

EXHIBIT "A"



CITY OF BEATRICE, NEBRASKA

**ECONOMIC DEVELOPMENT PROGRAM
(LB840)**

**Effective
(as Amended and Restated)
April 1, 2023 – March 31, 2029**

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**ECONOMIC DEVELOPMENT PROGRAM
CITY OF BEATRICE, NEBRASKA
Effective April 1, 2023 – March 31, 2029**

In order for Beatrice to grow and prosper, we need to create jobs, generate employment opportunities, attract new capital investments, broaden the tax base, and provide economic diversification to insure economic stability and viability.

NEED AND PURPOSE

An Economic Development Program is a tool that encourages and stimulates the growth of quality jobs, attracts permanent investment, broadens the tax base, and diversifies the economic base that will lead to new opportunities for the citizens of Beatrice and the surrounding area.

Beatrice’s best chance for long term growth and prosperity is to increase the employment opportunities and increase the diversification of the economic base. The overall goal of the Economic Development Program is to decrease the unemployment rate and increase the per capita and median household incomes throughout Beatrice and Gage County.

**SECTION I.
GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY**

In 1992, 2002, and 2012, the voters of the City of Beatrice approved an Economic Development Plan (“Plan”) pursuant to the Local Option Municipal Economic Development Act, (“Act”) Neb. Rev. Statutes 18-2701, et seq.

The Nebraska Legislature, in the Act, made the following legislative findings: (1) there is a high degree of competition among states and municipalities in our nation in their effort to provide incentives for businesses to expand or locate 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 the provision of new services or business location or expansion decisions which are tailored to meet the needs of the local community; (3) the ability of a municipality to encourage the provision of new services or business location and expansion has a direct impact not only upon the economic well-being of the community and its residents but upon the whole State as well; and (4) there is a need to provide Nebraska municipalities with the opportunity of providing assistance to business enterprises in their communities, whether for expansion of existing operations, the creation of new businesses, or the provision of new services, by the use of funds raised by local taxation when the voters and the municipality determine that it is in the best interest of their community to do so.

The City of Beatrice faces tense competition in the recruitment of businesses to the community and in the retention of businesses currently operating within the community. Only by continuing an Economic Development Program can the City of Beatrice contribute to economic development

projects and thereby compete in the recruitment of new businesses to the community and in the retention of existing businesses within the community.

The Economic Development Program forms the foundation for the expenditure of local tax revenues for economic development. The economic development fund will be administered by the Citizens' Advisory Review Committee. The composition of the Citizens' Advisory Review Committee shall be established by Ordinance.

Due to the success of the City's Economic Development Program to date, the City now desires to extend funding of said program. The City has prepared the Economic Development Program for submission, first to the City Council and, upon approval, to the voters of Beatrice. The legislature of the State of Nebraska has made available through the Act an invaluable tool in the recruitment and retention of businesses within the community. The City intends to use these tools to spur further economic development within the City. The City seeks, through the Economic Development Program, to be competitive in economic development. With voter approval, the provisions of the Economic Development Program become a basis of funding economic development and thereby expand job opportunities and the tax base of our community.

The Economic Development Program, with voter approval, will enable the City to fund eligible activities set out herein.

SECTION II.

STATEMENT OF PURPOSE DESCRIBING GENERAL INTENT AND PROPOSED GOALS

The general intent and goal of the Beatrice Economic Development Program is to provide well-paying jobs to the citizens of Beatrice, Nebraska by recruiting new businesses to the community and assisting existing businesses to expand. The success of the Program will be measured by the number of jobs created and retained, the total dollars invested in fixed assets, and the growth in total valuation of the City. Each project will be considered on its own merits, but priority will be given to jobs created and/or retained at or above average wage and benefits for the community.

SECTION III.

TYPES OF ECONOMIC ACTIVITIES THAT WILL BE ELIGIBLE FOR ASSISTANCE

A. Definition of Program

Economic Development Program shall mean any project or program utilizing funds derived from the funds appropriated for the Economic Development Program, which funds will be expended primarily for the purpose of providing direct or indirect financial assistance to a qualifying business, the payment of related costs and expenses, and/or through a revolving loan fund. The purpose of the Economic Development Program is to increase job opportunities and business investment within the community.

B. Eligible Activities

The Economic Development Program may include, but should not be limited to, the following activities:

1. Direct loans or grants to qualifying businesses for fixed assets or working capital or both;
2. Loan guarantees for qualifying business;
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 agreements for job training;
5. Purchase of real estate, options for such purchases, and the renewal or extension of such options;
6. Grants or loans to qualifying businesses to provide relocation incentives for new residents;
7. The issuance of bonds as provided for in the Local Option Municipal Economic Development Act;
8. Payments for salaries and support of City staff or the contracting of an outside entity to implement any part of the Economic Development Program;
9. Grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income;
10. Grants, loans, or funds for rural infrastructure development as defined in the Act;
11. Grants or loans for the construction or rehabilitation for sale or lease of housing as part of a workforce housing plan;
12. Grants, loans, or funds for early childhood infrastructure development;
13. Provisions of technical assistance to businesses, such as preparation of financial packages, survey, engineering, legal, architectural or other similar assistance and payment of relocation or initial location expenses;
14. Expenses related to business recruitment, promotional activities, and related administrative expenses, and could include, but not limited to, such costs as salaries, travel, office expenses, advertising, legal, and related costs.
15. Interest buy down agreements or loan guarantees;
16. Other creative and flexible initiatives to stimulate the economic growth in the Beatrice area including activities which may be funded through the Economic Development Program or General Fund as authorized by Section 13-315 R.R.S.;
17. Commercial/industrial recruitment and promotional activities;
18. Tourism Related Activities;
19. Reduction of real estate property taxes for City of Beatrice to stimulate local economy;
and
20. Any other eligible activity as defined in the Act.

C. Eligible Activities – Future Legislative Amendments

Any other activity deemed an eligible activity through future action of the Legislature shall be incorporated into the Beatrice Economic Development Program.

SECTION IV.
DESCRIPTION OF TYPES OF BUSINESSES THAT WILL BE ELIGIBLE

A. Qualifying Business - Definition

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

1. The manufacturer 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. A business that derives its principal source of income from retail trade, except that no more than forty percent (40%) of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any twelve (12) month period and no more than twenty percent (20%) of the total revenue generated pursuant to the act for an economic development program in any five (5) year period, commencing from the date of municipal approval of an economic development program, shall be used by the city for or devoted to the use of retail trade businesses. For purposes of this subdivision, retail trade means a business which is principally engaged in the sale of goods or commodities to ultimate consumers for their own use or consumption and not for resale;
6. Headquarters facilities relating to eligible activities as listed in this section;
7. Telecommunications activities including services providing advanced telecommunications capability;
8. Tourism-Related Activities;
9. The production of films, including feature, independent, and documentary films, commercials, and television programs;
10. A business that derives its principal source of income from the construction or rehabilitation of housing;
11. A business that derives its principal source of income from early childhood care and education programs;
12. Cities of the first class, second class, and villages, for rural infrastructure development as provided for in the Act; or
13. Any other qualifying business as defined in the Act.

B. Qualifying Business – Location

A qualifying business does not have to be located within the zoning jurisdiction of Beatrice if the City Council determines that there is a clear economic benefit to the City.

C. Eligible to Receive Program Benefits Multiple Times

Eligible qualifying businesses may apply more than once and receive program benefits more than once.

D. Qualifying Business – Activities in More Than One City in Nebraska

If a business which would otherwise be a qualifying business employs people and carries on activities in more than one (1) city in Nebraska, or will do so at any time during the first year following its application for participation in this economic development program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two (2) years following the date on which such business 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 (12) month period preceding participation.

E. Qualifying Business – Future Legislature Amendments

Any other business deemed a qualifying business through future action of the Legislature shall be incorporated to Beatrice Economic Development Program.

**SECTION V.
SOURCE OF FUNDING**

The Economic Development Program may be funded from local sources of revenue, including property taxes, the City’s local option sales tax, any other general tax levied by the city, revenue generated from municipally owned utilities, and/or grants, donations, or state and federal funds received by the City. The City shall not appropriate from these funds for approved Economic Programs, in any year during which such programs are in existence, an amount in excess of four-tenths (4/10) of one percent (1%) of actual valuation of the City of Beatrice in the year in which the funds are collected, and further, will be subject to the limitation that no city of the First Class shall appropriate more than four million dollars (\$4,000,000.00) in any one (1) year. The City of Beatrice shall contribute \$300,000.00 annually to the Economic Development Program from funding collected from local sources of revenue as defined by the Act. In addition, non-City funds may be sought. Additional funds from other non-City sources may be sought beyond those derived from local sources of revenue. The restrictions on the appropriation of funds from local sources of Revenue shall not apply to the re-appropriation of fund which were appropriated but not expended during previous fiscal years.

A. Time Period for Collection of Funds

Annual funding of the Economic Development Program, \$300,000.00 per year, will come from local sources of revenue, as defined in the Act. The funds will be allocated beginning April 1, 2023 and will continue for six (6) years.

B. Ability to Issue Bonds to Carry Economic Development Program

Under this Economic Development Program, the City of Beatrice desires the authority to issue bonds pursuant to the Local Option Municipal Economic Development Act, as amended. Such funds shall be in such principal amounts as the City Council of the City of Beatrice deems necessary to provide funds sufficient to carry out any of the purposes of and powers granted pursuant to this Economic Development Program, including the establishment or increase of reserves and the payment of all other costs or expenses of the City of Beatrice incident to and necessary or convenient to carry out this Economic Development Program.

Any proceeds from the issuance and sale of bonds pursuant to the Act to provide funds to carry out the Program shall be deposited into the economic development fund.

C. Time Period During Which the Economic Development Program Will Be In Existence

This Economic Development Program will be in existence for six (6) years beginning on April 1, 2023 and ending March 31, 2029.

D. Basic Preliminary Proposed Budget

It is anticipated that the proposed annual total budget of Three Hundred Thousand Dollars (\$300,000.00) will be allocated to the Economic Development Fund. Any funds not expended in the revolving loan category will be used to fund the other eligible activities as set out in Section III above. It is important to note that this budget must be developed annually and may be modified from time to time by the City Council. In the field of economic development, it is impossible to anticipate every condition or requirement. The City should maintain the flexibility to respond to specific requirements and opportunities on a short-term basis.

**SECTION VI.
REVOLVING LOAN FUND**

An eligible activity in the Economic Development Program is to provide direct loans or grants through different types of loans and loan packages to new and existing business.

A. Types of Financial Assistance

Loans or grants from the Economic Development Program shall be provided for any eligible activities set forth in this Economic Development Program.

B. Funding Level

The amount of funds available for any single project shall not exceed the amount of funds available under the Economic Development Program during the project term, and shall not provide for more than fifty percent (50%) of total project costs. An applicant must provide participation and evidence of participation through private funding as distinguished from

federal, state, or local funding in the minimum amount of fifty percent (50%) equity investment.

C. Criteria to Determine Level of Assistance

The level of assistance will be determined by an applicant's ability to show (1) eligibility for funding; and (2) that the level of assistance will not unduly enrich the business or be unreasonable in relation to the public benefit to be achieved from the funding.

D. Interest Rate, Term, and Security

The interest rate shall be negotiated on an individual basis. The term shall not exceed fifteen (15) years. Security for loans may include, but will not be limited to, Promissory Notes, a Deed of Trust, UCC filings and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the primary commercial or government lender. 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.

E. Performance Based

If the loan is approved as performance based, a qualifying business may be approved to recapture on a grant basis a portion of the loan amount to be determined by the City Council based upon job creation or retention and economic impact of the project to the community. The criteria and timeline for determining when a qualifying business must meet the goals set for under its participation agreement shall include but not be limited to job creation or retention, total dollars invested in fixed assets, growth in total valuation of the City, and the overall impact of the project on the City.

F. Procedure for Determining Necessity and Appropriateness

The criteria and procedure to determine the necessity and appropriateness of permitting a qualifying business to participate in the loan fund programs, the appropriate level of financial assistance, and for determining the time within which a qualifying business must meet the goals set forth under its participation agreement shall include a review of how the proposed project adheres to the City's strategies and will assist the City in achieving the goals set forth in the Economic Development Program. Additionally, the City shall review and verify the application and required financial data.

G. Loan Repayment Schedule

A loan repayment schedule providing for monthly, quarterly, or annual payments will be approved in conjunction with project approval. Repayments shall be held in a revolving reuse loan fund for future projects as approved.

H. Job Creation and Retention

The City Administrator or his/her designee is responsible for auditing and verifying job creation and retention and determining grant credits toward any loans made. No grant credits are available unless pre-approved in the initial application and project approval and no grant credits are available beyond the level initially approved.

I. Loan Fund Administration

The City Administrator or his/her designee shall administer the loan fund program in accordance with the Act. The City of Beatrice does not at this time expect that any personnel or other assistance beyond regular City of Beatrice employees will be needed to assist in the administration of the loan fund. If assistance beyond regular city employees is needed in the administration of the loan fund program, then the additional assistance shall be paid from the Economic Development Program Fund upon approval by the City Council.

J. Auditing Loan Fund

The Revolving Loan Fund and its portfolio of loan funds will be audited annually by a selected firm of certified public accountants. The audits will be funded by the Economic Development Fund. The results of such audits shall be filed with the City Clerk and made available for public review during normal business hours.

K. City Administrator Responsibilities

1. The City Administrator or his/her designee will be responsible for the financing and auditing portions of the plan.
2. The City Administrator or his/her designee shall on a monthly basis provide an account of the following to the City Council:
 - a. The status of each outstanding loan;
 - b. Program income, which includes payments of principal and interest on loans made from the loan fund and the interest earned thereon; and
 - c. Current investments of unexpended funds.
3. The monthly reports to the City Council shall include the following information::
 - a. The name of the Borrower;
 - b. The purpose of the loan;
 - c. The date the loan was made;
 - d. The amount of the loan;
 - e. The basic terms of the loan, including interest rate, maturity date, and frequency of payments; and
 - f. The payments made to date and the current balance due.

4. The City Administrator or his/her designee shall monitor the status of each loan and, with the cooperation of the City Council and the primary lender or lenders, take appropriate action when a loan becomes delinquent.

L. Determinations of Delinquency & Collection of Delinquent Loans

1. The City Council shall determine standards for the determination of loan delinquency, when a loan shall be declared to be in default, and what action shall be taken to deal with the default on a case-by-case basis and shall include such standards in each individual agreement.
2. City Administrator shall determine delinquency/default and shall bring this to the attention of the City Council to determine whether and how to proceed to collect the delinquent loans which may include, but is not limited to consultation, agreement, and joint action between the City and the primary lender or lenders in pursuing appropriate remedies following the default of a qualifying business in order to collect amounts owed under the loan.

SECTION VII.

APPLICATION PROCESS FOR FINANCIAL ASSISTANCE TO BUSINESSES

A. Application Process and Selection of Participants:

Businesses seeking assistance will be required to:

1. Complete an application which may be obtained from the City of Beatrice.
2. Submit appropriate documentation evidencing its negotiations with one (1) or more primary lenders and the terms upon which it has received or will perceived the portion of the total financing for its activities which will not be provided by the City.
3. Submit the completed application together with all the information as set out below to the City of Beatrice.
4. At the time of submitting their application, a qualifying business shall certify the following to the City:
 - a. Whether the qualifying business has filed or intends to file an application to receive tax incentives under the Nebraska Advantage Act or the ImagiNE Nebraska Act for the same project for which the qualifying business is seeking financial assistance under the Act;
 - b. Whether such application includes or will include, as one (1) of the tax incentives, a refund of the city's local option sales tax revenue; and

- c. Whether such application has been approved under the Nebraska Advantage Act or the ImagiNE Nebraska Act.
5. The City May consider the information provided under this section in determining whether to provide financial assistance to the qualifying business under the Act.
6. The City Administrator or his/her designee shall make a preliminary determination as to whether (a) the Applicant is eligible; (b) the proposed activities are eligible; (c) the Applicant has any legal actions pending; and (d) all required information has been received. The City Administrator or his/her designee shall verify the information provide by reviewing available public records and contacting financial institutions or other parties that can substantiate the information.
7. The Citizen’s Advisory Review Committee shall review the application, provide guidance concerning any loan or loan package negotiations, make a recommendation that (a) the application be approved, (b) the application be disapproved, or (c) the Citizens’ Advisory Review Committee is unable to make a recommendation due to a lack of information.
8. Following review by the Citizens’ Advisory Review Committee, an overview of the proposed application for assistance and the recommendation by the Citizens’ Advisory Review Committee shall be forwarded to the Mayor and City Council. The overview shall contain sufficient information in order for the elected officials to make an informed decision yet maintain confidentiality of information that, if released, could cause harm to such business or given unfair advantage to competitors. The City Council shall approve or deny the application.
9. The City Administrator or his/her designee, will notify any applicant whose application is not approved. Such applicant may request in writing that the application, with the recommendation not to approve, be forwarded to the City Council for re-consideration.

B. Application Review:

The Citizen’s Advisory Review Committee shall evaluate each application according to the following criteria:

1. Eligibility under the Beatrice Economic Development Program
2. Soundness and creditability of the business proposal
3. The business fits one (1) of the priority categories for assistance as established by the Citizen’s Advisory Review Committee;
4. Track record, credibility, and credit worthiness of applicant;
5. Ability to leverage significant private financing;
6. Favorable probability the funds will be repaid by the business; and
Other criteria the Citizen’s Advisory Review Committee may establish for evaluating applications for direct financial assistance.

C. Information Required:

The qualifying businesses shall provide the following information before any application is considered by the Citizens' Advisory Review Committee:

Sole Proprietorship:

1. Submit a Beatrice Economic Development Loan Fund Application.
2. Business Plan that includes employment and financial projections, financing requirements for the project and total projected costs
3. Two (2) years complete Individual Federal Tax Returns (signed)
4. Current Year to Date Profit and Loss Statement
5. Recent Balance Sheet
6. Other information as requested

"S" Corporation:

1. Submit a Beatrice Economic Development Loan Fund Application
2. Business Plan that includes employment and financial projections, financing requirements for the project and total projected costs
3. Two (2) years complete Individual Federal Tax Returns, if over twenty-five percent (25%) ownership (signed)
4. Two (2) years complete Corporate Tax Returns (signed)
5. Current Year to Date Profit and Loss Statement
6. Recent Balance Sheet
7. Articles of Incorporation, By-Laws, and Minutes of last meeting
8. Corporate Resolution authorizing loan application and execution of required documents
9. Other information as requested

"C" Corporation:

1. Submit a Beatrice Economic Development Loan Fund Application
2. Business Plan that includes employment and financial projections, financing requirements for the project and total projected costs
3. Two (2) years complete Individual Federal Tax Returns, if over twenty-five percent (25%) ownership (signed)
4. Two (2) years complete Corporate Tax Returns (signed)
5. Current Year to Date Profit and Loss Statement
6. Recent Balance Sheet
7. Articles of Incorporation, By-Laws, and Minutes of last meeting
8. Corporate Resolution authorizing loan application and execution of required documents
9. Other information as requested

General Partnership:

1. Submit a Beatrice Economic Development Loan Fund Application
2. Business Plan that includes employment and financial projections, financing requirements for the project and total projected costs
3. Two (2) years complete Individual Federal Tax Returns, if over twenty-five percent (25%) ownership (signed)
4. Two (2) years complete Partnership Tax Returns (signed) and K-1s for all partners
5. Current Year to Date Profit and Loss Statement
6. Recent Balance Sheet
7. Other information as requested

Limited Partnerships:

1. Submit a Beatrice Economic Development Loan Fund Application
2. Business Plan that includes employment and financial projections, financing requirements for the project and total projected costs
3. Two (2) years complete Individual Federal Tax Returns (signed) and K-1s for all partners
4. Complete copy of Partnership Agreement
5. Current Year to Date Profit and Loss Statement
6. Recent Balance Sheet
7. Other information as requested

Limited Liability Companies:

1. Submit a Beatrice Economic Development Loan Fund Application
2. Business Plan that includes employment and financial projections, financing requirements for the project and total projected costs
3. Two (2) years complete Individual Federal Tax Returns (signed)
4. Two (2) years complete Entity Tax Returns (signed) and K-1s for all partners
5. Current Year to Date Profit and Loss Statement
6. Recent Balance Sheet
7. Articles of Organization, By-Laws, and Minutes of last meeting
8. Resolution authorizing loan application and execution of required documents
9. Other information as requested

D. Verification Process:

1. Examine information required
2. Examine internal records
3. Obtain oral or written verification of application information
4. Other investigations as may be deemed necessary

SECTION VIII.
**APPLICATION PROCESS FOR GRANTS OR LOANS FOR THE CONSTRUCTION OR
REHABILITATION OF HOUSING FOR LOW-INCOME or MODERATE-INCOME PERSONS**

An eligible activity in the Economic Development Program is to provide grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income.

A. Qualifying Person

In order for an individual to qualify for a grant or loan from the Economic Development Program for the purposes of constructing or rehabilitating a house, their income level shall be considered low to moderate for Gage County as determined by the United States Department of Housing and Urban Development (“HUD”) income guidelines or the recipient shall be a qualifying business that rents or leases residential living units to individuals who would qualify as low to moderate income pursuant to the HUD income guidelines.

B. Adjustments to Income Qualifications

The City may adjust the income requirements set forth above based upon the following factors:

- a. The amount of income of the person which is available for housing needs;
- b. The size of the family to reside in each housing unit;
- c. The cost and condition of the housing available in the City;
- d. Whether the person or any member of the person’s family who will be residing in the housing unit is elderly, infirmed, 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; or
- f. Such other factors as the City deems which are particularly relevant to the conditions facing persons seeking new or rehabilitated housing in the City.

SECTION IX.
WORKFORCE HOUSING PLAN REQUIREMENTS

When applying for or loans for the construction or rehabilitation for the sale or lease of housing as part of a workforce housing plan, the proposed plan shall include:

1. An assessment of current housing stock in the City, including both single-family and market rate multi-family housing;
2. Whether the plan will also include housing for persons of low or moderate income;

3. Such other factors, as determined by the City, which are particularly relevant in assessing the conditions faced by existing businesses in recruiting new employees; and
4. Such other factors, as determined by the City, which are particularly relevant in assessing the conditions faced by persons seeking new or rehabilitated housing in the City.

SECTION X.

PROCESS TO ENSURE CONFIDENTIALITY OF BUSINESS INFORMATION RECEIVED

In the process of gathering information about a qualifying business, the City of Beatrice, 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 of Beatrice shall endeavor to maintain the confidentiality of business records that come into its possession.

To protect businesses applying for assistance and to encourage them to make full and frank disclosure of business information relevant to their application, the City of Beatrice shall restrict the number of people with access to the files and shall take all steps afforded by Nebraska statutes to preserve the confidentiality of said information. Any person who knowingly releases confidential information may face criminal charges.

SECTION XI.

ADMINISTRATION SYSTEM FOR ECONOMIC DEVELOPMENT PROGRAM

The Chairman of the Citizens' Advisory Review Committee shall advise the Beatrice City Council with regards to the Economic Development Program and to the status of ongoing projects in the Economic Development Program. The City Council shall have final authority on the expenditure of funds in the Economic Development Program.

SECTION XII.

PROCESS TO ASSURE LAWS, REGULATIONS, AND REQUIREMENTS ARE MET BY THE CITY AND QUALIFYING BUSINESSES

The City will assure that all applicable laws, regulations, and requirements are met by the City and the qualifying businesses that will receive assistance as follows:

A. Program Review

1. The Citizens' Advisory Review Committee shall review the functioning and progress of the Economic Development Program and advise the City Council of the City with regards to the Program; and
2. The Citizens' Advisory Review Committee shall report to the City Council on its findings and suggestions at a public hearing called for that purpose at least once every six (6) months after the effective date.

B. Monitor Participating Businesses

The City Attorney shall conduct reviews on a regular basis to ensure that qualifying businesses are following the appropriate laws and regulations and meeting the terms and conditions of assistance.

C. Monitor Regulatory Changes

The City Attorney shall be responsible for keeping the City informed of relevant changes in the law that could affect the Economic Development Program and shall review Agreements, Deeds, Leases, Deeds of Trust, Promissory Notes, security documents, personal and/or corporate guarantees and other documents relating to specific projects or to the Program as a whole.

**SECTION XIII.
PURCHASE OF REAL ESTATE OR OPTION TO PURCHASE**

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

1. Should have no excessive easements, covenants, or other encumbrances.
2. Should be zoned or be able to be re-zoned to comply with the City or County Comprehensive Plan.
3. Can be located either within or outside of the city limits.
4. Selection of sites will be based upon sound economic development location criteria or specification for special projects.
5. Emphasis will be given to land that can be developed with reasonable infrastructure costs and meet environmental regulations.

The proceeds from the future sale of such land would be returned to the Economic Development Program Fund for reuse for any activities eligible in the Program or for additional land purchases.

**SECTION XIV.
INVESTMENT OF ECONOMIC DEVELOPMENT FUND**

The City shall establish a separate Economic Development Program Fund. All funds derived from local sources of revenue for the Economic Development Program, any earnings from the investments of such funds, any loan payments, any proceeds from the sale 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. All funds in the Economic Development Fund shall be invested in accordance with the City's Investment Policy. No money in the Economic Development Program Fund shall be deposited in the General Fund of the City except as provided by statute. A three percent (3%) administrative fee shall be retained by the City for program administration. This fee will be

retained in the general fund. The City shall not transfer or remove funds from the Economic Development Fund other than for the purposes prescribed in the Act and this Program, and the money in the Economic Development Fund shall not be co-mingled 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 in Section 77-2341 R.R.S. Nebraska. In the event 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.

**SECTION XV.
RIGHT TO AMEND PLAN**

The Local Option Municipal Economic Development Act has been changed in several Legislative sessions since it was signed into law on June 3, 1991. It is reasonable to assume the law will change during the course of the City's Economic Development Program. This plan is written with the intent that future changes which may broaden the potential uses of revenue for economic development projects that are beneficial to the City and citizens of the City, are expressly included in the plan.

The Beatrice Economic Development Plan may be amended by the voters.