CITY OF KIMBALL ECONOMIC DEVELOPMENT PLAN (Amended 2026)

Effective October 1, 2007

** Amendment Resolution 2010-03 (Approved by voters 5/11/2010) The original Kimball Economic Development Program shall remain in effect with only such changes or modifications as provided in the Kimball Economic Development Program Amendment. **

**Amendment Ordinance No. 749. The original Kimball Economic Development Plan shall remain in effect with only such changes or modifications as provided in Ordinance No. 749 dated August 15, 2017 **

**Amendment Ordinance No. 757. The original Kimball Economic Development Plan shall remain in effect with only such changes or modifications as provided in Ordinance No. 757 dated December 19, 2017 **

Amendment Ordinance No. 810. The original Kimball Economic Development Plan shall remain in effect with only such changes or modifications as provided in Ordinance No. 810 dated October 18, 2022

**Amendment Ordinance No. ___. The Economic Development Plan shall be amended to reflect the new Kimball Economic Development Plan (2026).

Kimball Economic Development Plan

Effective June 2, 2026

Section I. GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY AND OVERVIEW:

The Nebraska Legislature, in the Local Option Municipal Economic Development Act (18-2701 et seq.) has made the following legislative findings:

(1) There is a high degree of competition among states and cities in our nation in their efforts to provide incentives for businesses to expand or relocate in their respective jurisdictions;

(2) Municipalities in Nebraska are hampered in their efforts to effectively compete because of their inability under Nebraska law to respond quickly to opportunities or to raise sufficient capital from local sources to provide incentives for business location and expansion decisions which are tailored to meet the needs of the local community;

(3) The ability of a municipality to encourage business location and expansion has a direct impact not only upon the economic wellbeing of the community and its residents, but upon the State as well.

(4) There is a need to provide Nebraska municipalities with the opportunity of providing assistance to business enterprises in their communities. Assistance could be for expansion of existing operations or the creation of new businesses, using funds raised by local taxation, when the voters of the municipality determine that it is in the best interest of their community to do so.

The City of Kimball, by special election, passed a local option sales tax referendum in compliance with LB840 July 14, 1998. The program became effective on October 1, 1998.

The program has provided a revolving loan program, funding for Community Development Block Grant (CDBG) matches, regional/national marketing, participation in regional development efforts, necessary infrastructure studies directly related to development, and a direct point of contact for those seeking new or expanded business opportunities in the City of Kimball.

The Nebraska Department of Economic Development continues to strengthen their requirements for communities to be eligible for shrinking state economic development programs and funds. All Community Development Block Grant funds are now required to be matched by local funds.

Businesses both existing and start-up continue to look for bottom line savings and community incentives. The Economic Development program helps to keep Kimball competitive in the modern era. The Plan is vital for the diversification of industries, retention of jobs, stabilization of population and growth of property tax valuations.

The Local Option Development Act became effective June 3, 1991, and authorizes cities and villages to appropriate and spend local sales tax and property tax revenues for certain economic development purposes. An Economic Development Plan formulated by the City to implement this legislation is subject to a vote of the people.

This process involves the formation of a proposed Plan for a local Economic Development Program. The Plan forms the foundation for the collection and expenditure of local tax revenues for economic development efforts and thereby expanding job opportunities and the tax base, both property and retail sales, within the community.

The City Administration has prepared this plan for submission, for City Council approval. After City Council approval, the voters will then have an opportunity to vote for the Economic Development Program. Through voter approval of the Economic Development Plan, the City will

be in a position to: operate a low interest revolving loan fund; acquire commercial and industrial sites; promote their development; offer performance based or forgivable loans (grants); leverage other grant funds; bond the cost of economic development projects pending sales tax collections; provide for the salary of an Economic Development Director, if desirable; and other activities that are directly attributable to the Economic Development or Community Development program.

This plan will be called the Economic Development Plan and will replace the current Economic Development Plan. The City proposes that a ½ cent be collected to fund the Economic Development Program.

Section II. STATEMENT OF PURPOSE—DESCRIPTION OF GENERAL INTENT AND PROPOSED GOALS:

The general intent and goal of the Kimball Economic Development Program ("The Program") is to establish a sustainable and diversified economy for the citizens of Kimball, Nebraska. This is accomplished through the recruitment of a variety and balanced new companies; providing new or expanded job opportunities; retention of key existing businesses; assisting in local business growth; stimulating new construction; aiding in the development of new industrial and commercial building sites; assisting local tourism efforts; and supporting Community Development projects that enhance the quality of living. Some detailed components of "The Program" also involve: establishing a list of target industries and businesses; analyzing trends; assisting in planning and zoning; annexation development as necessary for industry development; enhancing aesthetic qualities of the community; recommendation of quality of life projects; providing for the training of labor; assisting in regional efforts; application submission for Certified City status under the Nebraska Department of Economic Development; and participation in key legislative issues.

The success of the program will be measured by: the number of new jobs created; the number of jobs retained; the total dollars in fixed assets gained; the total valuation growth of the city; and the number of businesses recruited or retained.

Section III. DEFINITION OF "THE PROGRAM":

The definition of the Kimball Economic Development Program encompasses the Plan in its entirety; including program renewal, funding and the execution of the plan.

"The Program" shall also encompass any project utilizing funds for the purpose of providing: direct or indirect financial assistance to qualifying retail and non-retail businesses; the payment of related costs or expenses; the operations of the revolving loan fund; projects that partner with the Community Development Agency or Forward Kimball Industries or any other formally

established ‘development based’ organization and individuals for the demolition, construction and renovation of commercial and residential properties; related administrative expenses including a full time director, support staff and associated administrative expenses; marketing; or any other ancillary project or promotion such as tourism or value added agricultural endeavors.

These funds are derived from the collection of the ½ cent sales tax collection; Community Development Block Grant ‘reuse’ funds; principal and interest receivables; regional, state or federal grants leveraged with local funds; contributions naming the Economic Development Program as the benefactor; balance of funds not yet expended from any original Economic Development Program previously in place; City of Kimball funds that City Council authorizes for utilization for “The Program”; or any other funds either private or public (including bonded or non-bonded) that have been designated for use by the City of Kimball for "The Program".

Section IV. TYPES OF ACTIVITIES ELIGIBLE FOR ASSISTANCE:

“The Program” may include, but shall not be limited to, the following activities:

1) A revolving loan fund from which; low interest loans, forgivable loans, grants matching Community Block Grant Funds, commercial real estate improvement or demolition grants/loans, performance-based loans/grants will be made to qualifying businesses or organizations. These businesses shall: create jobs at above regional average pay scale; retain existing jobs; or provide expansion/retention funds; or contribute to the sales tax base; or contribute to the property tax base; or provide essential products/services; or possess other merits not previously defined. The Economic Development Loan Committee will base the loans on loan guidelines as established, approved and monitored.

2) Grants or loans for: community infrastructure; or public works improvements to business benefactors; and/or purchase of fixed assets, i.e. real estate and real estate options that are essential to the location or expansion of a qualifying business. Equity investments may or may not have specific performance requirements such as job creation and shall be secured by Mortgage, Deed of Trust, Promissory Note, personal and/or corporate guarantees or other financial instruments as requested by the loan fund committee.

3) An economic development program may include, but shall not be limited to: (a) Direct loans or grants to qualifying businesses for fixed assets or working capital or both, (b) loan guarantees for qualifying businesses, (c) grants for public works improvements which are essential to the location or expansion of, or the provision of new services by, a qualifying business, (d) grants or loans to qualifying businesses for job training, (e) the purchase of real estate, options for such purchases, and the renewal or extension of such options, (f) grants or loans to qualifying businesses to provide relocation incentives for new residents, (g) the

issuance of bonds as provided for in the Local Option Municipal Economic Development Act, and (h) payments for salaries and support of city staff to implement the economic development program or develop an affordable housing action plan, including any such plan required under section 19-5505, or payments for the contracting of such program implementation or plan development to an outside entity.

4) The provision of technical assistance to businesses such as: preparation of financial packages; surveys; engineering or infrastructure studies; legal costs; architectural services; relocation costs; startup expenses; feasibility studies; or any other similar or necessary assistance.

5) The authority to issue bonds pursuant to the Act and/or as provided by any other applicable statutes or laws.

6) Grants, assistance, or agreements for job training.

7) Payments for: salaries, support staff costs, or contracting with an outside entity for Economic Development management and direction.

8) Commercial/industrial recruitment and promotional activities.

9) Grants or loans for the construction or rehabilitation for sale or lease of housing or commercial buildings as part of a Workforce Housing Plan, as provided for below. A.) Development of housing related programs to foster population growth B.) Demolition of buildings to assist with the future development of commercial, industrial, and residential investment.

10) Purchase of real estate, real estate options and the renewal or extension of such options.

11) Direct loans or grants for any typical business expenses including but not limited to: fixed assets, fees, studies, working capital, required infrastructure or utility connections.

12) Tourism related activities.

13) Local or Regional recruitment activities.

14) The Plan includes but is not limited to workforce housing. The program also involves the making of grants or loans for the construction or rehabilitation for sale or lease of housing as part of the workforce housing plan including an assessment of current housing stock in the city, including both single-family and market rate multi-family housing. An assessment of City of Kimball housing stock is identified in Section V.

15) The Plan also includes purchase, construction, or rehabilitation for sale or lease of housing for persons of low or moderate income under Neb. Rev. Stat. §18-2710.01. The City assesses that the following factors and conditions are faced by existing businesses in recruiting new employees: _____. In addition, the City assesses that the following particularly relevant factors and conditions are faced by persons seeking new or rehabilitated housing in the city: _____ See §18-2710.02

This includes income levels of person who will qualify for participation in the program as follows: _____ It also includes the following criteria for determining the adjustments to be made to the income of persons to determine their qualification for participation. The following criteria shall apply: _____ The city shall determine standards for the Economic Development Program by basing such standards upon existing federal government guidelines or standards for qualifying for any federal housing assistance program as such levels may be modified by the consideration of existing local and regional economic conditions and income levels.

The City will consider the following factors:

a. The amount of income of the person which is available for housing needs
b. Size of the family to reside in each housing unit
c. The cost and condition of housing available in the city
d. Whether the person or any member of the person's family who will be residing in the housing his unit is elderly, infirm or disabled
e. 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
f. Such other factors as the city determines which are particularly relevant to the conditions facing persons seeking new or rehabilitated housing in the city. These factors may include but are not limited to the following: _____ See §18 – 2710.01

16) Because the proposed Economic Development Program involves the purchase of or option to purchase land, the City herein identifies that tracts of land will be identified for purchase or option to purchase in the following manner:_____. The city proposes to use proceeds from the future sale of such land for additional land purchases.

17) Any other Project or Program allowed by the Nebraska Economic Development Program per Neb. Rev. Stat. §18-2701 et. seq.

Section V. DESCRIPTION OF ELIGIBLE APPLICANTS:

A.) A qualifying business shall mean any corporation, partnership, limited liability company, sole proprietorship, or organization that derives its principal source of income from any of the following:

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 intra or interstate commerce

4) The sale of services in intra or interstate commerce

5) Headquarter facilities relating to eligible activities as listed in this section

6) Telecommunication activities

7) Tourism related activities

8) Retail Trade and Services, provided that no more than 50% of total sales tax option funds generated during life of program be utilized for such businesses

9) Construction and rehabilitation of housing pursuant to a Workforce Housing Plan, as provided for in section V.E.

10) Film Production (to include feature, independent, documentaries, commercials & television programs

11) Any individual that derives its principal source of income from the demolition, construction, or rehabilitation of housing

B.) 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 the application for participation in "The Program", the business shall be a qualifying business only if, in each such Nebraska city, it maintains employment in that city over a twelve month period preceding participation.

C.) A qualifying business must be located within the zoning jurisdiction of the City of Kimball unless the City Council grants a variance for special circumstances.

D.) Any other business deemed a qualifying business through future action of the Legislature, Nebraska Department of Economic Development officials, or the Economic Development Committee as presented to and approved by City Council.

E.) “Loan Forgiveness Program”. Provide loan forgiveness of 15% for loans that are current with payments, have met their payment schedule commitment, and their FTE requirement from original business plan.

F.) “Workforce Housing Plan” means a program to construct or rehabilitate single family housing or market rate multi-family housing which is designed to address a housing shortage that impairs the ability of the City to attract new businesses or impairs the ability of existing businesses to recruit new employees. In connection with the Workforce Housing Plan:

1) The City has participated in a Multi-County Regional Housing Study (the “Housing Study”) conducted by Hanna Keelan Associates, P.C. for Western Nebraska Economic Development Interlocal Group. The Housing Study covered Scotts Bluff, Morrill and Kimball Counties, and communities within those Counties, to include the City. The Housing Study found that the current housing stock in the City, including both single-family and market rate multi-family housing, was deficient in numbers and quality, and that the City has a housing shortage.

2) The Workforce Housing Plan is intended to include all single-family housing and market rate multi-family housing. No special provisions for housing for persons of low or moderate income are provided for.

3) Due to the lack of available housing within the City and Kimball County, existing businesses have difficulty in recruiting new employees; and

4) Construction costs and the cost of providing infrastructure for housing (to include streets and utilities) are adversely impacting the ability to find housing for persons seeking new or rehabilitated housing in the City

Section VI. REVOLVING LOAN FUND—PURPOSE AND ADMINISTRATION

A.) Purpose: Kimball should maintain a revolving loan fund for business and economic development. This fund provides loans, loan guarantees, real estate acquisitions and/or real estate options for future development, speculative buildings, and investments to private businesses. This process should target the assistance of the financing of:

1. Expansion and improvement of existing local businesses

2. Attraction of relocating businesses that add to the labor pool; or increase total city valuation; or increase the existing sales tax base; are named target industries; or are matched to the features of the community; or provide a synergetic cluster to existing businesses.

3. Startup of new businesses.

B) Administration: The revolving loan fund requires specific administrative procedures to ensure that applications receive an objective underwriting review; remain confidential and outside the political process; and are administered in a way that is consistent with sound banking procedures. The authorizing statute also requires a "Citizens Advisory Committee" to oversee all activities of the "Program".

1) The City's Director of Economic Development, if any shall administer the revolving loan fund. In the absence of a Director of Economic Development the loan fund shall be administered by the City Administrator.

Section VII. TYPES OF ECONOMIC ACTIVITIES THAT WILL BE ELIGIBLE

A. Definition of Program

Economic Development shall mean any project or program utilizing funds derived from local sources of revenue for the purpose of providing direct or indirect financial assistance to a qualifying business or the payment of related costs and expenses or both, without regard to whether that business is identified at the time the project or program is initiated or is to be determined by specified means at some time in the future.

B. Activities Eligible

The funds allocated to the Program shall be expended primarily for the purpose of providing direct or indirect financial assistance to qualifying businesses or qualifying projects. Activities for the Program may include, but shall not be limited to, the following:

1. Expenses to retain and/or expand a local qualifying business.
2. Direct loans or grants to qualifying businesses for fixed assets or working capital or both.
3. Grants for public works improvements which are essential to the location or expansion of, or the provision of new services by, a qualifying business.
4. Grants or loans for job training.
5. The purchase of real estate, options for such purchases, and the renewal or extension of such options.
6. The authority to issue bonds pursuant to the Act.
7. Contracting with an outside entity to implement the Program.
8. The provisions of technical assistance to businesses, such as marketing assistance, management counseling, preparing financial packages, engineering assistance, etc.
9. Expenses for the conduct of business recruitment activities.

10. The Program shall not be used to build City-owned buildings.
11. Expenses for locating a qualifying business into the area, and
12. Equity investment in a qualifying business.

C) The source for Economic Development funds shall be

(1) The ½% City sales and use tax provided for in a proposition submitted to and Approved by the voters at the General Election on November 3, 2026, and

(2) An annual real estate tax levy of up to four tenths of one percent (0.4%) of the taxable valuation of the City less other funds appropriated from local tax sources for all economic development programs of the City, such limitation being as provided in Section 18-2717, R.R.S. Neb., 2007.

The total amount to be collected is estimated to be $400,000.00 for each fiscal year in which the tax is in place or such greater amount as may be collected up to the statutory limitation of not to exceed four tenths of one percent of the taxable valuation of the City.

***Resolution _____**

Additional Source of Funds: Additional funds from other non-city sources will be sought beyond those derived from local sources of revenue, including without limitation revenues received from the CDA's lease of the Rail Spur to Qualifying Businesses and funds from grants.

The length of time that the Program shall be in existence shall be perpetual or until modified or terminated by the City Council.

Years for Collection of Funds: Collection of funds for the Program (as amended herby) shall continue to be from a sales tax on all taxable sales. The Plan and program shall exist in perpetuity until terminated or modified in accordance with applicable law.

SECTION VIII. DESCRIPTION OF THE TYPES OF BUSINESSES THAT WILL BE ELIGIBLE (LB840)

A. A qualifying business shall be defined under the Act, as amended (Section 18- 2709 of the Nebraska Statutes), including any other business deemed as a qualifying business through future action of the legislature.

B. The purpose of this section is an attempt to ensure a business already doing business in Nebraska doesn't close its operation in one community simply to take advantage of the provisions of this Program. If a qualifying business employs people and carries on business activities in another community in Nebraska, or will do so at any time during the first year following the application for participation in the Program, said business will remain eligible only if employment at all locations is maintained for two years from the date the business begins operations as a participant in the Program.

The levels of employment in the other communities will not be less than the average employment in each location for the twelve months preceding the date participation in the Program began.

C. A qualifying business need not be located within the territorial boundaries of the city from which it is or will be receiving financial assistance. However, a qualifying business located outside the territorial boundaries of the City of Kimball should demonstrate that assistance from the Program to the qualifying business will benefit the economy of the City of Kimball.

SECTION IX. SOURCE OF FUNDING

The Program will be funded by a portion of the City of Kimball Sales Tax. A proposition will be placed on a municipal election ballot which proposes the implementation of a 1/2% City sales tax. One hundred percent (100%) of this 1/2% City Sales Tax would be allocated to the Program if the separate ballot measure concerning the Program also passes.

The ballot question with reference to the 1/2% City Sales Tax will be in addition to the 1% Sales and Use Tax currently being imposed for property tax relief, downtown redevelopment, and tourism. The 1/2% City Sales Tax will have no effect on and is not a part of the 1% Sales Tax currently being imposed.

The Program shall be subject to the restrictions on appropriations (Section 18-2717 of the Nebraska Statutes) set forth in the Act, as amended. The restrictions on the appropriation of funds from local sources of revenue shall not apply to the reappropriation of funds which were appropriated but not expended during the previous fiscal years.

Section X. OPERATION OF THE REVOLVING LOAN FUND

This section will describe details of the operation of the revolving loan fund. The Economic Development Plan projects that 50% of all "Program" funding will be directed toward this fund. The size and special features of this fund, combined with the requirements of Economic Development, requires that its Operation be outlined.

A.) General Guidelines:

The amount of funds available for any single project shall not exceed the amount of funds available under the "Program" during the project term, nor shall it provide for more than fifty percent (50%) of applicant’s total project costs. An applicant must provide for participation through private funding as distinguished from federal, state, or local funding in the minimum amount of ten percent (10%) equity investment. The right is reserved to negotiate the terms

and conditions of the loan with each applicant, which terms and conditions may differ substantially from applicant to applicant. Micro-loan candidates and emergency assistance candidates will be limited to loans under $20,000 (or in accordance with guidelines set by the Economic Development Loan Committee) and the Economic Development Loan Committee may waive the 10% equity clause for good cause.

1. The interest rate shall be fixed and negotiated on an individual basis, usually one-half the rate for the project at a traditional banking source. Rates shall not be less than one-half of prime rate as established by Chase Manhattan Bank of New York on the date of loan approval, nor less than four percent (4%) per annum. The term shall not exceed ten (10) years for loans used for capital assets and five (5) years for loans involving any other asset category. Security for loans will include, but will 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(s).

2. 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 Captured amount will be recommended by the Economic Development Loan Committee (as based on job creation/retention and/or economic impact of the project to the community) and forwarded to City Council for approval. Any performance-based grant, may contain non-reciprocal conditions (claw-backs) as a further guarantee of the performance by the business. Reciprocal conditions (claw-backs) requiring performance standards by the City of Kimball must be approved by City Council regardless whether the loan is performance based, forgivable, or non-forgivable.

3. Grants may be awarded as part of a CDBG project whereby the state requires that the community make an equitable grant injection. These grants must be approved by City Council.

4. 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 approved projects.

5. The Economic Development Director or contracted loan administrator, or in the absence of either a Director or contracted loan administrator then the City Administrator, is responsible for auditing and verifying job creation and retention and determine grant credits toward any loans made. No grant credits are available unless pre-approved in the initial application and project approval process. No grant credits will be made available beyond the level initially approved without a separate and new application and subsequent approval.

6. A selected firm of certified public accountants will audit the Revolving Loan Fund. This process may be held concurrently and by the same firm performing the City of Kimball's annual audit.

7. It is anticipated that the Program can be fully administrated by the Economic Development Director and/or contracted loan administrator, or in the absence thereof the City Administrator. Loan fees and the portion of sales tax revenue directed to staff will generate administration costs for the loan fund and recruitment as outlined in the Plan budget.

B.) Eligible Applicants Priority Standards

The revolving loan fund can provide loans, loan guarantees, or equity investments to any business eligible for assistance under Economic Development. 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. The Economic Development Committee may adjust or enhance these standards according to the need to the community or availability of funds by a vote of each component of the committee.

1. Businesses that create jobs that pay a minimum of $10.00 per hour and provide a benefit package consisting of health coverage, retirement and paid time off.

2. Applications that provide for the expansion or enhancement of existing businesses in Kimball or its immediate surroundings.

3. New business starts

4. Businesses that have an unusual potential for growth

5. Businesses that are relocating from outside Nebraska.

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

7. Business transfers of locally owned businesses provided that they remain in the community

8. Businesses that provide a necessary service

9. Businesses that enhance the community's charm through esthetic improvements or added amenities

C.) Application Requirements:

1. Applicants shall complete an application that may be obtained from the City of Kimball offices, at 223 S. Chestnut, Kimball.

2. Applicants shall accompany their application with a signed letter requesting funding. Additionally, this letter shall outline: the merits of the project; the source of conventional financing secured; or a statement from a conventional lender on why the project is not eligible for conventional financing.

3. Applicant shall submit a completed and signed application together with all the information requested to the same office. The application shall then be reviewed by the Economic Development Director, or in the absence of a Director then the City Administrator, and forwarded to the Economic Development Committee for review. The Loan Committee component will make a decision regarding the project. Applicants may be asked to provide other information or attend the meeting.

4. The Economic Development Director, or in the absence of a Director then the City Administrator, will notify any applicant of the decision of the committee.

D.) Information Required:

The Qualifying business shall provide the following information before their application is forwarded to Economic Development Committee.

1. Completed and signed application (all applicants)

2. Business plan (all applicants)

3. Two years completed and signed individual federal tax returns (all applicants)

4. Current and signed year to date profit and loss statement (for 'existing business' applicants)

5. Recent signed balance sheet (for 'existing business' applicants)

6. Two years completed and signed corporate federal tax returns (for any corporation "S" or "C" existing business applicants)

7. Two years signed and completed partnership federal tax returns (for any partnership existing business applicants)

8. "K-1" recent and signed balance sheet (for all partnerships existing business applicants)

9. Complete partnership agreement (new or existing partnership business applicants)

10. Corporate statement of authority to borrow on behalf of the corporation (all corporate business applicants, new or existing)

11. Two years projected balance sheets (new business or business expansion applicants)

12. Two years projected profit and loss sheets (new businesses or expansions)

13. Source and use of funds (all applicants)

14. Schedule of disbursement (all applicants)

15. Personal financial statement (all applicants and for every member of any corporation, partnership or limited liability companies)

16. Statement of collateral (all applicants)

17. Documentation of ability to provide equity injection

18. Documentation of any felonious charges pending or felony convictions to any of the associated applicants

19. Letter of intent or denial by conventional lender (if applicable)

20. Other information that may be requested that is particular to the project.

C.) Evaluation and Approval of Assistance:

The Economic Development Committee will evaluate each application according to the following conditions:

1. Eligibility under Economic Development "Plan" or associated plan guidelines

2. Soundness and credibility of the business proposal

3. Suitability in reaching "Program" goals

4. Track record, credibility, and credit worthiness of applicant

5. Required ability to leverage private financing

6. Probability that the business assistance will be repaid

7. Other criteria that the loan committee may establish for application review

8. Decision of the Economic Development Loan Committee will be made as a recommendation to the Council; City Council shall have final approval on all loans.

D.) 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 Economic Development 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 Economic Development Loan Committee will negotiate fees and other considerations for guarantees.

3. Equity investments, in which funds are invested as equity, with return on equity occurring as a part of business profit.

Section XI. PROCESS TO INSURE CONFIDENTIALITY OF BUSINESS INFORMATION RECEIVED:

A.) In the process of gathering information about a qualifying business, the City of Kimball may receive information about the business that is confidential and, if released, could cause harm to such business or give unfair advantage to competitors. The City is authorized to maintain the confidentiality of the business records that come into its possession.

B.) To protect businesses applying for assistance and encourage them to make full, frank and complete disclosure of business information relevant to their application, the City will take the following steps to insure confidentiality of the information it receives:

1.) The adherence to existing state statutes that makes such information confidential and punishes the disclosure.

2.) A restriction of the number of people with access to the applicants' business files. The applicant's files will be maintained in the office of the Economic Development Director, or if none then the office of the City Administrator, who shall be primarily responsible for their safekeeping and any distribution of information contained therein.

3.) Require any persons involved in the program review, including the Economic Development Director, City Administrator, secretarial staff, Economic Development Committee members, City Council, members of FKI or the Chamber or any other private economic development organization; to sign statements of confidentiality regarding all personal and private submissions by any business.

Section XII. PROCESS TO ASSURE LAWS, REGULATIONS, AND REQUIREMENTS MET BY THE CITY AND QUALIFYING BUSINESS:

The City will assure that the "Program" follows all applicable laws, regulations and requirements and furthermore ascertain that qualifying businesses are indeed qualified and that if they are to receive assistance, confirmation made that the businesses are bona fide.

The "Citizens Advisory Committee" will review the program as follows:

1.) Review the functioning and process of the "Program" at regular meetings as set forth by ordinance and to advise the City Council with regard to the "Program."

2.) Report to the City Council on its findings and suggestions at public hearing called for that purpose at least once in every six-month period after the effective date of the ordinance.

3.) All members of the "Citizens Advisory Committee" shall have equal voting rights in regard to setting policies, goals, reviewing target industries, authorizing generalized projects not related to one specific business, and evaluating "Program" success.

4.) Members that have material conflicts of interest regarding any project should declare so at the beginning of any affected discussion.

5.) All rules regarding the Open Meetings Act shall prevail.

Section XIII. ADMINISTRATION SYSTEM FOR ECONOMIC DEVELOPMENT PROGRAM

A.) The Economic Development Director shall serve as the Administrator of the Economic Development Program. The Economic Development Director shall report directly to the City Administrator. The Economic Development Director is an employee of the City and as such, is subject to all rules and regulations of the City. In the absence of an Economic Development Director, the City Administrator shall serve as the Economic Development Director, or may appoint an interim director, or the City Council may contract the services with a qualified third party.

B.) The Economic Development Director shall be responsible for (1) generally administering the Economic Development Program, (2) monitoring any and all reports required of businesses, and (3) serving as an ex-officio, but non-voting, member of the Application Review Committee and the Citizen Advisory Committee.

C.) The “Application Review Committee” shall be composed of 5 members to be appointed by the Mayor, subject to the approval of the City Council. All members of this Committee shall be residents of the City. Terms shall be for four years, except that initial terms shall be established on a staggered basis year by year to provide continuity on the committee. It is preferred that at least one member has experience in banking or lending and one member shall have accounting experience. The Application Review Committee shall review all applications for assistance from the Economic Development Program and make recommendations to the Economic Development Director.

D.) The “Citizen Advisory Committee” shall consist of not less than 5 or more than 9 registered voters of the City who shall be appointed by the Mayor subject to the approval of the City Council. Terms shall be for four years, except that initial terms shall be established on a staggered basis year by year to provide continuity on the committee. At least one member of this Committee shall have expertise or experience in business finance or accounting. Except for ex-officio members, no member shall be an elected or appointed City official, an employee of the City, a participant in a decision-making position regarding expenditures of the Program

funds, an official or employee of any Funded Business under the Program, or an official or employee of any financial institution participating directly in the Program.

Section XIV. PURCHASE OF REAL ESTATE OR OPTION TO PURCHASE:

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

1.) Be properly zoned or able to be properly zoned, as outlined by the City of Kimball's Planning and Zoning document and Master Plan.

2.) Contain no excessive easement(s), covenants, or other encumbrances.

3.) Planned use should be cohesive with surrounding property owners.

4.) Should be located within City of Kimball boundaries, zoning jurisdiction zone, or eligible for annexation. Properties not within these parameters shall be purchased with the intent to ultimately transfer within a reasonable time to a private party or other governmental entity.

5.) Any proceeds from the future sale of such land, (either improved or unimproved,) would be returned to the City's Economic Development Fund for reuse on other activities eligible in the "Plan". Any proceeds could also be allowed for additional land purchases, as outlined by the "Plan".

Section XV. INVESTMENT OF ECONOMIC DEVELOPMENT FUNDS:

All funds received for the "Program" shall be retained in established City of Kimball Economic Development accounts. State reuse funds shall be delineated, or they may be otherwise accounted so that they can be utilized first in any qualifying assistance projects.

Other guidelines are as follows:

1.) All funds derived from local fund sources of revenue for the "Program"; any earnings from the investment of such funds; any loan or interest payments; any proceeds from the sale of assets purchased by the "Program"; or any other money received and designated for the "Program"; shall be deposited into the established Economic Development Fund Accounts.

2.) No money in the Economic Development Funds shall be deposited in the General Fund of the City of Kimball except as provided by statute. Warranted and specific transfer for administrative reasons such as salary reimbursement to the payroll fund or benefit reimbursement for the benefit funds, or other such similar transfers or deposits shall be allowed.

3.) The City shall not transfer or remove funds from the Economic Development Fund other than for purposes provided by the Act, outlined in the Economic Development Plan, or otherwise allowed by law.

4.) The money from the Economic Development Fund shall not be commingled with any other City funds.

5.) Any money in the Economic Development Fund not currently required or committed for "Program" projects shall be invested as provided in Section 77-2341 R.R. S. Nebraska.

6.) In the event that the Economic Development Program is terminated, any funds remaining will be transferred as provided by statute to the General Fund of the City and will be used on an installment basis to reduce the property tax levy of the City as provided by the Act.

7.) If there is a conflict between the Plan" and the Act or any other state statutes, then the applicable statute will prevail.

Section XVI. DISCLAIMERS

If any part, portion, section or statement of this Economic Development Plan be deemed unlawful, unconstitutional, non-useful or rendered ineffective for any reason including but not limited to: changing legislation, errors or omissions of required verbiage or text, then only that portion will be affected and the rest of the document will continue to prevail.

The Economic Development Program should remain flexible to changing trends, laws/regulations and effectiveness. Small and non-substantive changes may be recommended by majority vote of both the Loan Committee and the Citizen's Advisory Committee and then presented to City Council for approval without jeopardizing the integrity or validity of the program or requiring a special election to approve.

The Economic Development Program does not guarantee that all Economic Development goals will be achieved. However, the driving objective of the "Program" is to: continue to remain competitive; provide funding resources for new and existing businesses; remain viable and eligible to receive state or federal grant funds; maintain staffing to serve as a point of contact and resource; and establish the foundation for a diversified and stable business climate and workforce.

Section XV. Amended Effective Date

The Amended Economic Development Plan is effective as of the passage date of the Ordinance No. _____.