

Amended: October 12, 2016

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CITY OF AINSWORTH
ECONOMIC DEVELOPMENT PLAN
FOR USE OF:
COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM INCOME

Amended: October 12, 2016

I. TYPE OF PLAN

This reuse plan is a city plan for projects located within the jurisdictional boundaries of the City of Ainsworth, Nebraska

II. LOCAL AND NATIONAL GOALS AND OBJECTIVES OF THE PLAN

The objectives of this reuse plan are:

- A. To provide financing for start-up and existing for-profit businesses that cannot obtain sufficient conventional financing for the proposed project, or to attract new business to the community region.
- B. To conduct activities that primarily benefit LMI persons.

III. ELEMENTS OF THE PLAN

A. ELIGIBLE BUSINESSES

Types of businesses that are eligible to apply for funds through this reuse plan includes, but is not limited to: industrial, manufacturing, food processing, agricultural processing, commercial, service, telecommunications, transportation, retail and tourism.

No business which derives more than 25% of its revenue from liquor sales will be eligible for funding through this plan.

B. ELIGIBLE ACTIVITIES

Types of activities which are eligible for funding through this plan include, but are not limited to: acquisition of real estate, land and buildings, fixed assets, machinery and equipment, renovations, remodeling, site preparation, working capital, public infrastructure, streets, roads, water wells, storage and distribution systems, storm sewers, sanitary sewers, treatment systems, and job training costs.

C. TYPES OF ASSISTANCE

The available funds may be used by eligible businesses and activities through 0% loans that are forgivable over a number of years provided they meet the national objectives for the eligible activity.

D. GUIDELINES

- ◆ **National Objective** – Depending upon the type of National Objective used for the project, the project is eligible for either \$350 per LMI of the service area population or \$35,000 per job created or retained.

- ◆ **Funding Amounts** – The minimum loan amount that the Application Review Committee will consider is \$5,000.00. The maximum amount that a project is eligible for depends upon the National Objective to be met, not to exceed 50% of the total project. The applicant must provide 10% of the equity for the project; which may be waived subject to Ainsworth City Council approval.
- ◆ **Interest Rate** - The interest rate for all loans will be zero percent (0)%
- ◆ **Terms** - The terms shall be limited to the following time periods;
 - For working capital – up to 2 years
 - For machinery and equipment - up to 5 years
 - For land and buildings – up to 10 years
- ◆ **Application Fees** - All applicants must pay a \$100 application fee to be used for the administrative costs associated with reviewing and processing the application. This fee is non-refundable. No portion of the fee will be returned, even if project funding is not approved.
- ◆ **Administration Costs** – Up to 5% of Program income may be used for administrative expenses including, but not limited to: plan administration, environmental reviews, required reporting.

IV. ADMINISTRATION OF THE PLAN

A. FUNDING

1. APPLICATION PROCESS

All applicants shall submit a business loan application. In addition to the completed business loan application form, the applicant shall submit the following information:

- Current business plan
- Historical data for the business
- Historical financial information for past 3 years
- Financial projections indicating source and use of all project funds
- Copies of all bids and quotes
- Active SAM Registration
- Active DUNS Number

The Application Review Committee reserves the right to request additional information.

2. APPLICATION REVIEW COMMITTEE

The Application Review Committee shall initially consist of five (5) members, three (3) to be appointed by the City of Ainsworth and two (2) members from the Loan Committee established by the Economic Development Program, to be appointed by the Mayor of Ainsworth. All members must be approved by the City Council. At least two (2) members of the Committee shall be persons with financial background and knowledge.

Committee members shall serve a term of three (3) years; however, two (2) of the initial members appointed by the City of Ainsworth shall be for a two-year term. The terms for any additional members thereafter shall be for three years.

All members of the Committee shall be residents of Brown County, Nebraska. Any Committee member may be removed at any time by the entity appointing such member.

The Application Review Committee shall meet annually on the 3rd Monday of January of each year; and, shall hold quarterly meetings unless there is no application for a loan pending at such time. The Review Committee shall elect a chairman; and, the chairman or any two members of the Committee may call a special meeting at any time.

3. FINAL DETERMINATION OF FUNDING

The Application Review Committee shall review all applications and make recommendations to the Ainsworth City Council, who will make the final determination as to approval or denial of funding.

B. LOAN CLOSING AND PROJECT MONITORING CONSIDERATIONS

Upon approval of the loan, all legal documents and security instruments will be prepared by the Certified Plan Administrator, subject to review by the City Attorney.

The Application Review Committee will determine how funds are to be disbursed based upon type of project, amount to be loaned, etc.

The Certified Plan Administrator, who shall be appointed by the Ainsworth City Council, shall be responsible for monitoring the funded project to ensure all job creation and retention requirements are being met. The Plan Administrator shall also be responsible to ensure that all Federal and State requirements for Community Development Block Grants are being met.

C. AMENDING THE PLAN

This reuse plan can be amended upon a recommendation of proposed amendments by a majority of the Application Review Committee to the Ainsworth City Council. The Ainsworth City Council shall hold a public hearing on the proposed amendments before adopting the amendments to this plan.

The plan amendment will not be deemed final until the amended plan is submitted to the Nebraska Department of Economic Development and written approval has been received from the State.

V. REPORTING TO DED

The Plan Administrator shall submit Semi-Annual Program Income Reports to the Department of Economic Development by January 15 and July 15 of each year.

Adopted this 12th day of October, 2016

Attest:

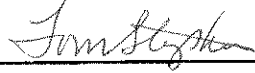
City of Ainsworth



City Clerk



Mayor



Approved by State of Nebraska

Tom Stephens

HCD

State of Nebraska

Financial Package

Date

10-17-16

