

**Legislative/Development Committee Meeting**  
**Tuesday, November 7, 2023 5:00 PM**  
**Crete City Hall**  
**243 E 13th Street**  
**Crete, NE 68333**

**1. Open Meeting**

- In accordance with Nebraska law, a copy of the Open Meetings Act can be found in the back of the Council Chambers.
- Items listed on the agenda may be considered in any order.

**2. Roll Call**

- Attendance of members will be recorded to determine the presence of a quorum for official actions.

**3. Items of Business**

- The Committee may discuss or limit discussion on, hear testimony in favor of or in opposition to, or take action to provide a recommendation to the City Council on any matter presented under this title.

3.A. Consider a recommendation to the City Council on the Application For The Crete Carrier Room Grant.

3.B. Consider a recommendation to the City Council on the LB840 Application from PWR & DWD Rental Properties, LLC DBA Old Main Bar & Grill for the amount of \$88,973.88.

3.C. Consider a recommendation to the City Council on approval of a CDBG contract amendment to extend the contract end date to August 4th, 2024 for the completion of the City of Crete's Downtown Revitalization project.

3.D. Consider a recommendation to the City Council on the LB840 Economic Development Program Amended Plan.

**4. Officers' Reports**

- Reports may be given by the Mayor, Officers, Departments, or Councilmembers concerning the current operations of the City.
- No action can be taken on matters presented under this title except to answer any questions or to refer the matter for further action.

**5. Adjournment**

**Disclaimers & Notices**

- The Council may enter into closed session to discuss any matter on this agenda when it is determined that a closed session is clearly necessary for the protection of the public interest or the prevention of needless injury to the reputation of an individual (if such individual has not requested a public meeting) or as otherwise allowed by law. Any closed session shall be limited to the subject matter for which the closed session was called. If the motion to close passes, then immediately prior to the closed session the Mayor shall restate on the record the limitation of the subject matter of the closed session.
- The City of Crete assures that no person shall on the grounds of race, color, national origin, age, disability, handicap or sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity of the City receiving Federal financial assistance. To report discrimination, contact the City Clerk's office.
- The complete agenda with attachments is available at [www.crete.ne.gov](http://www.crete.ne.gov).



**APPLICATION FOR THE  
Crete Carrier Room Grant**

**SECTION ONE: APPLICANT INFORMATION**

Name of Applicant/ Organization: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Description of Event: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date and Time of Event: \_\_\_\_\_

City Sponsor/Advocate: \_\_\_\_\_

**SECTION TWO: COMMUNITY PURPOSE**

Mission of the Event/Organization: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Community Served by the Organization: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Population Served by the Event: \_\_\_\_\_

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**SECTION THREE: FINANCIAL NEED**

Please explain your need for assistance to rent the Crete Carrier Room: \_\_\_\_\_

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**SECTION FOUR: GENERAL TERMS AND CONDITIONS**

If awarded, the requested funds will be paid to cover the fee and security deposit for use of the Crete Carrier Room. Any costs to clean or repair damage to the event space shall be billed to the grant recipient and must be paid upon receipt of an invoice from the City. The recipient must remain in good standing with the City of Crete to maintain eligibility for the grant.

By obtaining funds from the City of Crete, the recipient acknowledges acceptance of the terms and conditions of the award. The City of Crete may withdraw this grant if the event or the nature of the event changes and is determined to no longer fulfil the grant's purpose.

**SECTION FIVE: APPLICANT CERTIFICATION**

**CERTIFICATION**

***I/WE CERTIFY THAT THE INFORMATION PROVIDED WITHIN THIS APPLICATION IS TRUE AND CORRECT AS OF THE DATE SHOWN BELOW. IN THE EVENT THAT CIRCUMSTANCES CHANGE BEFORE THE EVENT, I WILL, WITHIN TEN DAYS, NOTIFY THE CITY OF CRETE AND RE-SUBMIT MY APPLICATION.***

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## **SUPPORTING DOCUMENTATION**

Please attach copies of the following documents with your application (check all that apply). Failure to attach proper documentation may result in a delay in processing your application for assistance.

- Event Program or Invitation
- Documentation supporting the Mission of the Organization or Event.
- Copy(ies) of driver's license or other legal photo identification for individuals responsible for the event.
- Proof of Insurance
- Crete Carrier Room Rental Agreement

**Please mail or bring this signed application and required documents to:**

City of Crete  
243 E. 13<sup>th</sup> Street, PO Box 86  
Crete, NE 68333



To LB840 Applicant:

CONGRATULATIONS on taking the first step to being awarded additional funds to help your business or event in Crete. The funds available for Economic Development, resulting from the citizen-approved sales tax increase that took effect April 1, 2011, are available first come to businesses, events and projects that meet the requirements of Crete's written Economic Development Plan, which can be found online at [www.crete.ne.gov/vnews/display.v/ART/58fa7907ccebfb](http://www.crete.ne.gov/vnews/display.v/ART/58fa7907ccebfb). A written copy is also available from the City of Crete Economic Development Director.

Please review the Economic Development Plan and confirm that your project or business is eligible. Applications may be recommended for funding in full or in part or may be denied based upon the review of the Board. Final decisions regarding funding will be made by the City Council but according to the terms of the Plan, in no event may the City Council fund any Application not previously reviewed and approved by the citizen Board.

In this packet you will find an Application for Funds, a US Citizenship Attestation Form and a Check List of required items. As you will see, the Application is detailed and requires significant information and additional verification documents. If you need assistance with the application please contact any Economic Development Advisory Board member. *If you have questions, please call the Economic Development Office, at 402-826-4312 or email the City Administrator, tom.ourada@crete.ne.gov*

Please note that the first portion of the application will be open to the public and may be provided to the City Council for final funding review. The balance of the application and all supporting documentation including personal financial information is confidential and will only be shared with members of the Economic Advisory Board for purposes of considering your application. All confidential records will be maintained in the office of the Economic Development Board and will be kept separately and not be available for review by the public. Any questions or concerns regarding this process shall be directed to the City Administrator.

All Applicants will be required to attend a public hearing for presentation regarding their request for funding. Public hearings will be held at least quarterly and may be held more frequently at the request of the Board. All Applications presented within the three months preceding a Public Hearing will be set for presentation and consideration at the same meeting. The Board may make a recommendation for funding at the public hearing, or may vote to table an application for further information, but in no event shall an application be tabled more than once so that all decisions will be made not more than three months after the initial public hearing regarding an application. There is no guarantee that a determination will be made less than three months after submission so all applicants are urged to make timely requests for funding if projects or events have set timelines.

*Mail or deliver completed application with all supporting documentation and forms to:*

Economic Development Program Director  
City of Crete City Hall  
243 E. 13<sup>th</sup> Street, P.O. Box 86  
Crete, NE 68333

We look forward to working with you through the application process.  
Equal Opportunity and Fair Housing Provider and Employer



243 E 13<sup>th</sup> St. • PO Box 86 • Crete, NE 68333-0086 • 402.826.4317 • [www.crete.ne.gov](http://www.crete.ne.gov)

**ECONOMIC DEVELOPMENT PROGRAM  
 APPLICATION FOR FUNDS**

Please Type or Print Clearly and Answer Each Question (If Question Does Not Apply - Mark N/A).

**Please Note:** The Information Contained in this portion of the document is Public Information and will **NOT** be Considered Confidential.

**A. APPLICANT INFORMATION:**

Name of Entity Applying for Assistance: PWR & DVD Rental Properties, LLC dba "Old Main Bar and Grill"  
 Business Address: 1103 Main Ave Crete NE 68333  
(City) (State) (Zip Code)  
 Contact Person: Chris Collins Telephone Number: 402-786-3333  
 Fax Number: 402-786-3339 Email Address: ChrisC@Capitaltower.com  
 Federal Tax ID Number: 46-0743756

Type of Entity:  Start-Up  Buyout  Existing

If Existing, Number of Years in Business in Crete: \_\_\_\_\_

**Business Classification: (Please Choose One)**

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Retail      | <input type="checkbox"/> Manufacturing      | <input type="checkbox"/> Research & Development |
| <input type="checkbox"/> Headquarter            | <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Tourism                |
| <input type="checkbox"/> Warehouse/Distribution | <input type="checkbox"/> Government         | <input type="checkbox"/> Other                  |

**Business Type: (Please Choose One)**

- |   |  |                                      |
|---|--|--------------------------------------|
| <input type="checkbox"/> Proprietorship | <input type="checkbox"/> Corporation         | <input type="checkbox"/> Partnership |
| <input checked="" type="checkbox"/> LLC | <input type="checkbox"/> Governmental Entity | <input type="checkbox"/> Other       |

Does the Company have a Parent or Subsidiaries?  Yes  No

If Yes, Please List Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
(City) (State) (Zip Code)

Ownership Identification: Please List all Officers, Directors, Partners, Owners, Co-owners and Stockholders.

| Full Name    | Title           | Ownership Percentage |
|--------------|-----------------|----------------------|
| Patrick Reed | Managing Member | 51%                  |
| Gregory Mach | Member          | 49%                  |
|              |                 |                      |
|              |                 |                      |

Which type of assistance is the entity applying for?

Grant    
  Loan Guarantee If so, Lender? \_\_\_\_\_    
  Other

Explain: \_\_\_\_\_

What is the general purpose of the request (must be an allowed LB840/Economic Dev. Plan Project)?

- New Development    
  New Business Startup    
 Building Renovation    
 Public Works  
 Professional/Employee Recruitment    
 Promotion/Tourism    
 Job Training  
 Working Capital    
 Low - Moderate Income Housing    
 Workforce Housing  
 Technology    
 Plan Management    
 Technical Assistance    
 Equity Investment

Does the business qualify to receive any incentives from the State of Nebraska?  Yes  No  DK

Has the business applied for any incentives from the State of Nebraska?  Yes  No

If yes, please explain: \_\_\_\_\_

Employee Information: (FTE = Full-Time Equivalent = 2,080 Hours/Per Year)

Number of Existing Full-Time Equivalent Employees: 2-3

Number of Full-Time Equivalent Positions to Be Created: 4-6

Will all of the Full-Time Equivalent Positions be Physically Located within the City of Crete, their Two- Mile Extraterritorial Jurisdiction or on Land Held in the Name of the City of Crete?

Yes  No

If no, please explain: \_\_\_\_\_

Does the Company Employ Any Seasonal Employees?  Yes  No

If Yes, How Many: \_\_\_\_\_

(Seasonal employees must work for at least three continuous months and the position must reoccur annually)

**B. PROJECT INFORMATION:**

Please provide a Brief Project Summary Description:

Phase 1 of 2 Phases will consist of the following:

1. Replacement of concrete in outdoor dining area and the addition of an area of pavers in the dining area.
2. Addition of a legal means of egress from the second floor to the alley way area.
3. Replacement of the worn-out windows on the first and second floors with new.
4. Enlargement of the outdoor dining area fences. Privacy fence on alley side and metal fencing on Main ave. side with lighted custom entrance gate.
5. Brick repair and addition of a legal egress door from basement on alley side.
6. Architectural review and design by Fakler Architects Beatrice, NE
7. Purchase of 2 Ovention ovens to expand menu options.
8. Repair of lighting for outdoor areas and installation of 3phase power for new ovens.

| Use of Funds                               | Total Project Cost           | Econ Dev Funds Requested |
|--|------------------------------|--------------------------|
| Land or Building Acquisition               | \$ 166,000.00                | \$ 0                     |
| Renovation/Rehabilitation                  | \$ \$167,247.77              | \$ \$133,798.22          |
| New Construction                           | \$                           | \$                       |
| Machinery / Equipment Acquisition          | \$ \$10,700                  | \$ \$8,560.00            |
| Business / Employee Recruitment Activities | \$                           | \$                       |
| Technology Costs                           | \$                           | \$                       |
| Small Business Development                 | \$                           | \$                       |
| Working Capital (Includes Inventory)       | \$                           | \$                       |
| Job Training                               | \$                           | \$                       |
| Other                                      | \$                           | \$                       |
| Total Project Cost                         | \$343945.77 0.00             |                          |
|  | Total LB840 Funds Requested: | \$142,358.22 0.00        |

**C. FUNDING SOURCES AND EQUITY INJECTION:**

If Borrowing, Name of Lender: NA

Loan Amount: \_\_\_\_\_ Loan Term (Years): \_\_\_\_\_

Amount Injected Into the Project by Business/Partners/Owners:

\_\_\_\_\_

Other Funding Source(s) and Amount(s): \_\_\_\_\_

**C. PROJECT LOCATION:**

- Within the Crete City Limits?  Yes  No  
 Within the Crete Two-Mile Jurisdiction?  Yes  No  
 Land Owned by the City of Crete?  Yes  No  
 Not Located in Crete but for area benefit?  Yes  No

If Not in City Jurisdiction, please explain local benefit:

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**D. ATTACHMENTS:** - Please Include the Attachments that Apply to Your Entity – See *checklist Page 5.*

**Please Note:** The Information provided pursuant to this Section **Will** be Deemed Confidential and will not be Available for Public Disclosure.

- ✓ Business Plan: Brief Description of the Business
  - Resumes of all Owners/Co-Owners/Directors/Partners/Stockholders
  - For Existing Businesses – Three (3) Yearly Financial Statements
  - For Existing Businesses – Current Financial Statements (Less Than Sixty (60) Days Old)
  - For Existing Businesses - List of Current Obligations (Include Company Names and Amounts)
- ✓ For Start-Up Businesses – Current Business Plan
  - For Start-Up Businesses – Three Year Projections
  - Tax Returns – Previous Three (3) Years – Personal Tax Returns May be Required for Proprietorship
- ✗ Letter from Lending Institution if applicable *N/A*
- ✓ If a Corporation, LLC or Other Legal Entity - Copy of Organizational Documents (Articles, Bylaws)
  - Please Note that Other Financial Documents May Be Required

**E. APPLICANT SIGNATURE:**

I certify that the information contained in this application and all attachments are correct to the best of my knowledge. By signing below, I authorize the City of Crete or their contracted representative to check my credit and the credit of all who are listed within this application. I understand that I must update my credit information if my financial situation changes.

\_\_\_\_\_  
Applicant's Signature

*9/5/2023*  
\_\_\_\_\_  
Date

**Checklist for Local Economic Development Program Application**

For a qualifying business to be considered for direct or indirect financial assistance under the Crete Local Economic Development Program an applicant must provide to the City Administrator or Program Administrator:

- A completed and signed application with all required support documents including, but not limited to:
  - A detailed description summary 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 Local Economic Development Program.
  - Use of Funds – Total project costs and financing requirement; include copies of any preliminary bids (if applicable/available).
  - A review of key management and employees and their experience as related to the proposed project.
- Start Up Business
  - Current Business Plan for the project and the company, including employment and financial projections;
  - Three (3) Years Financial Projections
  - Past three years personal tax returns
- Existing Business:
  - Most Current Business Plan
  - Three (3) Yearly Financial Statements: Profit & Loss Statements, Cash Flows and Income Statements covering the last three years of business operation, or if a new business, personal income statements.
  - List of Current Obligations (include company Names and Amounts)
  - Past three years personal tax returns
- Letter from Lending Institution(s) (if applicable): Evidence of private financing commitments for investors or lenders.
- If a Corporation, LLC or Other Legal Entity - Copy of Organizational Documents (Articles, ByLaws)
- Resume(s) of all owners/co-owners/directors/partners/stockholders: Necessary entity or personal financial information about the Applicant(s), including name, address, past experience, work history, and related information.
- Other information or financial documentation as requested.

**Questions:** Contact City Administrator, Tom Ourada, at 402-826-4313 or email [tom.ourada@crete.ne.gov](mailto:tom.ourada@crete.ne.gov). **Return** application and supporting documentation to City Administrator, at City Hall, 243 E. 13<sup>th</sup> Street, Crete, NE 68333

# United States Citizenship Attestation Form

For the purpose of complying with Neb. Rev. Stat. §§ 4-108 through 4-114, I attest as follows:

I am a citizen of the United States.

— OR —

I am a qualified alien under the federal Immigration and Nationality Act, my immigration status and alien number are as follows: \_\_\_\_\_ and I agree to provide a copy of my USCIS documentation upon request.

I hereby attest that my response and the information provided on this form and any related application for public benefits are true, complete, and accurate and I understand that this information may be used to verify my lawful presence in the United States.

PRINT NAME

Patrick W. Reed

(first, middle, last)

SIGNATURE

Patrick W. Reed

DATE

9/15/2023

1/19/2010

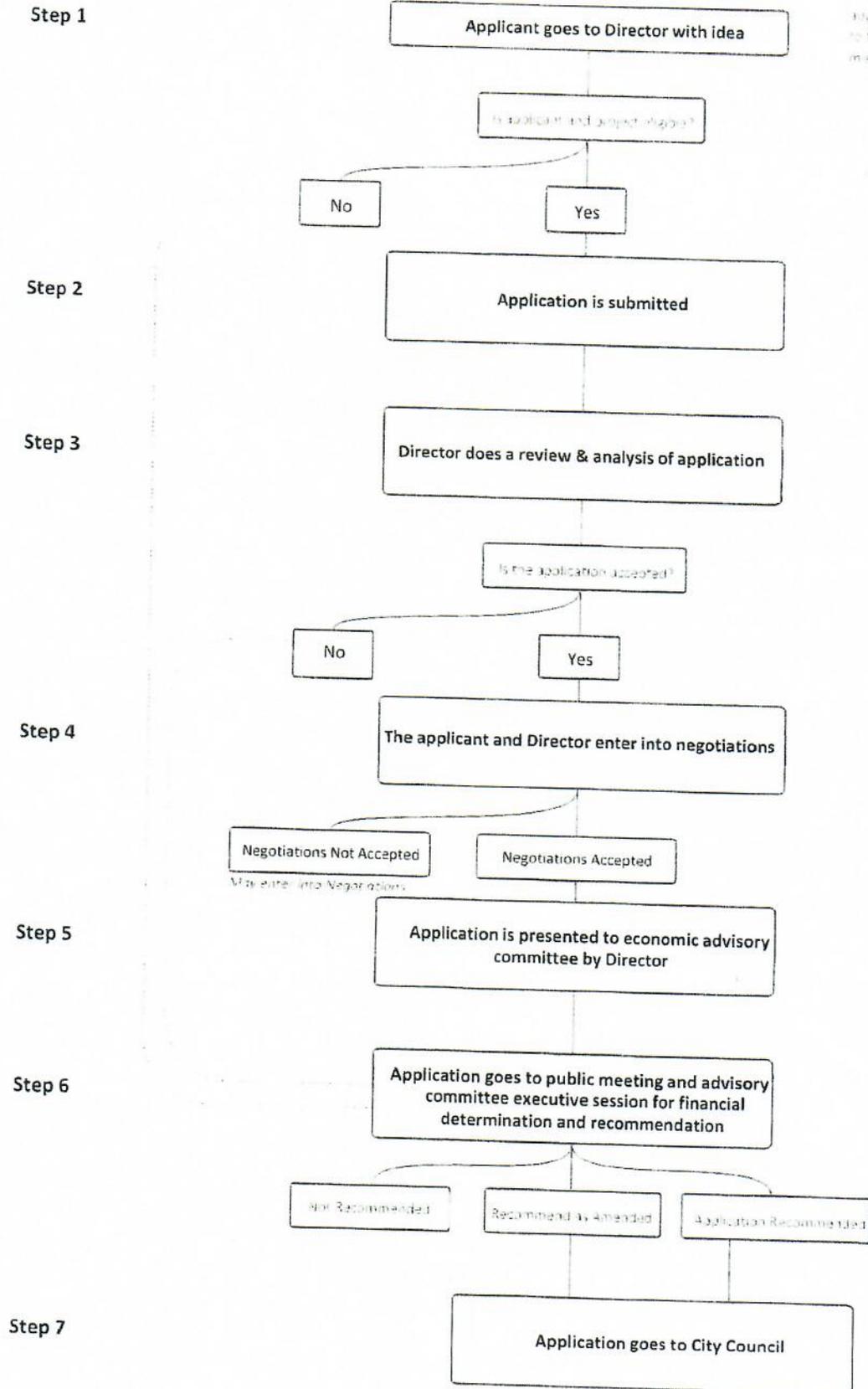
DOWNLOAD/SAVE

PRINT

# LB 840 APPLICATION PROCESS

Not a Final Process

Facilitation is required, the applicant has the ability to appeal to the advisory board in a public meeting.





October 17, 2023

Steve Charleston  
Nebraska Department of Economic Development  
245 Fallbrook Blvd, Suite 002  
Lincoln, NE 68521

RE: City of Crete – CDBG #20-DTR-002  
Request for Contract Amendment

Dear Mr. Charleston:

At our meeting on October 17, 2023, the City Council approved to request a contract extension for this project and authorized my signature on extension documents. This amendment will extend the first amendment contract end date from November 4, 2023 to August 4, 2024.

The City of Crete respectfully requests your approval of a CDBG contract amendment to extend the contract end date to August 4, 2024 for the completion of the City's Downtown Revitalization project. This second amendment will allow the city to continue to allow businesses time to finish their projects that were delayed due to the pandemic, limited supply of contractors and materials, rescinded applications, and additional unexpected barriers, such as legal issues with a contractor.

As Mayor of the City of Crete, Nebraska, I certify the following:

- This amendment request was approved at the Board meeting on October 17, 2023.
- The extension will allow the business owners and City to complete the final stages of the project.
- No additional matching funds or budget amendment are required for the proposed amendment.
- The proposed amendment does not include a new activity.

Please contact myself or Kelly Gentrup ([kgentrup@senndd.org](mailto:kgentrup@senndd.org)) with the Southeast Nebraska Development District (SENDD) at (402) 475-2560 for additional information.

Thank you for your consideration of this request.

Sincerely,

David Bauer  
Mayor

Enclosed: CDBG Contract Amendment Request Form; Implementation Schedule

## CDBG CONTRACT AMENDMENT REQUEST FORM

This form must be completed and submitted to the Nebraska Department of Economic Development when making a contract amendment request. Complete the sections for each type of amendment requested. Along with this form, you are required to submit all attachments identified under the applicable amendment type.

CDBG Grant # \_\_\_\_\_ Grantee \_\_\_\_\_

DED Program Representative \_\_\_\_\_

|   |   |
|---|---|
| <b>By completing this form, I confirm that this project is current on all reporting requirements.</b> |   |
| Name, Organization _____  |   |
| Email _____   |   |
| Requesting Amendment # _____  | Date of Last Project Status Report (PSR): _____ |

**Extension of Contract End Date**

Original Contract End Date \_\_\_\_\_  
Current Contract End Date including any previously approved extensions \_\_\_\_\_  
Proposed Contract End Date \_\_\_\_\_

**Required Attachments**

**Attachment 1:** Letter from the Chief Elected Official including:

1. Certification that the local governing body has approved the extension.
2. Identification and reasons for the proposed amendment, including:
  - a. Changes to the nature of the project requiring the amendment;
  - b. Steps implemented to avoid any future amendment requests for the same reasons.
3. Where additional local matching funds are required due to this extension, certification that such funds are available.

**Attachment 2:** Revised implementation schedule showing completion of major milestones for all activities.

**Decrease in proposed accomplishments**

Original Proposed Accomplishments \_\_\_\_\_ Amended Proposed Accomplishments \_\_\_\_\_

**Required Attachments**

**Attachment 1:** A letter from the Chief Elected Official including:

1. Certification that the local governing body has approved the decrease in proposed accomplishments;
2. Identification and reasons for the proposed amendment; including
  - a. Changes to the nature of the project requiring the amendment;
  - b. Steps implemented to avoid any future amendment requests for the same reasons.
3. If additional local matching funds are required due to this decrease, certification that such funds are available.

**Attachment 2:** Revised implementation schedule showing completion of major milestones for all activities.

**Amendment to Housing Program Guidelines**

**Required Attachments**

**Attachment 1:** Letter from the Chief Elected Official including:

1. Certification that the local governing body has approved the amendment to the housing program guidelines;
2. Identification and reasons for the proposed amendment;
3. If additional local matching funds are required due to this amendment, certification that such funds are available.

**Attachment 2:** If the housing program guidelines amendment will affect major milestones, a revised implementation schedule showing completion of major milestones for all activities.

**Attachment 3:** A complete copy of the proposed revised housing program guidelines.

**Budget/Sources and Uses Amendment**

Original Contract Budget Approved

| Activity Name | Activity Number | CDBG Funds | Other Funds | Total Funds |
|---------------|-----------------|------------|-------------|-------------|
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
| <b>Total</b>  |                 |            |             |             |

Proposed Budget After Amendment

| Activity Name | Activity Number | CDBG Funds | Other Funds | Total Funds |
|---------------|-----------------|------------|-------------|-------------|
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
|               |                 |            |             |             |
| <b>Total</b>  |                 |            |             |             |

**Required Attachments**

**Attachment 1:** Letter from the Chief Elected Official including:

1. Certification that the local governing body has approved the budget amendment;
2. Identification and reasons for the proposed budget amendment; including
  - a. Changes to the nature of the project requiring the amendment;
  - b. Steps implemented to avoid any future amendment requests for the same reasons.
3. If additional local matching funds are required due to this amendment, certification that such funds are available.
4. If the amendment includes a new activity, certification that the activity meets the national objective.

**Attachment 2:** Minutes from the public hearing held on the proposed amendment (required if reallocating more than 10% of the total original grant amount).

**Attachment 3:** If the budget amendment will affect major milestones, a revised implementation schedule showing completion of major milestones for all activities.

**Attachment 4:** Certification of re-evaluation of the environmental assessment (this form is included in the CDBG Administration Manual Chapter 6 – Environmental Review).

| FOR DED USE ONLY  |                    |             |  |
|---|--------------------|-------------|--|
| <i>Program Representative Recommendation:</i> <input type="checkbox"/> <i>approve</i> <input type="checkbox"/> <i>deny</i> <input type="checkbox"/> <i>consultation</i> | <i>Initials</i>    | <i>Date</i> |  |
|   | Signature          |             |  |
| Date amendment request received   | Printed Name/Title |             |  |
| <input type="checkbox"/> <i>approved</i> <input type="checkbox"/> <i>denied</i>   | Date               |             |  |

## Crete, NE 20DTR002 Downtown Revitalization Project Implementation Schedule

### General Administration: \$35,000.00

| Activity                     | Time of Performance        |
|------------------------------|----------------------------|
| Obtain Contract with SENDD   | Quarter 1                  |
| Environmental Review & ROF   | Quarter 1                  |
| Grant/Project Administration | Quarter 1 – 12             |
| Market Program               | Quarter 3 - 10             |
| Prepare Reports              | Quarter 2, 4, 6, 8, 10, 12 |
| Review Apps                  | Quarter 3 - 6              |
| Construction Oversight       | Quarter 6 - 12             |
| Close & Marketing            | Quarter 11-12              |

### Construction Management: \$10,000.00

| Activity                     | Time of Performance |
|------------------------------|---------------------|
| Davis Bacon Compliance       | Quarter 6 – 11      |
| Pre-Construction Conferences | Quarter 6 – 11      |
| Conduct Employee Interviews  | Quarter 6 – 11      |
| Review Weekly Payrolls       | Quarter 6 – 11      |
| Prepare Final Wage Report    | Quarter 12          |

### Commercial Rehabilitation: \$400,000.00

| Activity                           | Time of Performance |
|------------------------------------|---------------------|
| SHPO & Tier II reviews (as needed) | Quarter 6 – 11      |
| Plans & Specs (when needed)        | n/a                 |
| Award Construction Contracts       | Quarter 6 – 11      |
| Construction                       | Quarter 6 – 11      |

## Recap of Project Progress

| Business                                    | CDBG                | Expended            | Match              | Remaining           |
|---|---------------------|---------------------|--------------------|---------------------|
| Paraiso – 1246 Main Ave                     | \$27,994.40         | \$27,994.40         | \$5,923.50         | \$0.00              |
| Allen Agency – 1140 Main Ave                | \$8,682.27          | \$8,682.27          | \$2,223.54         | \$0.00              |
| Elle's on Main Street – 1103 Main Ave       | \$34,000.00         | \$34,000.00         | \$14,572.11        | \$0.00              |
| Scott Skala – 1334 Main Ave                 | \$10,200.00         | \$10,200.00         | \$3,796.00         | \$0.00              |
| Ken Marvin – 1302 Linden Ave                | \$20,000.00         | \$20,000.00         | \$22,450.67        | \$0.00              |
| Edward Jones – 1132 Main Ave                | \$9,000.00          | \$9,000.00          | \$4,737.64         | \$0.00              |
| Jaime Castanada – 1229 Main Ave             | \$29,666.40         | \$29,666.40         | \$7,416.60         | \$0.00              |
| New Beginnings – 1302 Main Ave              | \$48,000.00         | \$48,000.00         | \$13,137.91        | \$0.00              |
| Ideal Nutrition – 120 E 13 <sup>th</sup> St | \$9,228.12          | \$9,228.12          | \$2,692.11         | \$0.00              |
| Studio C – 1318 Main Ave                    | \$9,148.93          | \$9,148.93          | \$2,307.04         | \$0.00              |
| Moser Accounting – 1314-1316 Main Ave       | \$37,647.11         | \$37,647.11         | \$9,411.79         | \$0.00              |
| Jack Cochnar – 142 W 13 <sup>th</sup> St    | \$47,616.00         | \$0.00              | \$0.00             | \$47,616.00         |
| Hanson, Hroch, and Kuntz – 1331 Main Ave    | \$9,000.00          | \$0.00              | \$0.00             | \$9,000.00          |
| Rosa Ortega – 119 E 13 <sup>th</sup> St     | \$12,000.00         | \$0.00              | \$0.00             | \$12,000.00         |
| Sarrah Gilpin – 125 W 13 <sup>th</sup> St   | \$50,000.00         | \$0.00              | \$0.00             | \$50,000.00         |
| Shear Designs – 136 E 13 <sup>th</sup> St   | \$13,000.00         | \$0.00              | \$0.00             | \$13,000.00         |
| Angie Diaz – 1202 Main Ave                  | \$50,000.00         | n/a                 | n/a                | n/a                 |
| Melvin Krupicka – 1228 Main Ave             | \$20,000.00         | n/a                 | n/a                | n/a                 |
| Howard Doty – 130 E 13 <sup>th</sup> St     | \$10,000.00         | n/a                 | n/a                | n/a                 |
| Havana Meats – 1114 Main Ave                | \$29,000.00         | n/a                 | n/a                | n/a                 |
| Pending Application                         | \$24,816.77         | n/a                 | n/a                | n/a                 |
| <b>Total</b>                                | <b>\$400,000.00</b> | <b>\$243,567.23</b> | <b>\$88,668.91</b> | <b>\$131,616.00</b> |

Projects Completed & Reimbursed: 10

Projects under Construction to be completed by year end: 3

Projects Completed but not reimbursed: 2

Projects experiencing delays due to contractor availability: 1

Projects with a rescinded application: 1

Pending Application: 1

**CDBG Award: \$400,000.00**

**CDBG Funds Expended to Date: \$243,567.23**

**CDBG Funds Allocated: \$375,183.23**

**Match Funds Expended: \$88,668.91**

**CDBG Funds Remaining from Allocated Projects: \$131,616.00**

**CDBG Funds Unallocated: \$24,816.77**

**Total Funds Remaining: \$156,432.77**



# ECONOMIC DEVELOPMENT PROGRAM

2010

As Amended:

3-18-2014

7-5-2016

10-3-2017

11-7-2023 (Proposed)

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## 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)<br>(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<br>(Proposed)<br>Tax Revenue annually)                               | \$350,000.00<br>(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.



ECONOMIC DEVELOPMENT  
PROGRAM

2010

As Amended:  
3-18-2014  
7-5-2016  
10-3-2017

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## 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 direct or indirect financial assistance for projects that build, rebuild, renovate or redesign community facilities or infrastructure;~~
- ~~2.~~ Providing financial assistance to qualifying businesses, including financial support for recruitment of new professionals, businesses and industries to Crete;
- ~~3.~~ Providing direct or indirect financial assistance for housing as part of Crete’s Housing Development Plan;
- ~~4.~~ 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. ~~Rehabilitation, building, purchasing or rebuilding community facilities or Infrastructure.~~

~~b.~~ 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.

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- 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, ~~in addition to the City of Crete itself,~~ 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 ~~as distinguished from goods offered for sale at retail locally;~~
4. The sale of services in interstate commerce ~~as distinguished from services offered on a local or area basis;~~
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; ~~or~~

[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.

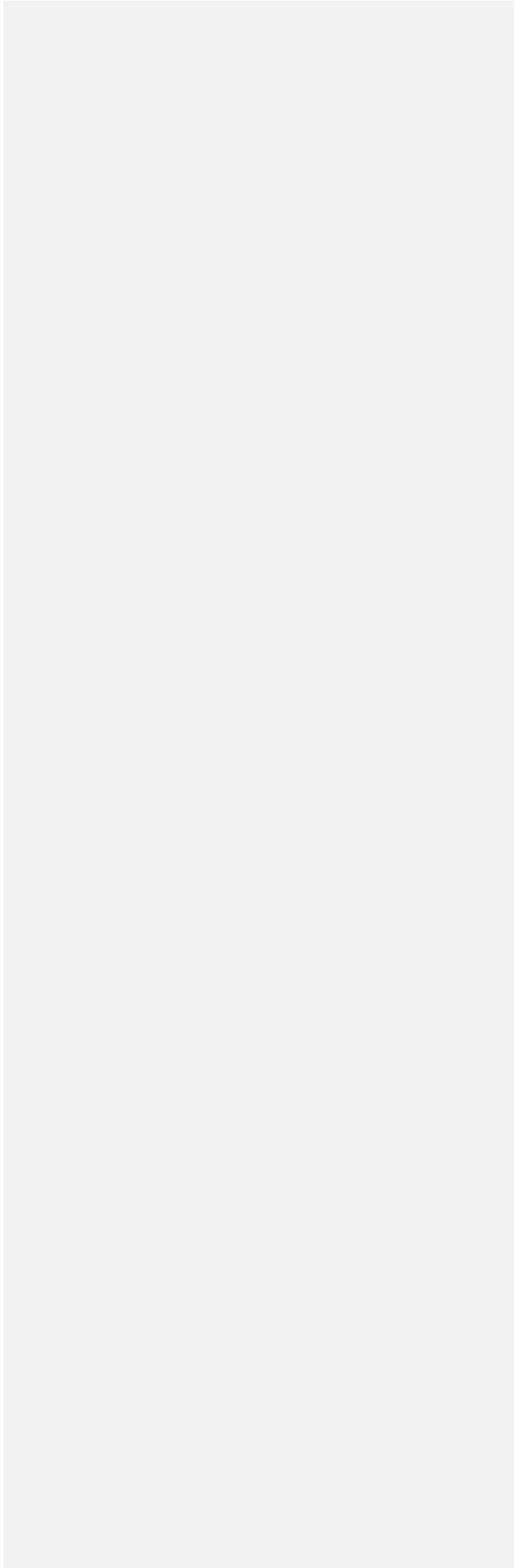
**SECTION VI.  
SOURCE OF FUNDING AND PROPOSED BUDGET**

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)<br>(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<br>(Proposed)<br>Tax Revenue annually)                               | \$350,000.00<br>(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 mind:

|   |              |
|---|--------------|
| 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.

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