

NORTH PLATTE, NEBRASKA

COMMUNITY ECONOMIC DEVELOPMENT

LB840 PROGRAM

“Quality Growth Fund”

2021-2031

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COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

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COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY

Located at the intersection of Interstate 80 and U.S. Highway 83, North Platte serves as the primary retail and trade center for west central Nebraska. Residents from throughout Lincoln County and numerous adjoining counties travel to North Platte for their shopping, health care, educational, recreational and banking needs.

Since its inception in the 1880's, North Platte's economy has traditionally revolved around farming/ranching and the railroad. The railroad and agricultural industries continue to have a significant impact on North Platte's economy. Today, three major employers dominate North Platte's industry base: Union Pacific Railroad, Great Plains Regional Medical Center, and WalMart. Other important industry segments in the North Platte Community include financial services, retail, tourism, agri-business, and public/quasi-public entities.

During the past decade, the North Platte regional economy has shown modest growth. However, competition among differing communities for the attraction of new business is becoming increasingly fierce. Similarly, competing communities often attempt to lure business from North Platte to their local areas.

North Platte's local economic effort has traditionally been led by the North Platte Chamber and Development Corporation in cooperation with the City of North Platte, Lincoln County and a host of other supporting entities that work to grow the local economy. This unified economic development effort focuses its attention on: supporting developments that broaden and diversify the local tax base, assuring the growth and success of existing business and industry, creating jobs for the under employed and those young people interested in staying in the community, increasing the local population, diversifying the economic base and generally creating an environment that improves the quality of life for local residents.

North Platte is able to offer many competitive advantages to new and existing business including: easy transportation access, a readily available workforce that is seeking employment with premier employers, a progressive airport facility, sound community infrastructure, utilities available at competitive rates and a community committed to continued growth and prosperity. However, many competing communities continue to commit an increasing amount of local dollars and resources to the expansion and attraction of business and industry.

Over 70 communities across Nebraska currently utilize a local option sales tax or property tax to generate funds that are then utilized to support local business growth. These communities have successfully used this resource to expand and attract new business and industry to their respective regions.

Through the renewal of this Community Economic Development Plan and of the North Platte Quality Growth Fund (NPQGF), North Platte will continue to provide financial incentives designed to assist in retaining, expanding and attracting business and industry to the North Platte region. Special emphasis will be given to supporting the retention and

expansion of existing business. Efforts to attract new business will be focused on industry sectors that pay above average wages, offer the greatest long-term economic benefit to the region and will improve the quality of life for area residents. Financial incentives may include grants, loans and direct contributions to qualified companies. Monies may also be used for infrastructure improvements and other projects deemed to provide economic development benefits.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

PROGRAM INTENT

Knowing that continued population growth and economic diversification is key to the continued growth and prosperity of the North Platte/Lincoln County region, the intent of the City of North Platte is to implement an aggressive Economic Development Program. This Economic Development Program shall include the creation of the North Platte Quality Growth Fund to assist existing and new business and industry to grow and succeed in the region. The primary purpose and goals of the North Platte Quality Growth Fund shall be:

- To diversify and broaden the local economic tax base
- To support the retention and expansion of our existing business and industry base and jobs
- To create new job opportunities for local residents and our region's young people
- To create new employment opportunities that offer above average wages and strong benefits packages
- To encourage the attraction of new business and industry to the region
- To foster new capital investment in the region
- To foster development that maintains and improves the quality of life for area residents
- Promote local infrastructure development necessary to private business
- Increase and improve the availability of affordable and workforce housing
- Incentivize dilapidated and distressed real estate acquisition and rehabilitation
- Stay competitive with other cities that may offer similar or greater incentives

Every effort will be made to support projects that will have the greatest long-term economic impact on the North Platte/Lincoln County region and also comply with existing programs and goals of the City of North Platte.

If approved by North Platte voters, this Economic Development Program and the North Platte Quality Growth Fund will renew on April 1, 2021 and will end on March 31, 2031.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

ELIGIBLE ACTIVITIES

Eligible activities under the proposed North Platte Quality Growth Fund may include, but are not limited to the following:

1. Job credits for full-time positions created to include grants and loans denominated as job credits which are subject to job credit performance requirements and recapture provisions

2. Investment credits for projects requiring major capital investment to include grants and loans denominated as investments credits which are subject to job credit performance requirements and recapture provisions
3. Direct loans, including performance-based loans, to qualifying businesses for fixed assets and/or working capital
4. Grants or loans for public works improvements essential to the location or expansion of a qualifying business
5. Direct loans, including performance-based loans, for job training
6. The purchase of real estate and personal property, options for such purchases and the renewal or extensions of such options for a qualifying business, without regard to whether that business is identified at the time
7. The conveyance of real and personal property to qualifying businesses at reduced or no cost
8. Construction and equipping of buildings for qualifying businesses, without regard to whether that business is identified at the time
9. The provision of technical assistance to qualifying businesses
10. Payments to either public or private entities to support the development of a qualifying business
11. Expenses associated with marketing, promotional and recruitment campaigns
12. Purchase of Community Redevelopment Revenue Bonds issued by any municipality in Lincoln County
13. Expenses for locating a qualifying business into the area
14. Workforce Housing programs as defined by the State of Nebraska.
15. Bonding used to carry out the activities of the Economic Development Program as outlined in the Local Option Municipal Economic Development Act (Sections 18-2701 to 18-2738), including any future amendments or changes to this legislation
16. Contracting with an outside entity to implement and administer the Economic Development Program
17. Recognizing that economic conditions will change throughout the 10-year period of this Program, the North Platte Quality Growth Fund may be used on activities that are not specifically mentioned in this section, but are allowed by current and future State Statutes

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

QUALIFYING BUSINESSES

For the purposes of this Program, qualifying businesses shall include any corporation, partnership, LLC or sole proprietorship, which derives its principal source of income from:

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. Workforce Housing as defined by the State of Nebraska & Local Housing Plan
5. The sale of services in interstate commerce
6. Telecommunications activities
7. Headquarters facilities of qualifying businesses
8. Retail and Tourism Related businesses and early childhood education
9. Any other eligible activities as allowed by the Local Option Municipal Economic Development Act, as may be amended

If a qualifying business employs people and carries on activities in more than one municipality in Nebraska or will do so at any time during the first year following its application for participation in the North Platte Quality Growth Fund, it shall be considered a qualifying business only if, in each such city of operation, it maintains employment for the first two years following the date on which such business begins operations in the city as a participant in the North Platte Quality Growth Fund at a level not less than its average employment in such city over a twelve-month period preceding participation.

Qualifying businesses for the North Platte Quality Growth Fund need not be located within the City of North Platte or its extra-territorial zoning jurisdiction. Qualifying businesses within Lincoln County that provide clear economic benefits to the North Platte Community may request assistance from the North Platte Quality Growth Fund.

Qualifying businesses may apply for, and receive support from, the North Platte Quality Growth Fund on more than one occasion.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

PROGRAM FUNDING

The North Platte Quality Growth Fund will not require an increase in local option sales taxes, but will be funded by capturing 50% of the growth in the local option sales taxes that are currently collected by the City of North Platte. Funds will not be diverted to the North Platte Quality Growth Fund until the City of North Platte has reached the following level of collections during the following periods (herein referred to as the "trigger amount"):

04/01/21 to 09/30/21	\$3,714,868 Pro-rated on a monthly basis
10/01/21 to 09/30/22	\$7,578,330
10/01/22 to 09/30/23	\$7,729,897
10/01/23 to 09/30/24	\$7,884,495
10/01/24 to 09/30/25	\$8,042,185
10/01/25 to 09/30/26	\$8,203,029
10/01/26 to 09/30/27	\$8,367,090
10/01/27 to 09/30/28	\$8,534,432
10/01/28 to 09/30/29	\$8,705,121
10/01/29 to 09/30/30	\$8,879,223
10/01/30 to 03/31/31	\$4,528,404 Pro-rated on a monthly basis

Once the trigger amount has been reached during each specified period, future collections will be shared equally between the City of North Platte and the North Platte Quality Growth Fund until a maximum of \$650,000 has been diverted to the NPQGF per year for ten years, or a total of \$6,500,000.—

Funds from repayment of loans, return on investments, fees for activities such as loan guarantees and proceeds from sales of property may be used for activities allowed under this Economic Development Program. These funds shall be outside of the \$650,000 annual cap.

The City of North Platte shall maintain the North Platte Quality Growth Fund. Investment of the Quality Growth Fund shall be made in compliance with all relevant rules and regulations.

If approved by North Platte voters, this partial diversion of future sales tax growth will go into effect on April 1, 2021 and will remain in force until March 31, 2031.

Preliminary Budget for Ten Year Program:

Income:

Sales Taxes Diverted to Quality Growth Fund \$6,500,000

Expenses:

Expenses for Eligible Activities \$6,500.000

This preliminary budget is subject to revisions from time to time by the Citizens Review Committee depending upon changing community needs.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

APPLICATION PROCESS

On approval of the Economic Development Program, the program administrator shall develop a standardized application form for businesses seeking assistance from the North Platte Quality Growth Fund. Application forms shall be available from the City of North Platte and the North Platte Area Chamber of Commerce and the Development Corporation of North Platte.

As part of the application process, a qualifying business will be required to submit business and financial information necessary to determine economic viability of the proposed project. The material may include, but is not limited to:

1. A completed North Platte Quality Growth Fund Application Form
2. A written business program, including employment and financial projections, current financial statements, project financing arrangements, total project cost and all other relevant project information
3. Current year-to-date profit and loss statements (signed)
4. Recent balance sheets (signed)
5. Three years of complete corporate/individual income tax returns; individual returns required for anyone owning more than 25% of the company (signed)
6. Personal financial statements for any person(s) owning more than 25% of the company
7. Other information as necessary to determine the eligibility and economic viability of the proposed project

The program administrator will review applications in the order received. All reasonable methods will be used to verify application information, including credit checks, credit

reports, record examination, oral and written applicant interviews and other investigative methods deemed necessary.

Following an initial review of an application for eligibility and compliance, the program administrator shall schedule a meeting of the citizen's advisory committee (within a reasonable time line, not to exceed three weeks) and shall also complete a final verification of the available materials and publish notice of the public meeting.

The Citizen's Review Committee (CRC) will meet and review the application from the qualifying business prior to making a final recommendation to the City Council. Members of the CRC shall review the application based upon the economic feasibility of the project as well as the overall long-term economic impact to the North Platte/Lincoln County region. Potential actions of the CRC include:

- Recommend approval of the application to the City Council
- Recommend denial of the application to the City Council
- Forward the application to the City Council with no recommendation
- Ask for additional information prior to making a recommendation to the City Council

Prior to forwarding the application to the City Council for approval, the CRC will negotiate the type(s) of assistance to be made available to the qualifying business, the appropriate level of funding assistance and the terms and conditions of any assistance. Said negotiation shall be conducted with input from the program administrator. The City Council will then consider the CRC's recommendation including funding levels, terms and conditions. The City Council may then approve or deny the application, based upon the CRC's recommendation.

Upon approval from the City Council, the program administrator shall begin processing all necessary legal and technical agreements.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

PRIVACY AND CONFIDENTIALITY

In the process of gathering information about a qualifying business, the program administrator (and his/her staff), the CRC and the North Platte City Council will receive information about the applicant, which is confidential and, if released, could cause harm to the applicant or give unfair advantage to competitors. State law authorizes the program administrator, the CRC and the City of North Platte to maintain confidentiality of business records that come into its possession. In order to protect the applicant and to encourage them to make full and frank disclosure of business information relevant to the application, the following steps will be implemented:

1. The program administrator will keep all applicant information in a secure location. A restricted number of people will have access to the confidential information.
2. The City Council shall adopt an ordinance that makes such information confidential and punishes disclosure of such information.
3. All persons involved in reviewing the application will be required to sign statements of confidentiality regarding all business and personal submittals of information by the applicant.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

ADMINISTRATION AND VERIFICATION

It is the intent of the City of North Platte to contract with the Development Corporation of North Platte to administer the Economic Development Program/North Platte Quality Growth Fund.

The intent of this program is to commit the maximum dollar amount possible to the retention, expansion and attraction of business and industry to the North Platte region; every effort will be made to limit the amount of dollars used in administering the program. Administration for the overall program is shared by three entities, thus providing a sound system of checks and balances. The duties of each entity are as follows:

Program Administrator:

1. The current President of the North Platte Chamber and Development Corporation of North Platte shall serve in this capacity
2. Responsible for the day-to-day administration of the program
3. Solicits potential applicants to the program
4. Assists potential applicants in completing the application and in collecting the necessary background materials
5. Prepares a recommendation to the CRC, including suggested funding assistance with corresponding terms and conditions
6. Shall make an annual presentation to the City Council, at a public hearing, regarding the status of the Program as well as current and outstanding activities
7. Serves as an ex-officio of the CRC

Citizen's Review Committee (CRC)

1. A group of five North Platte registered voters appointed by the Mayor, subject to City Council approval, who will review the function and progress of the Economic Development Program/North Platte Quality Growth Fund and will also advise the City Council in relation to the program; at least one member of the Committee shall have expertise or experience in the field of business finance or accounting
2. Members of the Committees shall include:
 - a. a representative from the North Platte Area Chamber of Commerce and Development Corporation Board of Directors
 - b. a representative from the banking/financial services industry
 - c. three citizens at large with an interest in the continued growth and success of the North Platte/Lincoln County region
3. No member of this Committee shall be an elected or appointed city official, an employee of the City, a participant in a decision-making position regarding expenditures of program funds, or an official or an employee of any qualifying business receiving financial assistance under the Economic Development Program/North Platte Quality Growth Fund. Any committee member having direct involvement in a project shall declare a conflict and not participate in the vote.
4. Beginning April 1, 2021, members shall serve three year staggered terms, and are eligible to serve a second term at the discretion of the Mayor and city council.

5. The Committee shall meet at least once every six months, and will meet more frequently as needed to review applications for assistance
6. The Committee shall forward their recommendation of applications to the City Council

North Platte City Council:

1. Will have final authority of expenditure of funds in compliance with the Community Economic Development Program/North Platte Quality Growth Fund
2. Will approve appointments to the Citizen's Review Committee (CRC)
3. Will review and approve applications made by qualifying businesses, with the input of the program administrator and the CRC

Compliance with all relevant laws, regulations and requirements of State Statute and this Economic Development Program are of utmost importance to the program administrator, the CRC and the City of North Platte. In addition, these organizations wish to develop and maintain continued integrity of the Economic Development Program/North Platte Quality Growth Fund. As noted above, the program administrator will verify all applicant information at the time of submission. In addition, an annual review/audit will be conducted by a licensed certified public accountant under Generally Accepted Accounting Principles to assure compliance with all agreement terms, appropriate laws and regulations. In addition, the program administrator, CRC and City Council will work with a selected legal counsel to stay abreast of relevant changes in the law that could affect the Economic Development Program and any related project agreements.

In formalizing agreements with qualifying companies, the program administrator, CRC and City Council will secure adequate collateral, personal/corporate guarantees and other securities necessary to protect the quality and integrity of the Economic Development Program/North Platte Quality Growth Fund. A formal audit of the North Platte Quality Growth Fund will be conducted annually. Said audit will be distributed to the program administrator, the CRC and the North Platte City Council at a scheduled public hearing.

To the extent an approval or vote is required by this Plan, a simple majority is sufficient to pass or adopt any issue, including but not limited to approval or vote required by the Citizens Review Committee and the North Platte City Council.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

IDENTIFICATION AND PURCHASE OF LAND

If and when real estate is to be purchased with assistance from the North Platte Quality Growth Fund, the real estate should meet the following general criteria:

1. The property should be properly zoned, or easily eligible for proper re-zoning and free of other significant encumbrances.
2. The property should conform to the most recent City of North Platte Comprehensive Plan or the Lincoln County Comprehensive Plan.
3. Emphasis should be given to property that can be developed with limited associated costs for infrastructure development.
4. The property should be located within Lincoln County.

Under this plan, real and personal property can be conveyed at reduced or no cost to qualifying businesses. Any proceeds from the future sale of such land would return to the North Platte Quality Growth Fund for future reuse on eligible activities or additional land purchases.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

INVESTMENT OF FUNDS

All reasonable efforts will be made to maximize the amount of funds available in the North Platte Quality Growth Fund for development purposes. Development and investment of the North Platte Quality Growth Fund shall be guided by the following:

1. The City of North Platte shall establish a separate economic development fund, hereby known as the North Platte Quality Growth Fund.
2. All funds derived from local sources of revenue in compliance with the guidelines of this Economic Development Program, any earnings from the investment of these funds, any loan payments, any proceeds from the sale of assets purchased with these funds, or any other funds received by the City of North Platte by reason of the Economic Development Program shall be deposited into the North Platte Quality Growth Fund.
3. No funds in the North Platte Quality Growth Fund shall be deposited into the General Fund of the City of North Platte.
4. The City of North Platte shall not transfer or remove funds from the North Platte Quality Growth Fund other than for the purpose of eligible activities specifically described in the Local Municipal Option Economic Development Act or this Economic Development Program.
5. Funds from the North Platte Quality Growth Fund shall not be commingled with any other City of North Platte funds.
6. Any funds in the North Platte Quality Growth Fund not currently required or committed for the purposes of Economic Development shall be invested as provided in Section 77-2341 R.R.S. Nebraska.
7. In the event that the Economic Development Program is terminated, any remaining funds will be transferred to the General Fund of the City of North Platte, as provided in State Statute.
8. If there is any conflict between these general fund investment guidelines and State Statute, the State Statute will govern.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

SMALL BUSINESS LOANS

Up to 10% of the annual revenue from the North Platte Quality Growth Fund shall be set aside in a separate Small Business Loan Fund (SBLF). Special emphasis will be made to provide SBLF support to smaller existing business and industry for retention and expansion projects. Loans made under the SBLF program shall comply with the guidelines set for all loan projects as outlined in this Plan.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

REVOLVING LOAN FUND GUIDELINES

When providing support to qualifying businesses via direct loans, the following principals shall serve as a general guideline:

1. The Citizen's Review Committee shall review all requests for loan support.
2. Direct loans, loan guarantees and performance-based loans will be made available to qualifying businesses. Performance-based loans would allow a qualifying business to recapture, on a grant basis, a portion of the loan principal amount to be determined by the CRC based upon job creation, job retention or economic impact of the project to the Community.
3. Loan funding shall not constitute more than 50% of a total project cost.
4. A minimum equity investment of 10% will be required for each project.
5. Qualifying businesses must show that additional funding/lending sources have committed to the proposed project.
6. The interest rate shall be fixed and shall be negotiated on a project by project basis. The interest rate shall typically be one-half of the lending rates available from traditional funding sources.
7. The term for NPQGF loans used for capital assets shall not exceed ten to fifteen (10-15) years, while the term for working capital or other assets shall not exceed seven to ten (7-10) years.
8. The CRC and the North Platte City Council shall require proper collateral for all loans, including promissory notes, mortgages, deeds of trust, corporate guarantees and personal guarantees. This security may take a subordinate position to a primary lender.
9. The City of North Platte shall contract with a local financial institution to handle loans made through the NPQGF. Typically, the City shall contract with the primary lender on the project to handle the loan administration.
10. The program administrator shall be responsible for working with the contracted financial institution to assure proper repayment and compliance with the agreed upon terms. In addition, the program administrator shall routinely verify and audit that loan recipients are meeting agreed upon job creation/retention goal and investment requirements.
11. Loan repayments shall be returned to the NPQGF for reuse on future projects.
12. The Citizen's Review Committee and the North Platte City Council, may at their discretion, waive any of the above requirements as needed to secure the retention, expansion or attraction of a qualifying business in Lincoln County.

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

PROGRAM AMENDMENTS

Careful attention was given to the development of this Community Economic Development Program. The Program may only be amended as outlined in State Statute. No amendment shall fundamentally alter the Program's basic structure or goals, without first submitting these changes to the North Platte voters for review.