

Ansley, Nebraska

Community Economic Development Plan

Ansley is a small community in central Nebraska that has historically been dependent on agricultural and railroad related jobs. Like many other small communities, Ansley has witnessed a declining population and enrollment in our schools. However, small cities are of increasing popularity with less turbulence than metropolitan cities. At the same time, information and communication technology has reduced the isolation of small towns. As a result, it is increasingly possible to successfully attract and operate small and medium-sized businesses in rural areas, especially when incentives are available. Nebraska's voters enacted a constitutional amendment in November, 1990, granting cities and villages power to use local sources of revenue for community development projects and programs. In 1991, the Unicameral implemented that amendment with the passage of Legislative Bill 840, the Local Option Municipal Economic Development Act.

The Local Option Municipal Economic Development Act is based on the premise that communities should have the ability to use their own tax dollars in ways that best meet local needs. While ongoing planning processes in many Nebraska communities had identified development, job creation, and increased economic opportunity among their highest priorities for the future, a variety of constitutional and legislative prohibitions kept them from investing local public funds in development programs. The removal of those limitations in 1990 gave municipalities greater latitude in determining and acting upon local needs.

Since that time, Nebraskans have witnessed the expansion and location of many businesses to communities across the state, large and small, that would not have been possible without the use of the Local Option Municipal Economic Development Act and the local plans passed using that initiative.

General Community Economic Development Strategy

Ansley has identified the urgent need for jobs and housing. Ansley has also identified that in order to recruit investment in our community there is an ongoing need of: aesthetic improvements, streets/sidewalk improvement, youth opportunities, and the upkeep and improvement of our parks and pool.

Ansley's community economic development strategy is to improve our quality of life for our citizens. This involves building on our strengths, promoting our existing businesses, working to retain existing jobs, expanding current businesses, promoting entrepreneurship, and recruiting new businesses. We also need to strengthen our work force, develop community resources, attract new capital investment, broaden the community's tax base, and provide local community services needed to maintain a good quality of life.

The Village of Ansley recognized that the retention and expansion, along with the attraction of businesses, takes place in a very competitive market place. In order to make Ansley as competitive as possible, the community will strive to use all financial and human resources available by using federal, state, municipal, and private sources.

General Intent and Proposed Goals

It is the intent of the Village of Ansley, Nebraska to implement a community economic development program, the purpose and goals of which will be: (1) improved housing opportunities; (2) to create and retain jobs and generate employment opportunities within the area labor market; (3) to attract new

capital investment to the community; (4) to broaden the tax base; and (5) to provide economic diversification to ensure economic stability and vitality for the Village of Ansley and the surrounding area.

Eligible Activities

Eligible activities under the Ansley Community Economic Development Program may include, but shall not be limited to the following:

1. Grants or loans to businesses that construct or rehabilitate housing.
2. Small business development including expansion of existing businesses and retail businesses.
3. Job credits for full-time jobs created (full-time jobs defined as 1820 hours) to include grants which are subject to job credit performance.
4. Grants for public works improvements essential to the location or expansion of a qualified business.
5. Recruitment of business/industry.
6. Provision for technical assistance to businesses, to include but not be limited to: job training, marketing assistance, management counseling, financial packaging and business plan development, and engineering assistance.
7. The purchase and/or the construction or improvement of real estate, options for such purchases, and the renewal or extension of such option.
8. Equity investment or loan guarantees in qualifying business.
9. Equity investment or loans to a qualifying business including loan guarantees.
10. Payment for salaries and support of staff to implement and/or administer the program.
11. The issuance of bonds and repayment thereof as provided for in the Local Option Municipal Economic Development Act to achieve the above activities as permissible.
12. Tourism promotion.
13. All other activities allowed by law, both now and through future amendments to the Local Option Municipal Economic Development Act.

If a business that 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 application for participation in the Program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two years following the date on which such business begins operations in the city as a participant in its Program at a level not less than its average employment in such city over the twelve month period preceding participation.

A qualifying business need not be located within the territorial boundaries of the village from which it is or will be receiving financial assistance provided the village board determines there is a clear economic benefit to the village.

Source of Funding for the Ansley Community Economic Development Program

The Ansley Community Economic Development Program will be funded by the proceeds from a one percent (1%) local sales and use tax for a period of 15 years.

Although it is not expected that the one percent (1%) sales tax will generate an amount more than 4/10 percent (.04%) of the actual valuation of the Village of Ansley, the sales tax initiative stipulates that any funds generated from the one percent (1%) sales tax that is in excess of what would equal 4/10 percent (.04%) of the Village's actual valuation, will be directed to the Village of Ansley for infrastructure expenditures outside of the Ansley Community Economic Development Program.

Duration of Program

The time period during which the program will be in existence will be from April 1, 2015 to March 30, 2030. Although the sales tax will be collected for a period of 15 years, the program will continue until March 30, 2035 so that unused funds within the program (and funds generated through leases, the sale of real estate, loan repayments, and interest) can continue to be spent on community economic development activities as described in the plan.

Investment of Community Economic Development Funds

The Village will establish a separate Community Economic Development Fund under the following guidelines.

1. All funds derived from local fund sources of revenue for the community economic development program, any earnings from the investment of such funds, any loan payments, any proceeds from the sale by the Village of assets purchased by the Village under the community economic development program, or any other money received by the Village by reason of the community economic development program, shall be deposited into the Community Economic Development Fund.
2. No money in the Community Economic Development Fund shall be deposited in the General Fund of the Village except as provided for by statute.
3. The Village shall not transfer or remove funds from the Community Economic Development Fund other than for purposes prescribed in the Act and this Plan.
4. The funds from the Community Economic Development Fund shall not be commingled with any other Village funds.
5. Any money in the Community Economic Development Fund not currently required or committed for the purposes of community economic development shall be invested as provided by Section 77-2341 of Nebraska state statutes.
6. In the event the community economic development program is terminated, any uncommitted funds will be transferred and used as provided by state statute.

Audit Procedures

The Village shall provide for an outside, independent audit of its community economic development program as a part of its annual Village audit. The qualified private auditing business shall not, at the time of the audit or for any period during the term subject to the audit, have a contractual or business relationship with any qualifying business receiving funds or assistance under the community economic development program. The results of such audit shall be filed with the Village Clerk and made available for public review during normal business hours.

Possible Area Cooperation

Within the terms of an Interlocal Agreement, the Village of Ansley reserves the right to conduct the Ansley Community Economic Development Program, or projects within the program, jointly with other area communities and/or counties. Prior to entering into such a cooperative agreement, a public hearing will be held, followed by Village Board approval.

Financial Assistance Application Process

To be considered for direct financial assistance under the Ansley Community Economic Development Program, an applicant must provide the following, 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 "Ansley Community Economic Development Program Application for Financial Assistance" form. (An application shall be developed within the first 3 months of the Community Economic Development Program and may be revised from time to time to include pertinent information. Applications will be made available at the Village of Ansley offices.)
5. Additional information, to determine the economic viability of the proposed project(s), may be requested by the Ansley Community Economic Development Committee.

Generally, applications will be reviewed in the order in which they were received. When an application is received that is deemed "urgent" by the Program Administrator, it may be reviewed and approved, before other applications received. However other pending applications will then be addressed in a timely manner.

Application review and approval, or disapproval, will be based on project feasibility as determined by review of the applicant's application and documents, along with the potential future economic benefit to the community. Applications may be prioritized by the Program Administrator with the most cost-effective project to receive a priority for the use of the funds.

Before final approval, the Program Administrator will be responsible for the verification of business information provided by eligible businesses that receive a recommendation for financial assistance.

Upon completion of the agreed terms and conditions of assistance between the Program Administrator and the applicant, the project will be submitted to the Village Board for review and approval. The Board will consider the overall benefits to the community in its deliberation and will provide the Program Administrator a decision. Once approved, the Program Administrator will take the necessary action to execute agreements made.

Other incentive assistance processes, using alternative requirements and documentation, may be implemented so that the requirements are more appropriate for the type and amount of the incentive. For instance, in the case where a job creation incentive could be implemented, documents such as a business plan, financial statements, and similar documentation, may not be applicable to this type or amount of incentive. So in this and similar cases, alternative requirements and application form could be developed and used for this type of incentive.

Eligible qualifying businesses may apply more than once and receive program benefits more than once as long as they are in good standing with previous loans.

In the process of gathering information about a qualifying business, the Ansley Community Economic Development Committee and or Program Administrator, may receive confidential information about the business which, if released, could cause harm to the business or give unfair advantage to its competitors. State law authorizes cities and other public entities to maintain the confidentiality of the information it receives. Procedures will be developed by the Ansley Community Economic Development Committee and approved by the Village Board to insure the confidentiality of business information received from applicants for financial assistance. These will include the adoption of an ordinance which makes such information confidential and punishes disclosure; a restriction on the number of people with access to files; the designation of a responsible party for their safekeeping; and requirements for personnel involved in the program review or with access to any business information to sign statements of confidentiality regarding all personal and private submittals. These procedures may be revised from time to time with Village Board approval.

Contracts made with qualifying businesses shall include protective measures, applicable to the project, to safeguard Ansley's investment in the project.

Loan Program

Loans and a revolving loan program are eligible under Ansley's Community Economic Development Plan. As required by law, this plan must describe the loan program if it is an eligible activity under the plan. To meet that requirement, general guidelines follow:

1. Loans may be made under the program.
2. Criteria that will be used to determine the level of assistance will include, job creation and retention, economic impact to the community, and the leverage of private and other funding sources.
3. For loans, the "Financial Assistance Application Process" and the business information verification process, as described earlier in this plan, will also apply to loan assistance.
4. 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 based upon job creation or retention and economic impact of the project to the community.
5. A loan repayment schedule providing for monthly, quarterly, or annual payments will be approved in conjunction with project approval. The time requirements to meet the goals of the business will be determined and agreed to based on information provided. Requirements of other participating funding sources will also be considered when determining the time requirements to meet goals under Ansley's program.
6. The Program Administrator will be used to administer the loan program and to monitor loans until such time that a separate Loan Administrator is deemed necessary or prudent. At that time, the Village Board will contract with an appropriate party to serve as the Loan Administrator. The Loan Administrator may receive appropriate payment or reimbursement for their services. Such payment can be generated from loan fees or by the 1 percent (1%) sales tax.
7. If a Revolving Loan Fund is active under the Ansley Community Economic Development Program the Village may implement investment strategies to promote the growth of the loan fund while assuring its security and liquidity.
8. If a Revolving Loan Fund is active under the Ansley Community Economic Development Program, it will be audited by a selected firm or certified public accountant to ensure that the assistance given is used in an appropriate manner and that the Village is protected against fraud and deceit in the conduct or administration of the program.

Administrative System

It is the intent of the program that the majority of the funds be used for supporting eligible activities and only the minimum required amount is spent to assist in the administration of the program. Four separate groups share the administration of the program. They are:

- 1. Program Administrator** shall be appointed by the chairperson and will be responsible for the following: (1) day-to-day activities of administering the program; (2) assist applicants and conduct active recruiting for potential applicants; (3) provide someone to serve as an ex-officio, non-voting member of the Citizen Advisory Review Committee who will provide that committee with necessary information; and (4) Program Administrator will also conduct reviews of businesses approved for receiving funds from the Plan to insure agreement compliance.
- 2. Ansley Community Economic Development Committee** shall consist of not less than three nor more than five members being appointed by Village Board, one of which being a representative of the Village Board. At least one member needs to have a financial background. Each member needs to reside or work in or around the Ansley Community. Ansley Community Economic Development Committee shall

be responsible for reviewing all applications and making approval/denial recommendations to the Village Board.

3. Citizen Advisory Review Committee. As per the Act, the ordinance establishing the economic development program shall provide for the creation of a Citizen Advisory Review Committee. (This committee is a “watch dog” committee and not a committee that plays a role in the decision-making process in regard to where program funds are spent). The committee shall consist of not less than five or more than ten registered voters of the Village who shall be appointed by the Village Chairperson subject to approval by the Village Board. At least one member of the committee shall have expertise or experience in the field of business finance or accounting. No member of the Citizen Advisory Review Committee shall be an elected or appointed Village official, an employee of the Village, a participant in a decision-making position regarding the expenditure of funds, or an official or employee of any qualifying business receiving financial assistance under the community economic development program or of any financial institution participating directly in the community economic development program. The ordinance will provide for regular meetings of the Citizen Advisory Review Committee to review the functioning and progress of the community economic development program and to advise the governing body of the Village with regard to the program. At least once every six-month period after the effective date of the ordinance, the committee shall report to the governing body on its findings and suggestions at a public hearing called for that purpose. The ordinance shall also designate an appropriate Village official or employee to serve as an ex-officio member of the committee with responsibility for assisting the committee and providing it with necessary information and advice on the economic development program.

4. Village Board will have final authority on the expenditure of funds in support of the Ansley Community Economic Development Program. The Village Board will approve the Program Administrator, Ansley Community Economic Development Committee and the Citizens Advisory Committee. The Village Board will have ultimate responsibility for the Ansley Community Economic Development Program.

Process to Assure Applicable Laws and Regulations are Met

The Program Administrator will be responsible for procedures to insure that all applicable laws, regulations and requirements are met by the municipality and the qualifying businesses that receive financial assistance. These procedures will be subject to review and approval by the Village Board.

The Program Administrator may use the Village Attorney to review all contracts, official documents, land transactions, and other official actions related to the community economic development program, as well as applicable laws annually, to ensure compliance with applicable laws, regulations, and requirements. The Program Administrator may retain separate counsel, rather than using the Village Attorney, for the review of any or all documents and laws, with the approval of the Village Board.

If there is a conflict between this plan and the ordinance that governs this plan and Nebraska State Statutes (both current and future), State Statutes will prevail.

Community Economic Development Program Ordinance

Upon approval by the voters of the community economic development program, the Village Board will, within forty-five days after such approval, establish the community economic development program by ordinance in conformity with the terms of such program as set out in the original enabling resolution.