

ECONOMIC DEVELOPMENT PLAN FOR THE CITY OF PLATTSMOUTH, NEBRASKA

Section I. General Community and Economic Development Strategy

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 of our nation to expand and/or locate businesses in their respective jurisdictions. This intense competition for new job creation has forced states and municipalities to provide incentives to businesses in order to remain competitive. Plattsmouth has been consistently hampered in its efforts to effectively compete in the business recruitment and expansion area. Even though the community has not had a shortage of opportunities, the city has been unable to respond quickly to those opportunities by not controlling available property or being able to raise sufficient capital from local sources to provide incentives for business location and expansion decisions that are tailored to meet the needs of our local community. Our ability to encourage business location and expansion has a direct impact not only upon the economic well being of our community and its residents but upon the State of Nebraska as well.

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 Describing General Intent and Goals

It is the intent of the City of Plattsmouth, Nebraska to implement an economic development program

with the general purpose and goals of:

1. **Creating** high paying quality jobs by generating employment opportunities and expanding the available work force within the labor market of Plattsouth and Cass County.
2. **Attracting** new capital investment to the community.
3. **Broadening** the tax base, alleviate the community's reliance on property taxes and provide economic diversification to ensure economic stability and vitality for the community of Plattsouth and the surrounding area.

In order to have a successful economic development strategy and help the community grow by providing existing and prospective residents with local economic opportunities Plattsouth must complete the following actions:

1. The City must diversify its economy by recruitment of new industries from outside and developing new businesses from inside the City. Plattsouth 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 Plattsouth to conduct business.
2. The City must have a marketing program. Business recruitment will continue to be an effective and important part of Plattsouth's economic development strategy. In addition to recruitment, the city can open job opportunities by helping existing business in the city to expand their markets and compete more successfully. Finally, the successful marketing of Plattsouth as a center for opportunity is important to the city's effort to expand its labor force and attract new residents.
3. The City must provide for the acquisition of industrial land and the provision of supporting infrastructure.
4. Economic Development needs capital; therefore, the city must expand access to venture and risk capital both inside and outside the community.

Section III. Eligible Economic Activities

This Economic Development Plan provides that the proceeds of funds generated from the use of LB840 may be used to fund any project or program providing direct and indirect financial assistance to a qualifying business and the payment of related costs and expenses as allowed by Local Option Municipal Economic Development Act.

Priority activities include the purchase of industrial site(s) and obtaining options for the purchase of such real estate. Land to be purchased or optioned may be within or outside the corporate limits of the City of Plattsburgh and will be identified through local analysis. If land outside the corporate limits is considered for purchase, close analysis will be made of the cost of extending infrastructure to the location and the burden on property owners of any special assessment districts that might be used to make such infrastructure improvements.

Furthermore, these funds may be used to provide the infrastructure to these sites or other sites to make them attractive to new or expanding businesses. Eligible infrastructure improvements, include but are not limited to the following:

1. Streets
2. Storm drainage
3. Water, sewer, gas, electric
4. Railroad extension and spurs
5. Telecommunications, cable, fiber optics, satellite service
6. Airport expansion and upgrades

Infrastructure improvements and costs may extend beyond the corporate limits of the City of Plattsburgh. Priority should be given to improvements within the City's corporate limits, but, if extension of such improvements beyond the corporate limits is necessary to achieve the goals of this program, such improvements may be funded. Only in exceptional circumstances, shall economic development (LB840) funds be used for improvements that extend beyond the City's zoning jurisdiction as it exists at the time.

The funds may also be used to construct facilities, structures, and/or appurtenances for new or proposed development or on a speculative basis to attract new business or industry. In addition, these facilities, structures and appurtenances are not required to be within the corporate limits of the City of Plattsburgh, but in only exceptional circumstances should the same extended outside the City's zoning jurisdiction as it exists as the time.

Eligible activities also include, but are not limited to the following:

1. Payments for salaries and support staff or contract staff to implement the program.
2. Job credits for full-time jobs created (2080 hrs/yr) to include grants that are subject to job creation performance.

3. Expenses related to business recruitment, promotional activities and related administrative expenses.
4. Expenses for locating a qualified business in the area.
5. Grants or agreements for job training.
6. Provision of technical assistance to businesses, such as marketing assistance, management counseling, preparing financial packages, engineering assistance.
7. Direct loans or grants to qualifying businesses for fixed assets or working capital or both; loan guarantees for qualifying business; grants for public works improvements which are essential to the location or expansion of, or the provision of new services by, a qualifying business; grants or loans for job training; the purchase of real estate, options for such purchases, and the renewal or extension of such options; the issuance of bonds as provided for in the Local Option Municipal Economic Development Act; and payments for salaries and support of city staff to implement the economic development program or the contracting of such to an outside entity.

The City recognizes that the attraction of new business and industry to a community, or the expansion of existing business or industry, takes place in an extremely competitive market place. In order to make Plattsmouth, Nebraska as competitive as possible in that market place and in the creation/retention of jobs in the Plattsmouth area, the use of funds for any project or program for the purpose of providing direct or indirect financial assistance to a qualifying business and the payment of related costs and expenses allowed by Section 6 of LB840, shall be eligible activities under this Economic Development Plan.

The level of funding assistance is based, in part, on the number of jobs to be created/retained and the total amount of investment in the community. Funds from this program shall not be considered the sole funding source.

Eligible Types of Businesses

1. A qualifying business shall mean any corporation, partnership, limited liability company or sole proprietorship, which derives its principal source of income from any of the following:
 - A. The manufacture of articles of commerce;
 - B. The conduct of research and development;
 - C. The processing, storage, transport, or sale of goods or commodities which are

sold or traded in interstate commerce;

D. The sale of services in interstate commerce;

E. Tourism related activities;

F. Telecommunications activities;

G. Headquarters facilities relating to eligible activities as listed in this section.

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.

3. Any other business deemed as a qualifying business through future action of the Nebraska Legislature.

4. A qualifying business need not be located within the territorial boundaries of the city from which it is or will be receiving financial assistance, but only in exceptional circumstances be outside the City's zoning jurisdiction.

Section IV. Source of Funding for Economic Development Program

The Plattsmouth Economic Development Program will be funded by one-third of the city sales and use tax with a maximum amount of not more than four-tenths of one percent (.4 of 1%) of the City's assessed valuation to be appropriated in each year for the economic development program. That amount not appropriated shall be held in a reserved restricted to the Economic Development Fund of the City.

Plattsmouth may have a business opportunity or other economic development project that requires up-front funds that exceed the single year proceeds of the local option sales tax. In order to take maximum advantage of such an opportunity, Plattsmouth shall have the ability to issue bonds. These bonds are then retired by future sales tax receipts. Under LB732 (September 1993), a bill that made changes in LB840, communities may include this bonding authority within their economic development programs. Therefore, in this program the City Council may authorize the issuance of bonds to carry out the economic development program, following a public hearing.

A maximum of 10% of amounts collected for the Program may be used for administration. All remaining funds will be used for approved plan activities.

Section V. Application Process for Financial Assistance to Businesses

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

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

Upon receipt of all required information the Program Administrator 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 Administrator prior to recommendation to the City Council and/or

by the City Council prior to final action.

The Program Administrator will review applications and requests for direct or indirect 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 Administrator and the potential future economic benefit to the community of Plattsmouth and Cass County. When considering an application and its merits, the Program Administrator may consult with the Executive Director of the Cass County Nebraska Economic Development Council, and other professional economic developers, including staff members from the Nebraska Department of Economic Development.

Program Administrator 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

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 Administrator 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 Administrator, the terms and conditions of assistance will be negotiated with the applicant. Upon completion of negotiations, the project will be submitted to an Application Review Committee that will be composed of five members to be appointed by the Mayor with approval of the City Council. The ARC will have the following make

up:

1. Two (2) members from the financial services and/or accounting field.
2. Three (3) members of the community at large.

Term of office for ARC members shall be three (3) years and/or until their successors are appointed and qualified. Initially, two members shall be appointed to a term of one year, two members shall be appointed to a term of one year, two members shall be appointed to a term of two years and one member shall be appointed to a term of three years.

The ARC will make a recommendation to the Program Administrator that:

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

Approval of 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 of level of assistance will not unduly enrich the business or be unreasonable in relation to the reasons to achieve public benefit. The Program Administrator and the ARC 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 ARC 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 Administrator 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 Application Review Committee.

Process to Insure Confidentiality of Business Information Received

In the process of gathering information about a qualifying business, the city may receive information about the businesses that is confidential which, if released, could cause harm to the business or give unfair advantage to competitors. State law authorizes cities and other public entities to maintain the

confidentiality of business records that come into their possession.

The Program Administrator will be responsible for development of procedures to insure the confidentiality of business information received from applicants for financial assistance. These procedures will be subject to approval by the Plattsmouth City Council.

To protect the businesses applying for assistance:

1. The adoption of an ordinance which makes such information confidential and prohibits unauthorized disclosure.
2. A restriction on the number of people with access to the files with the Program Administrator primarily responsible for their safe keeping.
3. Requiring personnel that is involved in the program review to sign statements of confidentiality regarding all personal and private submittals by qualified businesses.

Administration System of Economic Development

A description of the administration of the plan follows. Additional responsibilities as well as positions may be needed to carry out the program during the course of the Program as dictated by economic conditions.

The Plattsmouth City Council designates the City Administrator as the municipal employee with the responsibility for the administration of the program and that designee will also serve as an ex-officio, but non-voting, member of the Citizen Advisory Review Committee. The responsibility and duties of the City Administrator would include:

1. Administration of the Program.
2. Serve as an ex-officio but non-voting member of the Citizen Advisory Review Committee.
3. Provide the Citizen Advisory Review Committee with necessary information and advise the Committee on the program.
4. Track employment figures for participating businesses for two years if businesses employ persons in other Nebraska communities.
5. Will review qualifying businesses on a regular basis to ensure that qualifying businesses are following the appropriate laws and regulations.

6. Coordinate with the Citizen Advisory Review Committee.
7. Maintain records and files as required by ordinance and/or statute.

Process to Assure Laws and Regulations are being met by the City and Participating Businesses

The City of Plattsmouth will ensure that all applicable laws and requirements are met by the City and the qualifying businesses that receive assistance.

The administration of an LB840 program involves a compact with the citizens of the city. Plattsmouth residents are agreeing to pay a sales tax in return for an investment in the future of the community. The residents have a right to review the effectiveness of that investment through a separate voice and authority. Therefore, the ordinance establishing the program shall provide for the creation of a Citizen Advisory Review Committee. The duties of the Citizen Advisory Review Committee are as follows:

1. Review the functioning and progress of the economic development program at regular meetings of the advisory board, as set forth in the ordinance, and advise the governing body of the municipality with regard to the Program.
2. Report to the city council on its findings and suggestions at a public hearing called for that purpose, at least once every six-month period after the effective date of the ordinance.

The members shall be appointed by the Mayor and approved by the City Council, and consist of five to ten members. All members shall be registered voters of the city, reside within the city's zoning jurisdiction, own, operate or be employed by a business located in Plattsmouth, Nebraska area. No member shall be an elected or compensated appointed city official, an employee of the city, a participant in a decision-making position regarding expenditures of the Program funds, an official or employee of any financial institution participating directly in the Program.

Except in circumstances when the City Attorney has a conflict of interest, the City Attorney will be responsible for keeping the City informed of any relevant changes in the law that could affect the program. The City Attorney will review all contracts, official documents, land transactions, and other official actions related to the economic development program to ensure compliance with existing law. It is incumbent upon those involved in the application of this Plan to seek advice and input from the City Attorney in regard to proposed projects, conflicts of interest, transactions and all matters related to the use of the Plan.

Final decisions on acquisition and sales of any land will be made by the City Council. The proceeds from the future sale of such land or reimbursement of any awarded funds would be returned to the

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City's Economic Development Fund for additional land purchase or for reuse for any activities eligible in the economic development program only.