

City of Alliance

Economic Development Program

Required Information to Be Submitted With Application:

- Entity or personal financial information.
- Applicant past experiences, work history and related information.
- A detailed description of the proposed project, including evidence that the project qualifies for assistance under the Local Option Municipal Economic Development Act and is consistent with the goals of the Alliance Economic Development Program.
- A personal financial statement of owners or guarantors including documentation verifying assets and liabilities.
- Income statement covering the last three years of business operation, or if a new business, personal income statements.
- A business plan for the project, including employment and financial projections.
- Total project costs and financing requirements, including amount of funds requested from Alliance Economic Development Program.
- Evidence of private financing commitments for investors or lenders to leverage the revolving loan fund.
- A review of key management and employees and their experience as related to the proposed project.
- Jobs to be created: number, descriptions, average wage, benefits, etc.
- Any additional information requested by the Application Review Committee.



City of Alliance



**Economic Development Grant Application
(cover sheet)**

Date: _____

Applicant Contact Information:

Name: _____

Address: _____

Phone: _____ Fax: _____

Cell: _____ e-mail: _____

Brief Description of Planned Business

Business Name: _____

Type of Business: _____

Products/Services to be provided: _____

Proposed location: _____

Form of ownership (sole proprietor, partnership, corporation, etc.) _____

Number of employees you plan to hire: _____

Amount of financial assistance requested: _____

City of Alliance

Economic Development Plan



April 1, 2002
to
March 31, 2012

ALLIANCE ECONOMIC DEVELOPMENT PLAN

Section I. General Community and Economic Development Strategy

Because of the national, state and local trends, there is a high degree of competition among states and municipalities of our nation in their efforts to provide incentives for businesses to expand or to locate in their respective jurisdictions. Alliance has been hampered in its efforts to effectively compete. We were unable under prior Nebraska law to respond quickly to opportunities or to raise sufficient capital from local sources to provide incentives for business location and expansion decisions which 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 whole state as well.

There is a need to provide 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 the use of 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.

On June 3, 1991, the Local Option Municipal Economic Development Act was signed into law (Section 18-2701, RRS1997, et seq.). This important piece of legislation authorizes incorporated cities and villages to appropriate and spend local sales tax and property tax revenues for certain economic development purposes. An economic development plan formulated by the city implementing this legislation is subject to a vote of the people of a local level.

The core 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, with voter approval, 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

A goal of the Alliance Economic Development Program (the "Program") is to provide jobs above minimum wage, to the citizens of Alliance. The funds from the Program will be used to encourage and assist existing local and new qualifying businesses in the creation and retention of jobs. The success of the Program will be measured by the number of jobs created and retained for the length of the Program.

Section III. Types of Economic Activities That Will Be Eligible

A. Definition of Program:

Economic Development shall mean any project or program utilizing funds derived from local sources of revenue for the purpose of providing direct or indirect financial assistance to a qualifying business or the payment of related costs and expenses or both,

without regard to whether that business is identified at the time the project or program is initiated or is to be determined by specified means at some time in the future.

B. Activities Eligible:

The economic development program may include, but shall not be limited to, the following:

- 1) Job credits for full-time jobs created (full-time jobs defined as 2080 hours with benefits) to include grants which are subject to job credit performance.
- 2) Grants for public works improvements essential to the location or expansion of a qualifying business.
- 3) The purchase of real estate, options for such purchases, and the renewal or extension of such options.
- 4) Payments for salaries and support of City staff to implement the Program.
- 5) The providing of technical assistance to businesses, such as marketing assistance management counseling, preparing financial packages, engineering assistance, etc.
- 6) Expenses for the conduct of industrial recruitment activities.
- 7) Expenses for locating a qualifying business into the area.
- 8) Equity investment in a qualifying business.
- 9) Grants or agreements for job training.
- 10) Loans and forgivable loans.

C. Level of Assistance Criteria:

The amount of funding is based, in part, on the number of jobs to be created/retained. Funds from this program should not be considered a sole funding source. The program leverages other financial support such as bank financing and private investment.

Section IV. Description of the Type of Businesses that will be Eligible

- A.** 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:

D. Basic Preliminary Proposed Budget:

It is expected that a maximum of 10% of amounts allocated for the Program or a maximum of \$20,000 per year will be used for Administration with the balance to be used for eligible activities under the Program. All remaining funds would be used for eligible activities.

E. Issuance of Bonds:

The City of Alliance does not desire to issue bonds pursuant to the Local Option Municipal Economic Development Act.

F. Non-City Sources:

Additional funds from other non-City sources will be sought beyond the sales tax.

Section VI. Application Process for Financial Assistance to Businesses

A. Application Process and Selection of Participants:

- 1) Eligible qualifying businesses may apply more than once and may be assisted more than once.
- 2) Submission of applications and selection of participants involves a two-phase process which includes:
 - a. Phase I determines the potential of assistance for a proposed project. Based on information obtained from the business which is listed on the Application and through discussions with a 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; and (4) business complies with the provisions of the application guidelines. If the applicant appears to be viable, Phase II begins.
 - b. Phase II begins negotiations on the structure of the proposed project as detailed financial information from the business is obtained from the application. The terms and conditions of assistance will be negotiated with the applicant. Upon completion of negotiations, the project will be submitted to the Application Review Committee for its consideration. This Application Review Committee will be composed of 5 members to be appointed by the City Council and have a minimum of one banker and one CPA.

The Application Review Committee may recommend to the Program Administrator that (1) the project will be approved, (2) the project will be disapproved, or (3) that the project will be renegotiated. Approval or disapproval will be based on whether 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. If disapproval or renegotiation is recommended reasons will be cited.

The Program Administrator and the Application Review Committee will review the application and make recommendations to City Council. The City Council will have final decision on all projects to be assisted and all allocations of funds. The Application Review Committee will be responsible for establishing criteria, determining procedures, and applying cost benefit analysis.

B. Information Required:

Unless waived by the Program Administrator as provided for herein, the qualifying business shall provide the following information requested when applying in relation to approved activities included in the Program:

- 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, including evidence that the project qualifies for assistance under the Local Option Municipal Economic Development Act and is consistent with the goals of the Alliance 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, including employment and financial projections.
- 6) Total project costs and financing requirements.
- 7) Evidence of private financing commitments for investors or lenders to leverage the revolving loan fund.
- 8) A review of key management and employees and their experience as related to the proposed project.
- 9) Other information required by the Application Review Committee.

The Application Review Committee will then proceed with verification as required. Minimum verification will include a credit check and contact of business references. Additional forms of verification of the information provided 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 City Council and/or by the City Council prior to final action. 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 Alliance and Box Butte County.

The Program Administrator may waive the furnishing of all or any portion of the above items of information where the qualifying business proposes and agrees that the qualifying business shall receive no funds until they have performed according to agreed upon criteria.

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

Section VII. 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 which is confidential and, 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 which 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 Alliance City Council.

To protect the businesses applying for assistance, and to encourage them to make full and frank disclosures of business information relevant to their application, the city will take the following steps to ensure the confidentiality of the information it receives:

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

Section VIII. Administration System of Economic Development Program

It is important to have a clearly defined administration system for the Program. It is the intent of the Program that the majority of the funds be used for eligible activities and only a small portion to assist in the administration of the Program. 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.

A. Program Administrator

The Alliance City Council designates the City Manager 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 of that individual is to provide the committee with necessary information and advice concerning the Program. The duties of the 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) The Program Administrator will review qualifying businesses on a regular basis to ensure that qualifying businesses are following the appropriate laws and regulations.

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

The City will assure that all applicable laws and requirements are met by the City and the qualifying businesses which receive assistance by the following process:

A. Program Review:

The ordinance establishing the Program shall provide for the creation of a Citizen Advisory Review Committee to:

- 1) Review the functioning and progress of the economic development program at regular meetings, as set forth in the ordinance, and advise the governing body of the municipality 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 after the effective date of the ordinance.

The members shall be appointed and approved by the City Council, and consist of five to ten members. All members shall be registered voters of the City. No member shall be an elected or 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 qualifying business receiving financial assistance under the Program, or an official or employee of any financial institution participating directly in the Program. It is recommended that professionals in the field of accounting, banking, and finance be included on the Citizens Advisory Review Committee, as well as business owners from the community. At least one member of the committee shall have expertise or experience in business finance or accounting.

B. Monitor Participating Businesses:

The Program Administrator will conduct reviews on a regular basis to ensure qualifying businesses are following the appropriate laws and regulations.

C. Monitoring Regulatory Changes:

The City Attorney will be responsible for keeping the City informed of any relevant changes in the law that could affect the Program.

Section X. Purchase of Real Estate or Option to Purchase

If and when land or real estate is to be purchased or optioned by the City under the Program, it should meet the following general criteria:

- 1) Be properly zoned, and;
- 2) Conform, or be able to be rezoned to the city's or county's comprehensive plan.

The proceeds from the future sale of such land would be returned to the City's Economic Development Fund for reuse for any activities eligible in the program or for additional land purchases.

Section XI. Investment Strategies for the Plan

The funds from the Program will be invested in ways permitted by law to promote the growth of the funds until time to expend while assuring its security and liquidity. No funds will be invested in a financial institution over the maximum insured limit unless securities are pledged by the institution.