

RESOLUTION 02-19

WHEREAS, the County Hitchcock, Nebraska, is a duly organized county, existing pursuant to the law of the State of Nebraska; and

WHEREAS, the governing body of said county desires to develop a plan for future economic development within said county; and

WHEREAS, the County Board did set a public hearing for the purpose of receiving public comment regarding establishing an economic development program for said county; and

WHEREAS, notice of said public hearing was published one time in the *McCook Daily Gazette* on September 6, 2002; and

WHEREAS, the governing body of said county did hold said public hearing on September 16, 2002; and

WHEREAS, following said public hearing, the governing body determined that a regional development plan for the use of community development block grant income within Hitchcock County is appropriate and necessary.

NOW THEREFORE, BE IT RESOLVED that Hitchcock County implement the following economic development plan:

HITCHCOCK COUNTY, NEBRASKA REGIONAL DEVELOPMENT PLAN FOR USE OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME

PURPOSE

The purpose of this regional plan is to establish policies, application forms, approval procedures, and administrative support for the proper use of, in accordance with federal and state requirements, program income (including repayments of prior and subsequent economic development loans) from previously and subsequently funded Community Development Block Grants (hereinafter "*CDBG*").

FUNDING

The initial funds for the Hitchcock County Regional Economic Development loan fund will be provided by *CDBG* funds received by Hitchcock County. If future *CDBG* funds for economic development are received by Hitchcock County, or any other participating governmental entity, the repayment of these loans will be added to the revolving loan fund.

INTERGOVERNMENTAL AGREEMENTS

Hitchcock County is the original participating governmental entity in this regional plan. In order to effectuate the goals and objectives of this plan, it is intended that any other governmental entity within Hitchcock County may join this plan and become a "participating governmental entity" for purposes hereof. In order to facilitate this joint effort and regional plan, any such governmental entity desiring to participate in this plan shall first enter into an interlocal governmental agreement with all other then participating governmental entities.

GOALS AND OBJECTIVES OF THE PLAN

1. To provide gap financing for start-up and existing businesses that may not be able to obtain conventional financing or to attract new businesses to Hitchcock County (applications may be considered that are out side the county that may prove beneficial for Hitchcock County on a case by case bases).
2. To create and retain jobs primarily for low-moderate income persons.
3. To diversify the regional economy by assisting businesses which are not presently in the region.
4. To encourage the redevelopment of vacant or blighted buildings and land.
5. To promote entrepreneurship and new business development.
6. To minimize "leakage" of dollars which leave the region.
7. To assist businesses with job training costs for new employees or to upgrade skills of exiting employees.
8. To provide businesses with technical assistance and financial guidance.

ELIGIBLE BUSINESSES/ACTIVITIES

Eligible Businesses must be located within Hitchcock County or locations otherwise designated as beneficial to Hitchcock County. This region, under the direction of the Administrative Board, and upon the approval of this plan or as it is amended from time to time, shall consider applications for loans and grants that will create or retain jobs at least 51 percent of which will benefit low-moderate income persons, as determined by the latest income figures available. The object of this plan is to support businesses which maintain and/or expand the area's economic base or provide support for the local economy.

Eligible businesses include but are not limited to:

Storage, warehousing, distribution, or sale of tangible personal property; retail trade businesses; the conducting of research, development or testing for scientific, agricultural, animal husbandry, food products or industrial purposes; the performance of data processing, telecommunication, insurance, or financial services; the assembly, fabrication, manufacture, or processing of tangible personal property; the administrative management of any activities, including headquarter facilities relating to such activities; or any combination of the above activities, which include value added enterprises.

All applicants of approved projects shall provide adequate assurance that the project will be started, completed and the loan repaid. Security for loans may include, but will not be limited to, tangible real and personal property, and supported by personal and/or corporate guarantees, as appropriate. Collateral will be taken on all loans.

It is not the intent of the overall program to help support minimum wage positions. It is the State of Nebraska Department of Economic Development's intent with this program to increase wages and benefit the lower middle-income individuals. Therefore, a minimum of \$8.25 an hour is required to be paid as the starting wage for position in order to qualify for the funds in the reuse program.

ADMINISTRATIVE BOARD

This regional plan shall be administered by a Board made up of five members consisting of the following: one representative from Hitchcock County Board of Commissioners, one lay member from each of the three Hitchcock County Commissioner voting districts, one lay member having a financial background (i.e. banking, finance, accounting). Said board shall be enlarged to include one representative from the governing body of each governmental entity choosing to participate in this regional plan. The Administrative Board shall elect a Chairperson and he or she shall be authorized by the Administrative Board to sign all official documents on behalf of the Administrative Board.

ADMINISTRATION OF THE PLAN

Approval of this plan authorizes the Chairperson of the Administrative Board to execute an agreement for qualified services with a *CDBG* certified grant administrator to serve as the Program Administrator and charges for such services shall be set forth in said agreement. Loan closings, project monitoring, and filing of any reports or applications required by the Department of Economic Development is the responsibility of the Program Administrator.

The Program Administrator shall draft and provide all forms to make an application for funds provided for by this plan. No application shall be accepted that is determined to be incomplete or unsigned by the applicant. An application shall not be considered complete if any of the required attachments are missing or incomplete. An incomplete application will be returned to the applicant without further consideration. Such application, when complete, may be resubmitted for consideration.

All applications shall be submitted to the Application Review Committee, c/o Hitchcock County Clerk, PO Box 248, Trenton, NE 69044-0248, for the Program Administrator. The applications will be considered in the order in which they are received. However, applications may be approved without consideration of the order in which they were received, and funds shall be allocated as to the order and amount of their approval.

Eligible activities, for which loan funds may be used, may include:

1. Purchase of land and buildings.
2. Construction or renovation real estate, either leased or owned.
3. Machinery and equipment purchases both new or used.
4. Working capital, inventory.
5. Loan guarantees.
6. Public works development grants.
7. Technical assistance / Job training (as a part of a larger project).

**Grants funds may be used for 1, 2, 6 and 7.

Eligible activities, for which direct use of funds may be used, shall be limited to the cost of administration of the program, including fund management (compliance cost for approved projects), assistance to prospective applicants and explanation of the program to potential applicants.

INELIGIBLE BUSINESSES/ACTIVITIES

Ineligible businesses are any business that derives revenues from gaming or solicitation of gaming activities or more than 25 percent from the sale of alcohol and/or tobacco; production agriculture, generally including crop and livestock production; and petroleum production.

TYPES OF ASSISTANCE

Direct loans, deferred loans, performance-based loans, loan guarantees, preferred stock purchases, real estate purchase, construction or commercial/business renovation, grants for job training, and technical assistance/finance guidance. Any job training or technical/financial assistance must be as part of a larger project.

GUIDELINES FOR ASSISTANCE

The maximum amount available for a project is an amount not to exceed 50% of the total project cost and not to exceed \$35,000 per full time position created.

The maximum amount available for grants for job training and/or technical assistance/financial guidance is \$10,000.00, but not to exceed 20% of the total project cost.

The amount of owner equity in the business generally required for a project is 10-20% for a start up business (less than 2 years) and 10% for an existing business. Minimum owner equity requirements will be decided on a case-by-base basis.

The interest rate (generally one-half of the primary lender's rate, and this rate shall serve as a guide) and loan terms will be decided for each application by the Administrative Board. The loan terms may not exceed the useful life of the assets financed.

All applications, when complete, will be submitted to the Application Review Committee, comprised of three persons from the Administrative Board and appointed by the Chairman of the Administrative Board, for review.

The Application Review Committee will meet with the applicant, review all information, obtain any further necessary information, and make a recommendation to the Administrative Board for final approval.

The Administrative Board shall make the final decision to approve or reject the application. Approval shall be made by resolution. The resolution shall authorize the Chairman to enter into an agreement with the applicant under the terms of the approved application. Such agreement shall include the start and completion dates for the project and include remedies for nonperformance.

APPLICATION PROCESS

1. Application forms may be obtained from the Hitchcock County Clerk.
2. The Application Review Committee will meet within 7-10 working days after the receipt of the application.
3. The Administrative Board will meet within 7 working days after the loan application has been reviewed to approve or reject the loan application.
4. The loan documents will be prepared within 7-10 working days after the Administrative Board has approved the loan and the loan papers will be given to the business for approval.
5. The Administrative Board will immediately submit a request to the Hitchcock County Board of Commissioners for the funds necessary for the loan.
6. The business and the chairperson of the Administrative Board will sign the loan documents within 7 working days after the Hitchcock County Board of Commissioners has approved the funds for the loan.
7. The loan will be funded.
8. All administrative and third party fees in the preparation of loan documentation will be applied to the applicant's loan.

COMPLIANCE WITH FEDERAL, STATE AND LOCAL REQUIREMENTS
Both the Administrative Board and the applicants will comply with any and all federal, state, and local laws and regulations currently in place or newly adopted.

The Administrative Board will provide a biannual report to the Nebraska Department of Economic Development, as well as any other DED required forms.

PROGRAM FUND AND REPAYMENTS

A fund to be known as the "Hitchcock County Regional Economic Development Fund" is hereby created as part of this plan. Such fund shall be held separate from all other County funds. The Program Administrator shall deposit all repayments from economic development loans approved prior to and after the adoption of this plan and other program income into this fund. This separate

account will provide interest that will accrue to benefit the plan. The Administrative Board may also invest funds from the fund in secured instruments, as provided by law, that can be converted and be readily used for approved applications. Yearly audits of the Hitchcock County Regional Economic Development Loan Fund shall be made and copies provided to each participating governmental entity. All parties with fiduciary responsibility with the Hitchcock County Regional Economic Development Loan Fund may be bonded in an amount set by the Administrative Board. The cost of said bonds shall be paid from the Hitchcock County Regional Economic Development Loan Fund.


PLAN AMENDMENTS

The Administrative Board may consider amendments to this plan at any time, provided that prior to making any changes to this plan, the Application Review Board, the Program Administrator and any other persons as may be designated by the Administrative Board shall consider any proposed changes and make recommendations to the Administrative Board for their consideration. A public hearing shall be held on all changes. Changes shall be adopted by resolution of the Administrative Board.

ADOPTION OF THE PLAN

The participating governmental entities, after providing notice as required by law, may adopt this plan. Such adoption shall be by resolution. A copy of the adopted resolution shall be made a part of this plan.

Passed and approved this 7th day of October, 2002


Richard P. Hampton, Chairman

ATTEST:


Margaret M. Pollmann, Hitchcock Co. Clerk

