committee Members shall disclose for the public record any personal and/or professional financial interest(s) in the project which is the subject of an application for economic development assistance. Any member who makes such disclosure shall not participate in discussion and review of the application, nor shall such member vote on any recommendation for further negotiations or recommendations to the City Council.

The Program Director and City Attorney, or outside counsel engaged by the City in the event of a conflict of interest for the City Attorney to represent the City, shall be present at all meetings of the Advisory Board.

SECTION IX. PROCESS TO ENSURE CONFIDENTIALITY OF BUSINESS INFORMATION

In the process of gathering information about a qualifying business, the Program Director, the Advisory Board and the City may receive information about the business that is confidential and, if released, could cause harm to such business or give unfair advantage to competitors. All parties involved in this process shall endeavor to maintain the confidentiality of business records that come into their possession. To protect businesses applying for assistance and to encourage them to make full and frank disclosure of business information relevant to their application, the City will take the following steps to ensure confidentiality of the information it receives:

1. Adopt a City ordinance that makes such information confidential and punishes disclosure;
2. Restrict the number of people with access to the files which files will be maintained in the Program Director's office, who shall be primarily responsible for their safekeeping and any distribution of information contained therein; and
3. Require all personnel involved in the administration of the program including the Advisory Board, the Program Director, all secretarial staff, and all involved City officials and personnel, to sign statements of confidentiality regarding all personal and private submittals by qualified businesses and maintain annual verification of the same.

SECTION X. ADMINISTRATION SYSTEM FOR ECONOMIC DEVELOPMENT PROGRAM

It is the intent of the program that the majority of the funds are used for supporting eligible activities and only the minimum required amount is spent to assist in the administration of the program. The following groups or persons share the administration of the program:

A. Program Director

The Program Director shall be the manager of the Program. This is a paid position with a salary or contract to be approved by the City Council. The Program Director will be responsible for the day-to-day activities of administering the program including assisting applicants and recruiting potential applicants. The Program Director shall attend City Council meetings as needed and provide a written report to the City Council at least semi-annually. The Program Director, or its

representative, shall also serve as an ex-officio member of the Advisory Board and provide that committee with a written report at least quarterly.

B. Advisory Board

The Advisory Board shall consist of seven (7) citizens who are registered voters of the City of Crete who are appointed by the Mayor and subject to approval by the City Council. The members shall be volunteers but may seek reimbursement for expenses related to their service should the same be incurred. In structuring the Advisory Board, the Mayor shall solicit recommendations for at least one person who is also a member of the Chamber of Commerce Board of Directors, at least one person with expertise or experience in the field of finance or accounting, at least one person who is a member of a non-profit business or entity within the community, at least one person from one of the three major industries in the community (Nestle' Purina, Smithfield Foods or Bunge Milling) and at least one small business owner. The remaining two members shall be members at large.

The initial Advisory Board members shall be appointed to separate one, two or three year terms at the Mayor's discretion in order to assure that no more than three members change in any given year. After the initial appointment term, all members shall be appointed to serve three year terms. Board members may be appointed to more than one term. No Advisory Board member may be an elected or appointed city official, an employee of the city or an official or employee of any qualifying business receiving financial assistance under this program except that the Mayor shall appoint the City Administrator and the Program Director to serve in an ex-officio capacity on the Advisory Board.

The Advisory Board shall meet at least quarterly to review the functioning and progress of the Economic Development Program, make administrative decisions and review applications for assistance and determine recommendations to be made to the City Council on each such application. The Advisory Board shall seek assistance and advice from those with expertise in banking, finance or law as needed and shall review all reports of the Program Director at said quarterly meetings. The Advisory Board shall review and approve all reports written by the Program Director for submission to the City Council and shall confirm that said reports are complete and correct when submitted semi-annually.

C. City Council

The City Council will have ultimate responsibility for the Economic Development Program. The City Council shall have final authority to grant or deny all applications submitted for financial assistance and must approve the expenditure of all funds from the Economic Development Fund. The City Council shall make final decisions for hiring the Program Director and the City Administrator shall direct and oversee the hiring process with consultation from the Economic Development Program Chair person or their designee. The City Council shall also approve all appointments to the Advisory Board.

SECTION XI. LEGAL AND REGULATORY COMPLIANCE

The City will assure that all applicable laws, regulations, and requirements are met by the City and the qualifying businesses that will receive assistance as follows:

A. Review the Program

The Ordinance establishing the Program shall provide for the creation of a citizen's Advisory Board as outlined above to:

1. Review the functioning and progress of the Economic Development Program at regular meetings as set forth by ordinance and to advise the governing body of the City with regard to the Program, and
2. Report to the City Council on its findings and suggestions at a public hearing called for that purpose at least once in every six-month period.

B. Monitor Participating Businesses

The Program Director in cooperation with the City Attorney will conduct reviews on at least an annual basis to ensure that qualifying businesses are following the appropriate laws and regulations and meeting the terms and conditions of assistance.

C. Monitor Regulatory Changes

The City Attorney will be responsible for keeping the City Council, the Advisory Board, the Program Director and the Finance Director informed of relevant changes in the law that could affect the Economic Development Program and will review Agreements, Deeds, Leases, Deeds of Trust, Promissory Notes, security documents, personal and/or corporate guarantees and other documents relating to specific projects or to the Program as a whole.

D. Audit the Program

The City shall provide for an annual, outside, independent audit of its Economic Development Program by a qualified private auditing business. The audit may be included as part of the City's annual audit. The results of the audit shall be filed with the City Clerk and made available for public review during normal business hours. The cost of the Audit, when not undertaken as part of the City's annual audit, shall be an administration expense of the program.

E. Retain an Administration Fee

The City shall retain 1% of the funds received from the collection of an additional ½% sales tax to offset its costs for administration and monitoring. This fee will be retained in the General Fund.