

Policy and Procedure Manual

**Economic Development Program
LB 840 – Local Option Municipal
Economic Development Act**

Loup City, Nebraska

**Approved by the City Council
April 4, 2023**

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APPENDIX

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NOTE: Nowhere in this manual or in Loup City's Economic Development Program should this document supersede the State of Nebraska Statute 18-2701-18-2738. Laws 1991, LB 840, §2; Laws 2001, LB 827, §1; Laws 2003, LB 131, §21; Laws 2008, LB 895.

1. Economic Development Fund (18-2718)

The City of Loup City will establish a separate Economic Development Fund. All funds derived from local sources or revenue for the Economic Development Program, any earnings from the investment of such funds, any loan payments, any proceeds from the sale by the City of assets purchased by the City under its Economic Development Program, or other money received by the City by reason of the Economic Development Program shall be deposited into the Economic Development Fund. No money in the Economic Development Fund shall be deposited in the General Fund of the City except as provided by Statute. The City shall not transfer or remove funds from the Economic Development Fund other than for the purpose prescribed in the Act and corresponding Ordinance, and the money in the Economic Development Fund shall not be commingled with any other City funds. Any money in the Economic Development fund not currently required or committed for the purposes of economic development shall be invested as provided by law. As provided in Section 18-2718(3), upon the termination of the program the balance of money in the economic development fund not otherwise committed by contract under the program shall be deposited in the general fund of the City. Any funds received by the City by reason of the Economic Development Program after the termination of such program shall be transferred from the Economic Development Fund to the General Fund of the City as such funds are received. The Economic Development Fund shall not be terminated until such time as all projects and contracts related to the program have been finally completed and all funds related to them fully accounted for, with no further City action required, and after the completion of a final audit.

2. Eligibility

2.1 Qualifying Business (18-2709) (2006 Supp.)

Any corporation, partnership, limited liability company or sole proprietorship, which derives its principal source of income from any of the following, shall be a qualifying business.

- 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.
- 7) Tourism related activities.

- 8) Any business that derives its principal source of income from the construction or rehabilitation of housing.
- 9) Retail or any other business deemed as a qualifying business through future action of the legislature.
- 10) Production of films, including feature, independent and documentary films, commercials and television programs.
- 11) As Loup City's population is less than two thousand five hundred inhabitants per the 2020 Census, a business shall be a qualifying business even though it derives its principal source of income from activities other than those set out in this section.

A qualifying business need not be located within the territorial boundaries of Loup City, but must be located within Sherman County.

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 businesses, only if, in each such city, it maintains employment for the first two years following the date on which such businesses begins operations in the city as a participant in its economic development program at a level not less than its average employment in such city over the twelve-month period preceding participation.

2.2 Eligible Activities (18-2705)

Eligible activities under Loup City's Economic Development Program shall include 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, 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. Examples of eligible activities include, but are not limited to:

- 1) The purchase of real estate, options for such purchases, and the renewal or extension of such options;
- 2) Public works improvements essential to the location or expansion of a qualifying business;
- 3) Expenses for locating a qualifying business to the area or an existing business to a more suitable location;
- 4) Job creation incentives;
- 5) Grants to qualifying businesses;
- 6) Loans to qualifying businesses;
- 7) Loan guarantees to qualifying businesses;
- 8) The provisions of technical assistance such as marketing assistance, management counseling, preparing business plans, financial packaging, engineering assistance, etc.;
- 9) Job training grants or agreements;
- 10) Tourism related activities;

- 11) The payment of salaries for staff to administer the program or contract with someone to staff the program;
- 12) Issuance of bonds; and
- 13) All other activities allowed by law, both now and through future amendments to the Local Option Municipal Economic Development Act.

2.3 Land Purchases (18-2711)

Land purchases shall be identified for purchase or option to purchase through local analysis by the Board of Directors of Sherman County Economic Development, Inc. or through other methods (i.e.: a Site Evaluation Team organized by the Program Administrator). Real estate purchases shall be approved by the Board of Directors of Sherman County Economic Development, Inc. and the City of Loup City. The proceeds from the sale or lease of land purchased and/or developed with funds generated may be used for the purchase and development of additional real estate or for any other eligible activities under the program.

2.4 Low to Moderate Income Housing (18-2710.01)

In order to qualify for funding related to housing for low-income or moderate-income persons, applicants must fall into the HUD Section 8 income guidelines in effect at the time the application is made.

In determining appropriate adjustments to the income of persons seeking consideration in this portion of the Economic Development Program, the Loan Committee shall consider the following:

- 1) The amount of income of the person which is available for housing needs;
- 2) The size of the family to reside in each housing unit;
- 3) The cost and condition of housing available in the City;
- 4) Whether the person or any member of the person's family who will be residing in the housing unit is elderly, infirm or disabled;
- 5) The ability of the person to compete successfully in the private housing market and to pay the amounts the private enterprise market requires for safe, sanitary and uncrowded housing; and
- 6) Applicable guidelines and requirements of the Rural Workforce Housing Fund.

2.5 Workforce Housing (18-2710.02)

In order to qualify for funding related to Workforce Housing, qualifying applicants can include housing for persons of low or moderate income under Neb. Rev. Stat. §18-2710.01 according to the guidelines in Section 3.7 above.

In determining approval of applications related to Workforce Housing, the Loan Committee shall consider the following:

- 1) If the housing is new construction, existing or will need remodeling;
- 2) Emphasis shall be placed on rehabilitation of dilapidated or nuisance properties;
- 3) The cost and condition of housing available in the City;

- 4) If the housing will be sold or rented to workforce of a certain sector that is lacking in the City;
- 5) Is the housing likely to be purchased by individuals in needed workforces sectors;
- 6) Applicable guidelines and requirements of the Rural Workforce Housing Fund.

2.6 Audit Procedure (18-2721)

The City shall provide for an annual, outside, independent audit of its Economic Development Program by a qualified private auditing business. The results of such audit shall be filed with the City Clerk and made available for public review during normal business hours.

3. Financial Assistance

3.1 Financial Assistance Application Process (See City Ordinance)

To be considered for direct financial assistance under the Loup City Economic Development Program, an applicant must provide the following:

- 1) A completed City of Loup City Local Option Economic Development Program Application for Financial Assistance as outlined by the applying entity in Section 4.5. Applications will be available at the office of the Program Administrator, currently the Sherman County Economic Development Corporation located at 652 N Street, Loup City, NE 68853; and
- 2) Any additional information needed to determine the economic viability of the proposed project(s), as requested by the Program Administrator or LB840 Loan Committee.

Generally, applications will be reviewed in the order in which they are received. When an application is received that is deemed “urgent” by the Program Administrator, it may be reviewed and approved before other applications that have been received prior. Other pending applications will then be addressed in a timely manner.

3.2 Administration of the Program (See City Ordinance)

- 1) Program Administrator – At the present time, The City of Loup City has contracted with the Sherman County Economic Development Corporation to administer the Loup City Economic Development Program.
- 2) Loan Fund Administrator – The Loan Fund Administrator (City Clerk or contracted institution) shall provide to the City Council, on a monthly basis, an account and status of:

- a) Each loan outstanding;
- b) Program income; and
- c) Current investments of unexpended funds.

The Loan Fund Administrator shall deposit all loan payments into the LB840 fund, track each loan separately and make reports to include:

- a) Name of the borrower;
- b) Purpose of the loan;
- c) Date the loan was made;
- d) Amount of the loan;
- e) Basic terms of the loan; and
- f) Payments made to date and the current balance due.

The Loan Fund Administrator shall monitor the status of each loan and, with the cooperation of the City Council, Program Administrator, and the Primary Lender, take appropriate action when a loan becomes delinquent.

3.3 Submission of Applications

Submission of applications and selection of participants will involve the two-phase process:

Phase 1:

Phase one determines the potential of financing for proposed project or activity.

To be considered for direct financial assistance under this program, an applicant must provide the items listed in 3.1 unless waived by the Program Administrator:

- 1) A detailed description of the proposed project;
- 2) A business plan, including employment and financial projections;
- 3) Current financial statements, financing requirements for the project, and total project cost;
- 4) A completed City of Loup City Local Option Economic Development Program Application for Financial Assistance. Applications will be available at the office of the Program Administrator, currently the Sherman County Economic Development Corporation located at 652 N Street, Loup City, NE 68853; and
- 5) Any additional information needed to determine the economic viability of the proposed project(s) as requested by the Program Administrator.

The Program Administrator will review applications and refer them to the appropriate bodies for a decision and possible post decision activity. Requests for direct financial assistance will be processed in the order in which the Program Administrator receives them. 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 appropriate bodies who will determine the potential future economic benefit to the community of Loup City.

Program Administrator will be responsible for verification of information in the applications of those eligible businesses which receive a recommendation for financial assistance before recommendation is made to the appropriate body.

In the event of termination of the contractual relationship between the City and the Program Administrator, the above-described responsibilities will be carried out by another entity, by existing city staff or by an economic development specialist hired by the City.

Phase 2:

Phase two is the approval and execution portion of the process.

Upon completion of the negotiations of the terms and conditions of assistance, the project will be submitted to the City Council for review and approval. The Council will consider the overall benefits to the community, and will provide the Program Administrator a decision that fits within the time frame suitable to meet the business requirements of the applicant. Once approved, the Program Administrator will take the necessary actions to execute the agreements made.

4. Loan Program

4.1 Conditions

- 1) Loan Amount - Funds for a 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 50% of applicant's total project costs.
- 2) Wage Rate - New and existing businesses must pay all of their employees at least the current hourly wage required by State and Federal Law. No benefit package is required.
- 3) Equity - Applicant must have proof of a minimum of 10% in equity investment.
- 4) Interest Rate - The interest rate is fixed and is negotiated on a case by case basis by the Loan Committee. The interest rate shall not be less than one-half the rate of the leading rate for the project at a traditional banking source.
- 5) Collateral - Security for the loan will include, but is not be limited to, Promissory Notes, Mortgages or Deeds of Trust, and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the Primary Lender.
- 6) Terms - Up to 10 years for any asset category. These terms will be established by the Loan Committee.
- 7) Period of Payment - At the discretion of the Loan Committee, a loan repayment schedule providing for monthly, quarterly, or annual payments will be approved in conjunction

with project approval. Repayments will be held in the revolving loan fund for future projects.

4.2 Operation of the Revolving Loan Fund:

This section will describe details of the operation of the revolving loan fund. The size and special features of this fund, combined with the requirements of LB840, requires that its operation be outlined as follows:

A. General Guidelines:

1. If the loan is approved as performance based, a qualifying business may be approved to recapture a portion of the loan amount on a grant basis. The recaptured amount will be approved by the City Council, based upon job creation or retention, economic impact of the project to the community, and recommendation of the Loan Committee.
2. The Program Administrator shall be responsible for auditing, verifying job creation and, retention and determining grant credits toward any loans made.
3. The Loup City Revolving Loan Fund will be audited annually by the appointed city auditors.
4. It is anticipated that the Program can be fully administrated by the Program Administrator. Administration costs for the loan fund will be defrayed by loan fees and the portion of sales tax revenue directed to administration expenses as outlined in the Plan budget.

4.3 Qualifying Business

The revolving loan fund can provide loans or loan guarantees to any business eligible for assistance under LB 840. While not meant to restrict the scope or flexibility of the fund, evaluation of applications should give special priority to businesses which meet one or more of the following criteria:

1. Applications which provide for the expansion or enhancement of existing businesses in Loup City or its surroundings;
2. New business starts;
3. Businesses that, in the opinion of the Loan Committee, have unusual potential for growth;
4. Businesses that are relocating from outside Nebraska; and

5. Businesses that provide for important local or regional needs.

4.4 Application Requirements

1. Complete an application that may be obtained at the office of the Program Administrator, currently the Sherman County Economic Development Corporation, located at 652 N Street, Loup City, NE 68853.
2. Submit the completed application together with all information as set out below in 4.5 to the office of the Program Administrator. The application will then be reviewed by the Program Administrator and the Loan Committee. Upon completion of the review, the committee will make a final recommendation on the project to the City Council. The City Council will vote to approve or disapprove the Loan Committee's recommendation.
3. The Program Administrator will notify an applicant of the decision of the Loan Committee or City Council.

4.5 Information Required

The qualifying business shall provide the following information before the Program Administrator and the Loan Committee considers any application. Please note that all documentation shall be signed by the applicant, the appropriate representative for a Corporation as applicant, and where applicable, by those who have more than a 25% ownership position in the corporation as applicant:

1. Sole Proprietorship:
 - a. Submit a Loup City Economic Development Loan Fund Application.
 - b. Business plan.
 - c. Two years complete individual federal tax returns.
 - d. Current year-to-date Profit and Loss Statement.
 - e. Consumer and Commercial Balance Sheet.
 - f. Credit Bureau Report (CBR).
 - g. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the applicant. Projects over \$250,000 may require Environmental Impact Statements.
 - h. Other information as requested.
2. "S" Corporation:
 - a. Submit a Loup City Economic Development Loan Fund Application.
 - b. Business plan.

- c. Two years complete individual federal tax returns, (For individuals with over 25% ownership).
- d. Two years complete corporate tax returns.
- e. Current year to date Profit and Loss Statement.
- f. Articles of Incorporation, By-Laws, and Minutes of last meeting.
- g. Corporate Resolution authorizing loan application and execution of required documents.
- h. Credit Bureau Report (CBR) for Shareholders with over 25% ownership.
- i. Consumer and Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in the Corporation).
- j. Letter of Good Standing with the Secretary of State.
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- l. Other information as requested.

3. “C” Corporation:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns, (For individuals with over 25% ownership).
- d. Two years complete corporate tax returns.
- e. Current year to date Profit and Loss Statement.
- f. Articles of Incorporation, By-Laws, and Minutes of last meeting.
- g. Corporate Resolution authorizing loan application and execution of required documents.
- h. Credit Bureau Report (CBR) for Shareholders with over 25% ownership.
- i. Consumer & Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in the Corporation).
- j. Letter of Good Standing with the Secretary of State.
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- l. Other information as requested.

4. General Partnership:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns, (For individuals with over 25% ownership).
- d. Two years complete partnership returns.
- e. Current year-to-date Profit and Loss Statement.
- f. Complete Partnership Agreement.

- g. Credit Bureau Report (CBR) for General Partners with over 25% ownership.
- h. Consumer & Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in the Partnership).
- i. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- j. Other information as requested.

5. Limited Partnerships:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- e. Two years complete individual federal tax returns (for general partners and limited partners, if over 25% ownership).
- f. Two years complete partnership returns.
- g. Current year-to-date Profit and Loss Statement.
- h. Complete Partnership Agreement.
- i. Credit Bureau Report (CBR) for General and Limited Partners with over 25% ownership.
- j. Consumer & Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in Partnership).
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- l. Other information as requested.

6. Limited Liability Companies:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns (for those with over 25% membership interest in LLC).
- d. Two years complete entity tax returns.
- e. Current year-to-date Profit and Loss Statement.
- f. Articles of Incorporation, By-Laws, and Minutes of Last Meeting.
- g. Corporate Resolution authorizing loan application and execution of required documents.
- h. Credit Bureau Report (CBR) for managers and those with over 25% membership interest.
- i. Consumer & Commercial Balance Sheet (Consumer Balance sheet for those with over 25% membership interest in LLC).
- j. Letter of Good Standing with the Secretary of State.
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.

- l. Other information as requested.

7. Limited Liability Partnership:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns (for those with over 25% ownership).
- d. Two years complete entity tax returns.
- e. Current year-to-date Profit and Loss Statement.
- f. Consumer and Commercial Balance Sheets (Consumer Balance Sheet for those with over 25% ownership).
- g. Credit Bureau Report (CBR) for managers and those with over 25% ownership in Partnership.
- h. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- i. Other information as requested.

4.6 Constitution of Loan Committee:

The Loan Committee shall consist of five members recommended by the City Council. Terms shall be for four years, except that initial terms shall be established on a staggered basis to provide continuity on the committee. No member may be an elected or appointed official, employee of the City, anyone who is an applicant, employee, agent, shareholder, or officer of an applicant for program funds. All members on the committee must have experience in the field of business, finance, or accounting. All members of the loan committee shall be Sherman County residents. The City Council of Loup City shall have final approval on Loan Committee recommendations.

4.7 Loan Inquiries

At the time when a qualifying business makes an application, the qualifying business shall provide the appropriate documentation evidencing its negotiations with one or more Primary Lender(s) and the terms upon which it has received or will receive the portion of the total financing for its activities which will not be provided by the City. (18-2719) All inquiries regarding Loup City sales tax funds will be treated the same. Those inquiring will be given a guidelines packet. This packet includes the sales tax guidelines, loan application form, certification and authorization form, application checklist and a blank financial statement form. When an individual or entity applies for sales tax funds, all required forms, as indicated in the guidelines, are to be turned in to the Program Administrator's office along with a non-refundable \$115 application fee. These forms must be complete and legible. Once all required forms are completed and turned in to the Program Administrator's Office, and the Program Administrator deems them to be complete, a written declaration of completion will be provided to the applicant. In the event the forms are not complete, the applicant will be informed in writing of the deficiencies. Once the forms are complete a meeting will be scheduled with the Loan Committee.

It will be at the discretion of the Loan Committee whether the applicant shall attend a Loan Committee meeting.

4.8 Evaluation and Approval of Assistance

The Loan Committee will evaluate each application according to the following criteria in addition to that which is set forth in 4.3:

1. Eligibility under LB 840;
2. Soundness and credibility of the business proposal;
3. If the business fits into one of the priority categories established by the plan for assistance;
4. Track record, credibility, and credit worthiness of applicant;
5. Ability to leverage significant private financing;
6. Probability that the business assistance will be repaid;
7. A UCC search done on the appropriate entity(ies) and all persons having an interest in the entity(ies) to ensure security positioning; and
8. Other criteria that the Loan Committee may establish for application review.

4.9 Types of Financing Available:

1. Low interest loans, subordinated to a loan from private sources. The revolving loan fund may provide a blended loan at lower than market interest, repaid simultaneously with the private financing, or may accept sequential payment, being repaid following full payment of the private loan. The Loan Committee will negotiate specific loan terms.

2. Loan guarantees, by which a portion of the revolving loan fund proceeds are pledged against private financing. Guarantees make private financing more available with the minimum expenditures of public funds. The Loan Committee will negotiate fees and other considerations for guarantees.

4.10 Loan Review

1. The five member Loan Committee will meet to review the loan application and supporting documents. The Program Administrator also attends these meetings to take minutes and to provide information.

2. The Loan Committee will evaluate each application according to the criteria set forth in 4.5 and 4.7.

3. The Loan Committee will have a review checklist of the forms and documents that were reviewed during loan review. A member of the Loan Committee will sign off on the form after the review is complete.

4. The Loan Committee may recommend the loan for approval to the Loup City Council, not recommend the request, or request additional information from the applicant. If requesting

additional information, the Loan Committee and the applicant will agree in writing to a reasonable time frame to provide said information. If the applicant does not deliver the additional information requested within the stated time frame, the application is considered withdrawn and a denial will be mailed due to the lack of receiving the requested information. If the Loan Committee does not recommend a loan application, their decision is final. The applicant may apply again at a later date.

5. The Loan Committee will abide by the majority vote of the committee. If there is a conflict of interest from any member of the Loan Committee due to a business relationship involving the sales tax application, immediate relation by family or marriage, the member(s) of the Loan Committee will abstain from voting on that specific loan application.

6. The Loan Committee will provide a recommendation form (see Exhibit G) to the City Council for a vote.

7. The Loan Committee will make a 2-part recommendation to the City Council. The first part will be the loan terms and the second part will be the performance standards that must be met before the loan is closed and loan check is issued (building size, type, timeline, jobs created, etc.)

8. If a loan recommendation is approved by the City Council, the City Attorney will provide the Primary Lender with a commitment letter so the Loup City Economic Development Program will be assured that the funds from sales tax are committed for the project.

9. If the Loan Committee recommends the loan be denied, the Program Administrator will send a letter to the applicant with an explanation of the decision.

4.11 Loan Closing and Loan Payments

The following is the procedure that will be followed upon approval of a loan by the City Council.

1. The Program Administrator will send a letter of approval to the applicant with the City Attorney's contact information.

2. If the application is approved and the applicant rejects the decision, for whatever reason, and wishes to negotiate terms, the Loan Committee will meet with the applicant within one week to review the new negotiated terms. The new negotiated terms will be treated as a new application and will follow the application process.

3. Before the applicant has access to their funds, they must sign a letter of commitment prepared by the City Attorney within a week of loan approval. This letter of commitment will outline the terms of the loan and that the applicant agrees to those terms.

4. After the applicant signs the letter of commitment, the City Attorney will notify the Primary Lender, the Loan Fund Administrator and the Program Administrator of the approval and will provide one of the following (whichever is required by the Primary Lender) to the Primary Lender:

- a. A commitment letter so the Loup City Economic Development Program will be assured that the money from the LB840 fund are committed for the project, or
- b. Money to purchase a Time Certificate of Deposit (CD) at the Primary Lender. This CD will be pledged as collateral to the Primary Lender while they are financing the project until completion.

5. If there is a Primary Lender involved, they will finance the project until completion. The applicant will have access to their funds within two weeks of signing the letter of commitment provided all documentation has been received by the City Attorney and all collateral is in place. The applicant will request disbursements from the Primary Lender.

6. The City Attorney, Primary Lender, and Program Administrator will make a joint decision on project completion according to predetermined specs (building size, type, renovations, etc.).

7. Loan closing between the City and the applicant will occur when the project is deemed completed according to specs. The City Attorney will prepare all necessary loan closing documents and loan repayment will begin one month after closing. Once the City Attorney has all of the loan documents signed, he or she will notify the Loan Fund Administrator and the Program Administrator.

8. Depending on the option selected by the Primary Lender, the City Clerk will do one of the following:

- a. Issue a joint party check made payable to both the Primary Lender and the borrower. Borrower will sign off on check and allow the bank to apply it to the loan, or
- b. Give the Primary Lender written permission to redeem the CD and apply the proceeds to the loan.

9. Collateral – if the Primary Lender is a financial institution or credit union, they will have the First Position on the collateral they choose. If the City of Loup City is choosing the same collateral to secure their loan, they will take a second position.

Loan payments will be made payable to the City of Loup City at the Loup City Office, P.O. Box 250, Loup City, NE 68853. These payments will be monthly, quarterly, semi-annually or annually as previously determined by the Loan Committee. The Loan Fund Administrator will deposit all loan payments into the LB840 fund, and each loan will be tracked separately.

4.12 Loan Forgiveness or Restructuring

Loan forgiveness or restructuring is an option in the Loup City Economic Development Plan. No thresholds have been developed for loan forgiveness, although it is an option to be negotiated. The applicant must submit a written request for loan forgiveness that outlines the reasons for the request to the Program Administrator at the time of the original LB840 application. This request should include information regarding the project to help make a determination given the six qualifications below, and any other information the applicant feels is relevant to the request. The Program Administrator will submit the request to the Loan Committee or City Council. Loan forgiveness or restructuring must be negotiated prior to loan closing. The following criteria may be taken into consideration:

- 1) The levels of job creation/retention, and the duration of those job commitments, being proposed as job performance requirements to be met by the benefited business;
- 2) Level of economic impact to the community;
- 3) The overall wage levels being paid by the benefited business;
- 4) Benefited business' commitment to providing a minimum annual wage increase for all employees through a period of time;
- 5) The level of equity investment by owners; and
- 6) An assessment of the ability of the benefited business to repay the loan if job performance requirements are not met.

Review of this applicant and their information will be performed in the same manner as a loan application with final approval by the Loup City Council.

5. Administration of Loan

5.1 Required Timeline to Meet Goals (18-2711)

A business receiving a loan shall meet the employment and/or expansion goals as indicated in the sales tax application on file within the time period determined by the Loan Committee.

5.2 Loan Default (18-2720)

The Loan Fund Administrator will be responsible for contacting the borrower if a payment is in default. If a payment is more than 30 days in default, a letter will be sent by the Loan Fund Administrator to the borrower and the Primary Lender requesting immediate payment. If payment is not made within 10 days of the date of the letter, a committee composed

of the City Attorney, Loan Fund Administrator, and Program Administrator will meet to determine appropriate action.

5.3 Release of Collateral

Requests for release of collateral must be made in writing to the Program Administrator. The Program Administrator will refer the request(s) to the loan committee who will review the request(s) in the same manner as a loan review outlined in section 4.10 of this manual.

6. Budget (18-2718)

The Mayor and City Council shall, by separate resolution, establish an Economic Development Fund. All funds derived from local sources of revenue for the Loup City Economic Development Program and earnings from the investment of such funds must be placed in the Loup City Economic Development Fund. Also to be placed in the fund are any loan payments, any proceeds from the sale of any assets purchased by the City under the Loup City Economic Development Program, and any other money received by the City by reason of the Loup City Economic Development Program. These funds shall not be commingled with any other municipal funds. Any money in the economic development fund not currently required or committed for purposes of economic development, shall be invested as provided in Nebraska Revised Statutes §77-2341.

The City shall budget each year for the amount to be appropriated for the Loup City Economic Development Program. The City may not appropriate more than the least amount calculated under the following alternatives:

- 1) The amount in excess of the amount approved by the voters at the election;
- 2) The amount in excess of four tenths of one percent of the taxable valuation of the City of Loup City in the year in which the funds are collected; or
- 3) More than one million dollars in any one year.

Following the adoption of the Ordinance which establishes the Loup City Economic Development Program, the amount to be expended on this program for the ensuing year shall be fixed at the time of the making of the annual budget as required by law and included in the City of Loup City's budget. (Neb. Rev. Stat. §18-2716).

The budget for the City must include the amount to be expended, in the next annual budget, on the Economic Development Program in order to spend those funds on this program.

Appropriation and expenditures made by the City of Loup City which are authorized under N.R.S. §13-315 and made according to its provisions shall not be subject to the Local Option Municipal Economic Development Act and shall be exempt from its requirements.

7. Non-Loan Expenditures

Non-loan project requests need to be submitted to the Program Administrator with information in accordance to that which is available and necessary to the corresponding entity as

provided in Section 4.5. The Program Administrator will review the request to determine its eligibility in accordance with the plan and budget. The Program Administrator will refer the request to the Board of Directors of Sherman County Economic Development, Inc., LB840 Loan Review Committee, or directly to the Loup City Council based on the type of request and the needed level of review. If the request is reviewed and recommended by the LB840 Loan Review Committee, it will be forwarded to the Loup City Council for final approval. Approval must be met before any non-loan project is started, whenever feasible. (Ex. There may be situations where studies must be started prior to approval by the Loup City Council, however, effort must be made to get consensus that the expenditures will be approved). Such non-loan expenditures could include, but are not limited to, purchase of real estate, infrastructure, administration expenses, research, studies, industrial and tourism promotion and legal fees. Sales tax funds can also be used as a match for grant applications, as long as the project application is within eligible activities outlined in the Loup City Economic Development Plan.

If the project requires supervision of work (i.e. engineering, road paving, etc.) a project coordinator will be assigned at the time of project approval. The project coordinator will oversee the progress and review all invoices for recommendation of payment to the Loup City Council.

8. Administration (18-2711)

The Loup City Economic Development Program involves the creation of a loan fund. The City has provided substantial funding for the Board of Directors of Sherman County Economic Development, Inc. to provide economic development services to the City of Loup City and to administer the Economic Development Program.

The Program Administrator will submit a quarterly detailed statement to the Loup City Council for time spent on sales tax activities and office expenses for sales tax projects. Program Administrator's time spent on sales tax activities and office expenses for sales tax projects, may be reimbursed from the sales tax funds, if approved by the City Council, and credited the Board of Directors of Sherman County Economic Development, Inc.

The City Clerk will also submit a quarterly statement to the Loup City Council for time spent on sales tax activities for reimbursement from sales tax funds.

9. Confidentiality (18-2715)

Any information provided to the City Council on the Loan Recommendation Form (Exhibit G) is considered public information. This information includes but is not limited to the following: business entity; project description, borrower(s); loan amount; length of loan; interest rate; security; source of loan funds; and repayment.

All members of the Loup City Council, Loan Committee, Citizen's Advisory Committee, the Board of Directors of Sherman County Economic Development, Inc., the Executive Director of Sherman County Economic Development, Inc. and other employees of the City will sign a confidentiality statement pursuant to City Ordinance. The confidentiality statements will be renewed each January. The Confidentiality Statement will have attached the corresponding

statute, which outlines that disclosure of confidential business information is a Class III Misdemeanor. All loan applications will be referred to with their assigned loan number. Loan numbers will be issued with the year and number of application in that year. For example #2008-01.

Loan Committee Members will receive a copy of the application materials prior to the loan review meeting. These materials will be in sealed envelopes addressed to each Loan Committee Member and stamped “Confidential”. After the final meeting for a particular application, all Loan Committee Members are required to return all loan forms and copies to the Economic Development Office for shredding.

9.1 Conflict of Interest (Ordinance 619)

Any person involved in the decision making process of a sales tax loan or forgivable loan shall abstain from voting if he or she has a conflict of interest with the applicant. This conflict could result from a business relationship or immediate family member (parents, grandparents, children, spouse or siblings). If such a conflict occurs, the member of the Loan Committee or City Council with the conflict shall abstain from voting on the application.

1) *Policy.* It is a policy of the City for proper operation of its Economic Development Program that requires any public officials and employees and any members who are part of this program be receptive to the confidential nature of the information that is being provided by businesses, and that the public have confidence in the integrity of its citizens that this information shall not be disclosed. In recognition of these goals, the following confidentiality ordinance for all of the city officials and the program administrator of the city’s program is hereby adopted.

2) *Persons affected.* All members of the Board of Directors of Sherman County Economic Development, Inc., Loup City Council, the Loan Committee established under the Loan Program and the Citizens Advisory Review Committee, or any other employee of the City, or any Administrator of the LB 840 Program who are in possession of, or have access to, financial information must sign an agreement pledging that they will not release this information and that this information shall be kept confidential.

3) *Disclosure.*

a. In the event that anyone does disclose financial information or other information that is confidential, they shall be subject to disciplinary action if he or she is an employee of the city, or he or she shall be subject to removal from a board of the city if they are a member of a board, or shall be subject to removal by the Board of Directors of Sherman County Economic Development, Inc., if it is one of their committee members. City Councilmembers shall be subject to sanction.

b. This ordinance has four purposes:

i. To encourage high ethical standards by the citizens, officials, boards, and employees;

ii. To establish a requirement for strict confidentiality in the conduct of all officials and employees;

iii. To prohibit disclosure by such officials and employees of any private financial other confidential information provided to them by business applicants; and

iv. To serve as a basis for disciplining those who fail to abide by its terms.

4) *Standard of conduct*

a. All City officials, employees or any organization which has been contracted and may be provided confidential information shall sign a pledge of confidentiality.

b. No city officials or employees shall disclose any confidential information either while they are an employee or even after their leave of employment. If there are any conflicts of interest by any city official or employee, appointee of the city, or the Program Administrator of the city's LB 840 Program, this conflict of interest shall be disclosed on the records of either the City Council or the minutes of the meeting of that body, and they shall refrain from participating in any discussion or voting thereon.

c. No city officials or employees or anyone contracted with the city should willfully and knowingly use confidential information either for pecuniary gain or disclose to any other person confidential information acquired in the course of and by reason of their official duties.

d. No former city official, employee or anyone who has been contracted with by the city to administer the LB 840 Program shall use any confidential information to which he or she has had access by virtue of his or her official capacity and which has not been made public concerning the property, operations or affairs of any public body that has disclosed information pursuant to the LB840 Program.

5) *Disposition of alleged violations; hearings.* Violations, complaints and alleged violations of this ordinance shall be handled as follows:

a. In the case of city employees, disciplinary action shall be maintained as provided in the city's personnel policies as the same may from time to time be amended.

b. In the case of city officials, employees or directors of SCED, Inc., upon the complaint of any person filed with the City Clerk's office or on its own initiative, the City Council shall consider possible violations of this Ordinance.

i. A complaint alleging a violation of this ordinance must be filed with the City Clerk within one year from the commission of the action alleged as a violation, and not afterward.

ii. Not later than five working days after the City Clerk receives a complaint, the City Clerk shall acknowledge the receipt of the complaint to the complainant, and provide a copy of the complaint to the city, the City attorney, and the City Council and the person complained against. Not later than ten working days after receipt of a complaint, the City Council shall notify in writing the person who made the complaint and the person complained against of a date for a preliminary hearing.

iii. The City Council may consider possible violations of this ordinance on its own initiative. Within five working days of the City Council's decision to consider a possible violation of this ordinance, the City Council shall draft a written complaint specifying the section(s) of this ordinance alleged to have been violated and shall file a copy with the City Clerk, and provide a copy to the City Attorney and the person complained against. Not later than ten working days after the filing of the complaint with the City Clerk, the City Council shall notify in writing the person complained against of the date for the preliminary hearing.

iv. The hearing before the City Council may be either in public or in private. All hearings shall be in public, unless the person complained against shall notify the City Clerk in writing of his or her desire to have a private hearing at least 72 hours prior to the time set for said hearing.

6) *Preliminary hearing.*

a. The issue at a preliminary hearing shall be the existence of reasonable grounds to believe that a violation of this ordinance has occurred. The person filing a complaint, or the legal counsel for the City Council in cases considered upon the City Council's own initiative, shall state the alleged violation and shall describe in narrative from the testimony and other evidence which would be presented to prove the alleged violation as stated in the written complaint. Statements at a preliminary hearing shall under oath, but there shall be no cross-examination or requests for persons or evidence issued for the hearing. Members of the City Council may question the complainant, legal counsel for the City Council, or the city official named in the complaint.

b. The city official, employee or member of the board of directors of SCED, Inc. named in the complaint shall have the opportunity to respond, but is not required to attend or make any statement. The official may describe in narrative form the testimony and other evidence which would be presented to disprove the alleged violation. If the official agrees that a violation has occurred, he or she may so state and the City Council may consider the appropriate sanction or prosecution.

c. The complainant and the city official named in the complaint shall have the right of representation by counsel.

d. At the conclusion of the preliminary hearing, the City Council shall decide whether a final hearing should be held.

e. If the City Council determines that there are reasonable grounds to believe that a violation of this chapter has occurred, it shall schedule a final hearing.

f. If the City Council does not determine that there are reasonable grounds to believe that a violation of this ordinance has occurred, the complaint shall be automatically dismissed.

g. A decision to conduct a final hearing is not a finding that a violation has occurred.

h. The City Council, at any time during the preliminary hearing, may also dismiss a complaint if the complaint does not allege conduct which would be a violation of this chapter. Before a complaint is dismissed for failure to allege a violation, the complainant or the legal counsel for the City Council shall be permitted one opportunity, within a period to be specified by the City Council, to revise and resubmit the complaint.

i. The complainant, legal counsel for the City Council, and the city official named in the complaint may ask the City Council at a preliminary hearing to request certain persons and evidence for a final hearing, if one is scheduled pursuant to the City Council's subpoena power granted.

7) Final hearing.

a. The final hearing shall be held as expeditiously as possible following the determination by the City Council that there are reasonable grounds to that a violation of this ordinance has occurred, but in no event shall it be held more than 30 days after said determination. The City Council may grant one postponement, not to exceed 15 days each, upon the request of the city official named in the complaint or the complainant.

b. The issue at a final hearing shall be whether a violation of this ordinance has occurred. The City Council shall make its determination based on the preponderance of the credible evidence in the record. All witnesses shall make their statements under oath. If the City Council determines that a violation has occurred, it shall state its findings in writing, shall identify the particular section(s) of this ordinance which have been violated, and within five working days shall deliver a copy of the findings to the complainant, if any, the person named in the complaint and the City Clerk. Said findings shall constitute a public record for the purpose of access by the public.

8) *Violations.* Those found to have violated this ordinance shall be subject to fines, penalties, possible removal from committee positions, censure and other legal remedies.

10. Duties of Those Involved

10.1 Program Administrator

- 1) Is responsible for the day-to-day activities of administering the program.
- 2) Assists applicants and conducts active recruiting for potential applicants.
- 3) Serves as an ex-officio, non-voting member of the Citizen Advisory Review Committee and will provide the committee with necessary advice and information (18-2715).
- 4) Tracks employment figures for participating businesses for two years for businesses employing persons in other Nebraska communities.
- 5) Ensures loan files are complete with application materials, checklists and loan closing documents.
- 6) Recommends all loans and non-loan projects for approval to the City Council.
- 7) Creates an annual administrative budget for approval by the City Council.
- 8) Conducts a Criminal History on each applicant and Child Registry Check, upon request of the Loan Committee. The applicant shall complete the necessary authorization forms for a criminal history check and a child registry check, if requested. A copy of the applicant's drivers' license will also be required.

10.2 Loan Committee

- 1) The loan committee shall consist of five members with three being recommended by the City Council and two by the Board of Directors of Sherman County Economic Development, Inc. Terms shall be for four years, except that initial terms which shall be established on a staggered basis to provide continuity on the committee. No member may be an elected or appointed official, employee of the City, or anyone who is an applicant, employee, agent, shareholder, or officer of an applicant or current active loan recipient for program funds. All members on the committee must have experience in the field of business, finance, or accounting. All members of the Loan Committee shall be Sherman County residents. The City Council of the City of Loup City shall have final approval on Loan Committee appointments.
- 2) If there is a conflict of interest from any member of the Loan Committee due to a business relationship involving the sales tax application, immediate relation by family or marriage, the member(s) of the Loan Committee will abstain from voting on that specific loan application.
- 3) Shall set terms of the loan and recommend them to the Loup City Council.
- 4) Will ensure that all procedures are followed regarding loan applications and paperwork.

10.3 Citizens Advisory Review Committee (CARC) (18-2715)

The Citizens Advisory Review Committee shall consist of five tax payers of the municipality who shall be nominated as follows:

- 1) All five members shall be appointed by the Mayor and approved by the City Council. Terms shall be for four years except that initial terms shall be established on a staggered basis to provide continuity on the committee.
- 2) At least one individual on the Citizens Advisory Review Committee must have expertise or experience in the field of business, finance or accounting. The Program Administrator shall serve as ex-officio member of the Citizens Advisory Review Committee.
- 3) No member of the Citizens Advisory Review 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 employee of any qualifying business receiving financial assistance under the Loup City Economic Development Program or of any financial institution participating directly in the Loup City Economic Development Program.
- 4) The Citizens Advisory Review Committee will meet regularly as required to review the program and will report to the City Council at least once in every six-month period on its findings and suggestions at a public hearing called for that purpose
- 5) The Citizens Advisory Review Committee will review all financial transactions of the LB840 account, including all debits and credits, that have occurred since the last report to the City Council. The Citizens Advisory Review Committee will also review all loans that have been approved since the last report to the City Council. The review shall include ensuring that complete documentation was presented to the Loan Committee and that all procedures were met with regards to application processing, loan review and disbursement. An evaluation of approved loans will be conducted to ensure that the qualifying business and use of the loan funds comply with the LB840 statutes, ordinance and policy and procedure guidelines. The report will detail the overall financial status of the Program, number of loan requests and approvals, status of active loans and report in detail any discrepancies discovered.
- 6) As part of the Citizens Advisory Review Committee's ongoing commitment to monitor and improve the City of Loup City's LB840 Program, should any individual or entity have a complaint about the LB840 Program, they may file a formal complaint in writing. A form to file the complaint is available at the Loup City, City Office, 134 S 8th, Loup City, Nebraska., Once the form is filed at the City Office, it will be presented to the Chairperson of the Citizens Action Review Committee, who will then contact the individual or entity having made the complaint within 72 business hours. The Citizens Advisory Review Committee will then convene and investigate the complaint. A formal recommendation will be made within 15 business days and presented to the City Council at the City Council meeting immediately following the recommendation being made. Complaints may include suggestions and

recommendations regarding the LB840 program for consideration in future use, or they may call into question individual procedures of any component of the LB840 Program.

10.4 City Council

- 1) Will establish the Loup City Economic Development Program by Ordinance.
- 2) Will contract with Sherman County Economic Development, Inc. for its Executive Director to serve as Program Administrator.
- 3) Will appoint a Citizens Advisory Review Committee as described in this plan and will take responsibility for scheduling their meetings, as well as a public hearing, every six-month period.
- 4) Will develop and approve procedures to insure the confidentiality of business information received from applicants.
- 5) Will arrange for an annual audit of the program.
- 6) Will annually review the process to assure that applicable laws and regulations are being met.
- 7) Will have ultimate responsibility for the Loup City Economic Development Program.

10.5 Loan Fund Administrator (City Clerk or Contracted Institution) (18-2720)

- 1) Provide the City Council an account of the status of each loan outstanding, program income, and current investments of unexpended funds on a monthly basis.
- 2) Establish a separate account in a financial institution for loans made from the loan fund.
- 3) Shall keep records on accounts and make monthly reports made to the governing body of the City which shall include, but not be limited to: the name of the borrower, the purpose of the loan, the date the loan was made, the amount of the loan, the basic terms of the loan including the interest rate, maturity date and frequency of payments, and payments made to date and current balance due (18-2720).
- 4) Monitor the status of each loan and, with the cooperation of the City and Primary Lender, take appropriate action when a loan becomes delinquent. *See Section 5.2 Loan Default for this procedure.*
- 5) Work with the Program Administrator and Citizen's Advisory Committee to develop financial reports to include: revenue (receipts and interest) and expenses from sales

tax fund and sales tax re-use fund, status of loans outstanding and status of any investments from the sales tax fund.

- 6) Account for all receipts and disbursements from the sales tax fund(s).
- 7) Collect all loan payments and track status of all outstanding loans.
- 8) Issue checks for all approved loans and other disbursements after loan closing date (loans) or approval by the City Council (other disbursements).
- 9) Maintain the Loup City Economic Development Fund as follows: any sales tax revenues in excess of four tenths of one percent of the taxable valuation of the City of Loup City in the year in which the funds are collected shall be deposited in or remain in the Loup City Economic Development Fund and be invested in certificates of deposit, in time deposits and in any securities in which the state investment officer is authorized to invest pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act as provided in the authorized investment guidelines of the Nebraska Investment Council in effect on the date the investment is made. Such investments shall occur after the sales tax payment is received in September and prior to the new fiscal year beginning in October 1 (18-2717; 18-2718; 77-2341).
- 10) Respond to requests from approved loan applicants and their accountant and bank representatives regarding the terms of the loan, current balance, and any failure to make payments, with proper pre-authorization by approved loan applicants. The response to requests will be authorized by the applicant on the Certification and Authorization Form provided with the loan application documents. The form will authorize the Loan Fund Administrator to talk with the accountant, loan officer and attorney of the lendee.

10.6 City Attorney

The City Attorney will be responsible for procedures to ensure that all applicable laws, regulations and requirements are met by the City and the qualifying businesses that receive financial assistance. These procedures will be subject to review and approval by the City of Loup City.

The City Attorney shall review all contracts, official documents, land transactions, and other official actions related to the Loup City Economic Development Program, as well as applicable laws annually, to ensure compliance with applicable laws, regulations, and requirements.

In addition, the City Attorney shall:

- 1) Prepare the Letter of Commitment.

- 2) Prepare all loan closing documents as approved by the City Council.
- 3) Prepare amortization of loans based on information provided by the Loan Committee.
- 4) Conduct lien searches/check UCC filings before closing a loan that involves personal property (chattels).
- 5) If the loan is secured with personal property (chattels), file a signed security agreement executed by the borrower in favor of the City of Loup City immediately upon loan closure. Lien must be perfected by this recording.
- 6) Provide Program Administrator with copies of all loan closing documents and amortization schedules upon loan closure.

10.7 Project Coordinator (If appointed, otherwise Program Administrator)

- 1) Work with contractor to monitor project.
- 2) Ensure project is completed as specified.
- 3) Review all invoices related to the project status and compare with contract price or estimate. If there are extra charges, investigate and take appropriate action. Sign, date and forward approved invoices to the Loup City Council for final approval and payment.

11. Audit (18-2721)

The City shall provide for an audit on an annual basis to insure that the assistance given through loans is used appropriately and that the City is protected against fraud or deceit in the conduct or administration of the program. The City shall provide for an annual, outside, independent audit of its economic development program by a qualified private auditing business. The auditing business shall not at the time of the audit or any period during the term subject to the audit, have any contractual or business relation with:

- 1) Any qualifying business receiving funds or assistance under the Loup City Economic Development Program.
- 2) Any financial institution directly involved with a qualifying business receiving funds or assistance under the Loup City Economic Development Program.

The results of the audit shall be filed with the City Clerk and made available for public review during normal business hours.

12. Investment Strategy

The investment strategy of sales tax fund should be to promote the growth of the fund at a competitive rate while assuring its security and liquidity as provided for in Nebraska Statute 77-2341.

13. Future Funding/Bonding Authority (18-2724)

Loup City may have a business opportunity or other economic development project that requires initial funds that exceed funds on hand. In order to take advantage of such an opportunity, Loup City shall have the authority to issue bonds pursuant to the Local Option Municipal Economic Development Act Sections 18-2724 to 2736 to provide funds to carry out the program, following a public hearing. Loup City shall also have the authority to commit future funding through contracting and other methods available to the City to respond to opportunities in which time is of the essence.

**City of Loup City Economic Development Program
APPENDIX**

EXHIBIT A

LOUP CITY APPLICATION FOR BUSINESS LOANS AND GUARANTEES

Please complete entire form - do not leave any questions blank.

A. Business (Borrower) Information:

Name of Business to Receive Assistance: _____

Federal ID# _____

Address: _____

City: _____

State: _____

ZIP: _____

Contact Person: _____

Business Telephone Number: (____) _____

Alternate Phone/Cell Phone Number: (____) _____

E-Mail: _____

Web Address (if applicable): _____

Business Entity: *(depending on entity type, certain supporting documentation is needed – see checklist):*

____ Sole Proprietorship

____ General Partnership

____ "S" Corporation

____ "C" Corporation

____ Limited Partnership

____ Limited Liability Company

____ Limited Liability Partnership

Business Type: ____ Start-up (0-5 years old) ____ Acquisition ____ Existing

Number of years in business _____

If a new business, describe owners experience in this type of business:

Business Classification: ___ Manufacturing ___ Warehousing & Distribution ___ Service
 ___ Retail ___ Research & Development ___ Tourism
 ___ Administrative Mgmt. Headquarters
 ___ Telecommunications
 ___ Other, please explain: _____

Does the business have a parent or subsidiaries? ___ Yes ___ No

If Yes, Identify name: _____

Address: _____

City: _____ State: _____ ZIP: _____

Ownership Identification: List all Officers, Directors, Partners, Owners, Co-Owners and all Stockholders including all legal names used by each individual.

Name	Title	Percent of Ownership
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Personnel: (*Full-Time Equivalent, FTE, is based upon 2,080 hours per year*)

Number of jobs created or retained: _____

Existing Number of FTE Positions: _____

FTE Positions to be created within 18 months of Application Approval: _____

Total Number of Seasonal FTE Jobs Created (i.e. Jobs which will be available for at least 3 continuous months and recur annually): _____

Starting wage per hour for your personnel: \$ _____

Benefits provided to employees (include any contribution required by employees):

B. Project Information

Use of Funds:

	Loup City Economic Development Funds Requested	Total Project Cost
Land Acquisition	_____	_____
Building Acquisition/Renovation	_____	_____
New Facility Construction	_____	_____
Acquisition of Machinery/Equip.	_____	_____
Acquisition of Furniture/Fixtures	_____	_____
Working Capital (includes Inventory)	_____	_____
Other (specify)	_____	_____
TOTAL:	_____	_____

The loan committee reserves the right to make part of the assistance in the form of a Grant (forgivable loan) and part of the assistance as a Loan, which is non-forgivable and has repayment terms.

Sources of Funds:

Note: Public financing requires the participation of a private financier and equity funds.

Name of Lending Institution: _____

Address: _____

City: _____ State: _____ ZIP: _____

Contact Person: _____ Phone: (____) _____

Loan Amount: \$_____ Loan Term in years: _____

Interest Rate: _____ Percent _____ Variable _____ Fixed

Collateral Required: _____ Equity Required: _____

Equity Information:

Amount available by business or owners for investment: \$ _____

Project Location:

____ Within the City Limits of Loup City

____ Outside the City Limits, but within the Zoning Jurisdiction of Loup City

____ Outside the City Limits, but within Sherman County

Current Zoning Classification: _____

C. Other Information Needed

Personal Financial Statement: Complete the Commercial and Personal Financial Statement Form (Exhibit H) or submit an acceptable substitute for each person.

Business Documentation: See Information Checklist for detailed outline depending on business entity type. Information to include: Credit Bureau Report, tax returns, profit and loss statement, balance sheet, articles of incorporation, by-laws and minutes of last meeting, corporate resolution, letters of good standing and business plan.

In addition, provide required information as detailed in the Loup City Sales Tax Guidelines packet and a \$115.00 non-refundable application fee payable Sherman County Economic Development, Inc.

The above information is accurate to the best of my knowledge and belief. The above information is provided to help you evaluate the feasibility of obtaining public financial assistance. I further authorize release of personal information and business credit information, including a certified credit report, and realize that if a loan recommendation is made, the terms of the loan will be public information.

Dated: _____ Signature: _____

Dated: _____ Signature: _____

EXHIBIT B

Sales Tax Application Checklist

Loup City Sales Tax Application Information Checklist

This list is a useful tool to help you make sure you have all pertinent information when you turn in your application. The Loan Committee requests that you provide the following information. There may, however, be additional information requested:

Business Financial Information

- _____ Loup City Sales Tax Application (signed)
- _____ Business Plan, including projected two year income and expenses
- _____ Current year-to-date Profit and Loss Statement (signed)
- _____ Recent balance sheet (signed) and previous 2 years, if available
- _____ Commercial Balance Sheet
- _____ Letter of Approval from a financial institution (this can be a conditional commitment)
- _____ *If Corporation:* 2 years complete corporate tax returns (signed), Articles of Incorporation, By-Laws, Minutes of last Meeting and Corporate Resolution authorizing loan application and execution of required documents.
- _____ *If Partnership:* Copy of Partnership Agreement and 2 years partnership tax returns (signed)
- _____ *If LLC or LLP:* Two years complete entity tax returns (signed)
- _____ If purchasing an existing business, then supply the business's previous 3 years financial statements and tax returns

Personal Financial Information:

- _____ *If Sole Proprietor:* Two years completed individual federal tax returns (signed)
- _____ *If "S" or "C" Corp, LLC or LLP:* Two years complete individual federal tax returns, if over 25% ownership (signed)
- _____ *If Partnership:* Two years complete individual federal tax returns for general partners and for limited partners, if over 25% ownership (signed)
- _____ Consumer Balance Sheet (Sole Proprietor & those with ownership above 25%)
- _____ Credit Bureau Report w/ score (www.annualcreditreport.com) for individual sole proprietors or for:
 - If Corporation:* all shareholders with over 25% ownership
 - If Partnership:* all general partners
 - If LLC or LLP:* managers and shareholders with over 25% membership interest.

Other Information:

- _____ Copy of Valid Driver's License
- _____ Certification and Authorization Form, Exhibit D (completed and signed)
- _____ \$115.00 non-refundable application fee payable to Sherman County Economic Development
- _____ Authorization forms for Criminal History Checks and Child Registry Checks (Exhibits E & F)
- _____ Two Years Projected Cash Flow for Business

Loup City Sales Tax Guidelines for a Qualified Business:

The revolving loan fund can provide loans or loan guarantees to any business eligible for assistance under LB 840. While not meant to restrict the scope or flexibility of the fund, evaluation of applications should give special priority to businesses that meet one or more of the following criteria:

- Applications which provide for the expansion or enhancement of existing businesses in Loup City or its surroundings;
- New business starts;
- Businesses that in the opinion of the Loan Committee have unusual potential for growth;
- Businesses that are relocating from outside Nebraska; and
- Businesses that provide for important local or regional needs.

Revolving Loans:

Funds for a 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 50% of applicant's total project costs.

- Existing businesses must pay all of their employees at least the current hourly wage required by State and Federal Law. No benefit package is required.
- Applicant must have proof of a minimum of 10% equity investment.
- Interest rate is fixed and is negotiated on a case by case basis by the Loan Committee. The interest rate shall not be less than 2.5%.
- Security for the loan will include, but not be limited to, Promissory Notes, Mortgages or Deeds of Trust, and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the Primary Lender.
- Length of loan is up to 10 years for capital assets and up to 5 years for loans involving any other asset category. Those terms will be established by the Loan Committee.
- At the discretion of the Loan Committee, a loan repayment schedule providing for monthly, quarterly, or annual payments will be approved in conjunction with project approval. Repayments will be held in the revolving loan fund for future projects.

EXHIBIT C

Application Requirements

Application Requirements:

1. Complete an application that may be obtained at the office of the Program Administrator, currently the Sherman County Economic Development, located at 652 N Street, Loup City, NE 68853.
2. Submit the completed application together with all information as set out below to the office of the Program Administrator. The application will then be reviewed by the Program Administrator and the Loan Committee. Upon completion of the review, the committee will make a final recommendation on the project to the City Council. The City Council will vote to approve or disapprove the Loan Committee's recommendation.
3. The Program Administrator will notify an applicant of the decision of the Loan Committee or City Council.

Information Required:

The qualifying business shall provide the following information before the Program Administrator and the Loan Committee considers any application. Please note that all documentation shall be signed by the applicant, the appropriate representative for a Corporation as applicant, and where applicable, by those who have more than a 25% ownership position in the corporation as applicant:

1. Sole Proprietorship:
 - a. Submit a Loup City Economic Development Loan Fund Application.
 - b. Business plan.
 - c. Two years complete individual federal tax returns.
 - d. Current year-to-date Profit and Loss Statement.
 - e. Consumer and Commercial Balance Sheet.
 - f. Credit Bureau Report (CBR).
 - g. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the applicant. Projects over \$250,000 may require Environmental Impact Statements.
 - h. Other information as requested.
2. "S" Corporation:
 - a. Submit a Loup City Economic Development Loan Fund Application.
 - b. Business plan.
 - c. Two years complete individual federal tax returns, (For individuals with over 25% ownership).

- d. Two years complete corporate tax returns.
- e. Current year to date Profit and Loss Statement.
- f. Articles of Incorporation, By-Laws, and Minutes of last meeting.
- g. Corporate Resolution authorizing loan application and execution of required documents.
- h. Credit Bureau Report (CBR) for Shareholders with over 25% ownership.
- i. Consumer and Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in the Corporation).
- j. Letter of Good Standing with the Secretary of State.
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- l. Other information as requested.

3. "C" Corporation:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns, (For individuals with over 25% ownership).
- d. Two years complete corporate tax returns.
- e. Current year to date Profit and Loss Statement.
- f. Articles of Incorporation, By-Laws, and Minutes of last meeting.
- g. Corporate Resolution authorizing loan application and execution of required documents.
- h. Report (CBR) for Shareholders with over 25% ownership.
- i. Consumer & Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in the Corporation).
- j. Letter of Good Standing with the Secretary of State.
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- l. Other information as requested.

4. General Partnership:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns, (For individuals with over 25% ownership).
- d. Two years complete partnership returns.
- e. Current year-to-date Profit and Loss Statement.
- f. Complete Partnership Agreement.
- g. Credit Bureau Report (CBR) for General Partners with over 25% ownership.

- h. Consumer & Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in the Partnership).
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- l. Other information as requested.

5. Limited Partnerships:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns (for general partners and limited partners, if over 25% ownership).
- d. Two years complete partnership returns.
- e. Current year-to-date Profit and Loss Statement.
- f. Complete Partnership Agreement.
- g. Credit Bureau Report (CBR) for General and Limited Partners with over 25% ownership.
- h. Consumer & Commercial Balance Sheet (Consumer Balance Sheet for those with over 25% ownership in Partnership).
- i. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- j. Other information as requested.

6. Limited Liability Companies:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns (for those with over 25% membership interest in LLC).
- d. Two years complete entity tax returns.
- e. Current year-to-date Profit and Loss Statement.
- f. Articles of Incorporation, By-Laws, and Minutes of Last Meeting.
- g. Corporate Resolution authorizing loan application and execution of required documents.
- h. Credit Bureau Report (CBR) for managers and those with over 25% membership interest.
- i. Consumer & Commercial Balance Sheet (Consumer Balance sheet for those with over 25% membership interest in LLC).
- j. Letter of Good Standing with the Secretary of State.
- k. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- l. Other information as requested.

7. Limited Liability Partnership:

- a. Submit a Loup City Economic Development Loan Fund Application.
- b. Business plan.
- c. Two years complete individual federal tax returns (for those with over 25% ownership).
- d. Two years complete entity tax returns.
- e. Current year-to-date Profit and Loss Statement.
- f. Consumer and Commercial Balance Sheets (Consumer Balance Sheet for those with over 25% ownership).
- g. Credit Bureau Report (CBR) for managers and those with over 25% ownership in Partnership.
- h. Real Estate applications may require appraisals performed by a licensed or certified appraiser. This cost will be incurred by the Applicant. Projects over \$250,000 may require Environmental Impact Statements.
- i. Other information as requested.

Business Plan to Include:

- Brief history of your business and where you see your business going in the next 5 years, with emphasis on the impact to the City.
- Total project costs to include itemized use of funds
- Lender commitments
- Investor commitments
- Financial projections for the next 3 years
- Employment projections for the next 3 years
- Identification of jobs created by description, number, average wage, benefits, etc.
- Information as to suppliers, and in particular, those in the area
- References – Name, position, address, and phone number

Contact Information:

If you have any questions regarding the sales tax guidelines, please call the Program Administrator at (308)745-5040 or e-mail at info@scedinc.org. For a checklist of all entity types and corresponding information, please contact the Program Administrator for alternative checklist document.

EXHIBIT D
Certification and Authorization

CERTIFICATION AND AUTHORIZATION

Applicant: _____

Loup City Economic Development Program: Loup City - PO Box 248 - Loup City, NE 68853

Certification

To Loup City Economic Development Program:

1. Applicant (and co-applicant if applicable), _____, has applied for a loan from Loup City Economic Development Program. In applying for the loan, Applicant provided to the Loan Committee of the Loup City Economic Development Program various information about Applicant and the requested loan, such as the amount and source of equity, income information, and assets and liabilities. Applicant certifies that all of the information is true and complete. Applicant made no misrepresentations to Loup City Economic Development Program, nor did Applicant omit any important information.
2. Applicant understands and agrees that Loup City Economic Development Program may verify any information provided concerning Applicant's application, including, but without limitation, verification from financial institutions of the information provided.

Authorization to Release Information

1. Applicant has applied for a loan from the Loup City Economic Development Program. As part of the application process, Loup City Economic Development Program, any insurer of the loan and any collateral title insurer may verify information Applicant provided to Loup City Economic Development Program either before or after the loan is closed.
2. Applicant authorizes you to provide to Loup City Economic Development Program any and all information and documentation they may request and any information pertaining to a borrower's default in payment. Such information may include, but not be limited to, income, bank, money market, and similar account balances; credit history; evidence of flood insurance, and copies of income tax returns. (Real Estate applications and projects containing Real Estate may require certified appraisals performed by licensed appraisers. Projects over \$250,000 may require Environmental Impact Statements).
3. Loup City Economic Development Program may address and send this authorization to any person or company named below:
 - a. Financial Institution/Loan Officer _____
 - b. CPA Firm/Accountant _____
 - c. Law Firm/Attorney _____
 - d. Other _____
4. A copy of this authorization may be accepted as an original.

Authorization to File Financing Statement

Applicant hereby authorizes Loup City Economic Development Program to file the appropriate Financing Statements for the agreed upon collateral prior to executing a security agreement. Applicant is also aware that the terms of the loan recommendation will be furnished to the Loup City Council and will be public information.

Signature:

Applicant

Date

Printed Name:

Co-Applicant

Date

Printed Name:

EXHIBIT E
Criminal History Request

REPLY TO: Sherman County Economic Development
PO Box 428
Loup City, NE 68853

SUBJECT: REQUEST FOR CRIMINAL HISTORY INFORMATION

TO: NEBRASKA STATE PATROL
CRIMINAL IDENTIFICATION DIVISION
P.O. BOX 94907
LINCOLN, NE 68509

CRIMINAL HISTORY REQUESTED

NAME (PRINT Last, First, Middle Initial): _____

DATE OF BIRTH: _____

DATE: _____

ADDRESS: _____

CITY STATE ZIP: _____

SOCIAL SECURITY NUMBER: _____

I hereby authorize the release of any and all criminal history information maintained on me:

Name (Print Last/First/M.I.)

Signature

Signature of Requester
Sherman County Economic Development
PO Box 428
Phone: (308) 745-5040
Loup City, NE 68853 Fax: (308) 745-0430

EXHIBIT F
Commercial & Personal Financial Statement
(see Program Administrator for Excel Version)

		COMMERCIAL & PERSONAL							
		FINANCIAL STATEMENT							
		Loup City Economic Development Program							
NAME:							DOB:		
NAME:							DOB:		
ADDRESS:							PHONE:		
BUSINESS OR OCCUPATION:							SSN/TIN:		
NUMBER OF YEARS IN THAT BUSINESS OR OCCUPATION:									
I make the following statement of all my assets and liabilities as of the _____ day of _____, 20_____									
and give other material information for the purpose of obtaining credit with you on notes and security instruments bearing my signature,									
endorsement, or guarantee and agree to notify you promptly of any change affecting my ability to repay.									
		ASSETS				LIABILITIES			
CASH ON HAND		\$				ACCOUNTS PAYABLE (No 8)		\$	
SAVINGS ACCOUNT		\$				NOTES DUE RELATIVES (No 9)		\$	
OTHER SAVINGS ACCOUNT		\$				UNSECURED LOANS (No 9)		\$	
CASH VALUE LIFE INSURANCE (No 1)		\$				LOANS SECURED BY CHATTELS (No 9)		\$	
ACCTS ON NOTES RECEIVABLE (No 2)		\$				INSTALLMENT ACCOUNTS (No 10)		\$	
BONDS, STOCKS, SECURITIES (No 3)		\$				LOANS OF LIFE INSUR. (No 1)		\$	
PERSONAL PROPERTY (No 4)		\$				REAL ESTATE TAXES DUE		\$	
BUSINESS INVENTORY (No 5)		\$				PERSONAL TAXES DUE		\$	
VEHICLES & EQUIPMENT (No 6)		\$				NOTES SECURED REAL ESTATE (No 11)		\$	
REAL ESTATE (No 7)		\$				OTHER LIABILITIES		\$	
OTHER ASSETS		\$						\$	
		\$						\$	
		\$						\$	
		\$				TOTAL LIABILITIES		\$	
TOTAL ASSETS		\$				NET WORTH		\$	

NO. 1 - FACE AMOUNT & CASH VALUE OF LIFE INSURANCE				
INSURANCE COMPANY	TERMS	FACE AMOUNT	CASH VALUE	AMOUNT OF LOAN
NO. 2 - ACCOUNTS & NOTES RECEIVABLE				
NAMES OF DEBTOR	AMOUNT OWING		DESCRIPTION OF SECURITY & PAYMENT	
NO. 3 - STOCKS, BONDS & SECURITIES				
NO. OF SHARES	NAMES OF SECURITIES		QUOTATION	VALUE
NO. 4 PERSONAL PROPERTY				
DESCRIPTION				VALUE
NO: 5 BUSINESS INVENTORY, MATERIALS & SUPPLIES				
QUANTITY	ITEM such as INVENTORY/TOOLS	WHOLESALE COST	RETAIL VALUE	

NO: 6 VEHICLES & EQUIPMENT	
DESCRIPTION	VALUE

NO: 7 REAL ESTATE OWNED			
DESCRIPTION	LOCATION	ORIGINAL COST	PRESENT VALUE

NO: 8 OPEN ACCOUNTS & ACCOUNTS PAYABLE				
NAME OF CREDITOR	ADDRESS	PURPOSE	DATE DUE	AMOUNT OWED

NO: 9 LOANS SECURED & UNSECURED				
NAME OF CREDITOR	ADDRESS	COLLATERAL	DATE DUE	AMOUNT OWED

NO: 10 INSTALLMENT LOANS				
NAME OF CREDITOR	ADDRESS	COLLATERAL	DATE DUE	AMOUNT OWED

NO: 11 LIENS ON REAL ESTATE				
NAME OF CREDITOR	Description	LOAN MATURITY	DATE DUE	AMOUNT OWED

NO: 12 CONTINGENT LIABILITIES OR ENDORSER FOR OTHERS				
NAME OF CREDITOR	Description	LOAN MATURITY	DATE DUE	AMT OWED

NO: 13 UCC FILINGS

NAME OF CREDITOR	ADDRESS	COLLATERAL	DATE DUE	AMOUNT OWED

THE UNDERSIGNED CERTIFY THAT THE INFORMATION CONTAINED ON THIS FORM HAS BEEN CAREFULLY REVIEWED AND THAT IT IS TRUE AND CORRECT IN ALL RESPECTS.

DATE

SIGNATURE

DATE

SIGNATURE

EXHIBIT G
Loan Committee Recommendation Form

Final Determination of Sales Tax Request

Loan #20XX-XX

Month Day, Year

The Loan Committee met on the ____ day of _____, 20____, to review the application described below.

Committee members present:

Absent:

Also present:

Upon review and discussion the following recommendation is made to the City Council.

Entity:

Project Description:

Borrowers:

- **Percentage of Project the City is Funding:**
- **Number of Jobs Created or Retained:**
- **Percentage of Borrower Investment:**
- **Is the Loan for a Capital Asset:**
- **Loan Amount:**
- **Length of Loan:**
- **Interest Rate:**
- **Security:**
- **Source of Loan Funds:**
- **Repayment:**

Exhibit H
Loan Fee Schedule
(Updated October 4, 2011)

Real Estate		
Trust Deed		Included in Origination Costs
Deed of Reconveyance		Included in Origination Costs
Request for Reconveyance		Included in Origination Costs
Promissory Note		Included in Origination Costs
Deed and Transfer Statement		Included in Origination Costs
Title Insurance - Owner's Policy		
Basic Rate for coverage up to \$5,000		\$ 175.00
Over \$5,000 and up to and including \$50,000		add \$3.50 per thousand dollars
Over \$50,000 and up to and including \$100,000		add \$3.00 per thousand dollars
Over \$100,000 and up to and including \$1,000,000		add \$2.00 per thousand dollars
Over \$1,000,000 and up to and including \$5,000,000		add \$1.50 per thousand dollars
Over \$5,000,000 and up to and including \$10,000,000		add \$1.10 per thousand dollars
Over \$10,000,000		add \$0.90 per thousand dollars
Title Insurance - Lender's Policy		\$ 75.00
Filing Fee		\$5.00 per page & \$0.50 per lot
Contract		Included in Origination Costs
Affidavit		Included in Origination Costs
Documentary Stamps		\$2.25 per \$1,000 consideration
Amortization Schedule		Included in Origination Costs
Closing Statements		Included in Origination Costs
UCC Filings		
Financing Statement		Included in Origination Costs
UCC Search (per name searched)		\$ 4.50
UCC Filing Fee (per filing)		\$ 8.00
Security Agreement		Included in Origination Costs
Miscellaneous		
Application Fee (non-refundable)		\$ 115.00
Mileage (per mile)		Included in Origination Costs
Photocopies		Included in Origination Costs
Long Distance Calls		Included in Origination Costs
Postage		Included in Origination Costs

Exhibit I
Business Façade Program Guidelines and Application
(Updated April 4, 2023)

Sherman County Economic Development, Inc. (SCED)
and the City of Loup City
BUSINESS FAÇADE PROGRAM

Program Guidelines

The Business Façade Program will provide financial assistance to improve the looks of Loup City businesses and maintain the city's vitality. This program is designed to improve the appearance of the businesses within Loup City. The Business Façade Program will allow enhancement of the commercial success of Loup City by ensuring a pleasant experience for business patrons and attract investment in the community as a means of preventing decline and vacancy. Property owners are eligible to apply for loans up to \$5,000 with 10% down of the total project cost. Funds for the Business Façade Program are allocated from the LB840 funds. The City Council of the City of Loup City will review this program at their December meeting of each year the program is in effect and may discontinue the program at any of those meetings.

Any portion of the Business Façade Program outlined below that is in conflict with the Policy and Procedure Guidelines for the Economic Development Program LB840 – Local Option Municipal Economic Development Act (Policy and Procedure Guidelines) shall take precedence over the Policy and Procedure Guidelines.

Eligible Improvements

The Business Façade Program was created to provide loans for exterior improvements from minor renovation to façade renovations. Eligible improvements include, but are not limited to:

- 1) Replacement or addition of:
 - Awnings
 - Signage
 - Window display areas
 - Exterior lighting
 - Doors and windows
 - Masonry repair
 - Siding
- 2) Painting
- 3) Other improvements visible from the street that would have a positive impact on the appearance of the building

Eligible Applicants

Applicants can be business owners or property owners in Loup City. Business owners must have the approval of the property owner to carry out the improvement project.

Types of Assistance

Each project is eligible for:

- 1) Up to \$5,000 in zero interest loan funds. The applicant must invest 10% in private funds of the total project cost. Loans repayment period will be determined by the loan committee. Loan applications will be reviewed and approved by the Loan Committee and the City Council with appropriate security as determined as based on the loan.

Approved applicants will have **12 months** to complete the work detailed on the application form. The applicant will have the ability to request one extension from SCED if the work cannot be completed within the 12-month time frame. The extension time frame will be decided by the City Council or Loan Committee.

All applicants are responsible for obtaining all permits and approvals required. All improvements must follow the City of Loup City zoning requirements.

Process

1. Pre-application
The SCED Director will meet with the prospective applicant to familiarize the applicant with the Business Façade Program and the procedures. An application form can be obtained at this time.
2. Approval of Project
The completed application will be reviewed by the LB840 Loan Committee, for approval. If the application is approved by the LB840 Loan Committee, it will be forwarded onto the City Council for approval. Loan applications must be approved by the LB840 Loan Committee before being recommended to the City Council for approval. Once the application has been approved by the City Council, the applicant must receive all applicable permits and return the signed letter of commitment before beginning work.
3. Begin Work
The Director will send a “Letter of Approval and Notice to Proceed” to the applicant, including an estimate of the total reimbursement amount the applicant is eligible to receive. Work may begin once the City has issued all necessary permits. Any changes prior to or during the project must be reviewed and approved by the Director.

4. Project Completion

The applicant will notify the SCED Director that the project has been completed. The project sponsor will submit copies of all contractors' paid invoices or receipts and schedules and on-site inspection by the SCEDB Director.

5. Payment of the Loan

A reimbursement invoice will be submitted to the City of Loup City for payment once inspections have been completed. Applicant must sign all necessary paperwork to close the loan and the City Council must approve the reimbursement prior to payment being made.

**Business Façade Program
Sherman County Economic Development & City of Loup City**

Application

Name of Applicant: _____ **Date:** _____

Business Name: _____

Business Address: _____

Business Phone: _____

Business Email: _____

Ownership of Property (Please Mark One)

- ☐ Individual
- ☐ C Corporation
- ☐ S Corporation
- ☐ Limited Liability Company (LLC)
- ☐ Limited Liability Partnership (LLP)

Loan Requested For (Circle All That Apply)

Awning Entrance/Door Exterior Paint Decorative Detail Siding
Exterior Lighting Masonry Repair Exterior Signage Exterior Windows

Other: _____

Total Cost of Project: _____

Loan Amount Requested (\$5,000 Maximum): _____

Business will invest 10% of total project cost in the amount of \$ _____
(Example: If a total project cost is \$10,000, the owner must provide \$1,000 down)

Project Description:

How will this change improve the economic vitality of your business?

How will the use of this loan improve the aesthetic presence of your business?

Project Start Date: _____ **Completion Date:** _____

The following documents need to be submitted with the application:

- 1) A sketched design and quote for the proposed work
- 2) Previous year tax return for the business
- 3) Current Balance Sheet and Income Statement for the business
- 4) Personal Financial Statement
- 5) Current personal credit bureau report if the property is owned by the individuals, not the corporation.
- 6) \$50 non-refundable application fee