

**RAVENNA ECONOMIC DEVELOPMENT**  
**APPLICATION FOR ASSISTANCE (REVOLVING LOAN FUND)**

**PLEASE COMPLETE ENTIRE FORM - DO NOT LEAVE ANY QUESTION BLANK**

**A. Business (Borrower) Information**

Name of Business to Receive Assistance: \_\_\_\_\_

Federal ID# \_\_\_\_\_

Business Entity:      \_\_\_Sole Proprietor ship      \_\_\_General Partnership      \_\_\_"S" Corporation  
                              \_\_\_"C" Corporation      \_\_\_Limited Partnership      \_\_\_Limited Liability Co.  
                              \_\_\_Limited Liability Partnership

*(Depending on entity type, certain supporting documentation is needed - see checklist)*

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

Telephone Number: (\_\_\_\_) \_\_\_\_\_ E-Mail (if applicable): \_\_\_\_\_

Web Address (if applicable): \_\_\_\_\_

Business Classification:      \_\_\_Manufacturing      \_\_\_Warehouse & Distribution      \_\_\_Service  
    \_\_\_Retail      \_\_\_Research & Development      \_\_\_Tourism  
    \_\_\_Admin. Mngt. HQ      \_\_\_Telecommunications  
    \_\_\_Other, please explain: \_\_\_\_\_

Does the business have a parent or subsidiaries?    \_\_\_Yes    \_\_\_No

If Yes, Identify name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Business Type: \_\_\_Start-Up (0-5 years old)    \_\_\_Acquisition    \_\_\_\*Existing

\*If Existing, list years in busines \_\_\_\_\_

Ownership Identification: List all officers, directors, partners, owners, co-owners and all stockholders. Enter under Minority Code, a "1" if the person is a woman, a "2" if a member of a minority group, and a "3" if the person is disabled. (Minority code is only needed if you are also applying for CDBG funds).

<u>Name</u>	<u>Title</u>	<u>Ownership Percent</u>	<u>Minority Code</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Personnel: (Full-Time Equivalent, FTE is based upon 2,080 hours per year).

Existing Number of FTE Positions: \_\_\_\_\_

FTE Positions to be created within 18 months of Application Approval: \_\_\_\_\_

Total Number of Seasonal FTE Jobs Created (i.e. Jobs which will be available for at least 3 continuous months and recur annually): \_\_\_\_\_

Starting wage per hour for your personnel: \$ \_\_\_\_\_

**B. Project Information**

<u>USE OF FUNDS</u>	<u>Total Project Cost</u>	<u>Ravenna Funds Requested</u>
Land Acquisition	_____	_____
Building Acquisitions/Renovation	_____	_____
New Facility Construction	_____	_____
Acquisition of Machinery/Equip.	_____	_____
Acquisition of Furniture/Fixtures	_____	_____
Working Capital (includes Inventory)	_____	_____
Public Works Improvements	_____	_____
Expenses for locating business to area	_____	_____
Job Training	_____	_____
Other (specify) _____	_____	_____
<b>TOTAL:</b>	_____	_____

1. Please provide detailed description of the propose project;
2. Please attach business plan including employment and financial projections;
3. Please attach current financial statements, financing requirements for the project, and total project cost;
4. File completed application with Program Administrator;
5. Please pay non-refundable application fee, set by the City Council, when the application is submitted, and sign appropriate releases for obtaining credit and financial information;
6. Please provide additional information when requested by the Program Administrator, Loan Committee or the City Council;
7. You will be asked to execute security documents in the form of a Trust Deed, Promissory Note, Security Agreement and Financing Statement, if approved.

**C. Source of Funds**

*Note: Public financing requires the participation of a private financier and equity funds.*

**Participating Lender Information**

Name of Lending Institution: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

Loan Commitment Amount: \$ \_\_\_\_\_ Loan Term in years: \_\_\_\_\_

Interest Rate: \_\_\_\_\_Percent    \_\_\_\_\_Variable    \_\_\_\_\_Fixed

Collateral Required: \_\_\_\_\_ Equity Required: \_\_\_\_\_

**D. Equity Information**

Amount available by business or owners for Investment: \$\_\_\_\_\_

- Project Location: \_\_\_\_\_ Within the City Limits of Ravenna
- \_\_\_\_\_ Outside the City Limits, but within the Zoning Jurisdiction of Ravenna
- \_\_\_\_\_ Outside the City Limits, but within Buffalo County

**Signatures** -- *I certify that everything I have stated in this application and on any attachments is correct. You may keep this application whether or not it is approved. By signing below, I authorize you to check my credit and employment history and to answer questions others may ask you about my credit record with you. I understand that I must update credit information at your request if my financial condition changes.*

<b>Applicant's Signature</b>		<b>Date</b>		<b>Applicant's Signature</b> (If Applicable)		<b>Date</b>
------------------------------	--	-------------	--	---	--	-------------

**Return the completed application along with required supporting documents and a check for \$\_\_\_\_\_ to:**  
Ravenna Economic Development Corporation  
318 Grand Avenue Ravenna, NE 68869

NOTE: SEE ATTACHED APPLICATION GUIDELINES FOR INFORMATION ABOUT NECCESARY DOCUMENTATION. REQUIREMENTS VARY BY BUSINESS TYPE.

**Questions?**  
Phone: (308) 452-3133  
Email: [development@myravenna.com](mailto:development@myravenna.com)

**Other Information Needed**

**Personal Financial Statement:** Complete the attached Personal Financial Statements Form or submit an acceptable substitute for each person.

**Business Documentation:** See Information Checklist for detailed outline depending on business entity type. Info to include Credit Bureau Report, tax returns, profit and loss statement, balance sheet, articles of incorporation, by-laws and minutes of last meeting, corporate resolution and business plan.

**In addition, provide required information as detailed in the Ravenna Sales Tax Guidelines packet and a \$150 non-refundable application fee payable to the Economic Development Board.**

The above information is accurate to the best of my knowledge and belief. The above information is provided to help you evaluate the feasibility of obtaining public financial assistance. I further authorize release of personal information and business credit information - a certified credit report- and realize that if a loan recommendation is made, the terms of the loan will be public information.

*Dated:* \_\_\_\_\_ *Signature:* \_\_\_\_\_

*Dated:* \_\_\_\_\_ *Signature:* \_\_\_\_\_

**Ravenna Sales Tax Application Information Checklist:**

This list is a useful tool to help you make sure you have all pertinent information when you turn in your application. The loan committee requests that you provide the following information. There may, however, be additional information the committee will request:

**Business Financial Information**

- \_\_\_\_\_ Ravenna Sales Tax Application (signed)
- \_\_\_\_\_ Plan, including projected two year income and expenses
- \_\_\_\_\_ Current year-to-date Profit and Loss Statement (signed)
- \_\_\_\_\_ Recent balance sheet (signed) and previous 2 years, if available
- \_\_\_\_\_ Letter of Approval from a bank (this can be a conditional commitment)
- \_\_\_\_\_ If Corporation: 2 years complete corporate tax returns (signed), Articles of Incorporation, By-Laws, Minutes of last Meeting and Corporate Resolution authorizing loan application and execution of required documents.
- \_\_\_\_\_ If Partnership: Copy of Partnership Agreement and 2 years partnership tax returns (signed)

- \_\_\_\_\_ If LLC or LLP: Two years complete entity tax returns (signed)
- \_\_\_\_\_ If purchasing an existing business, then supply the business's previous 3 years financial statements and tax returns

Personal Financial Information:

- \_\_\_\_\_ If *SOLE PROPRIETOR*: Two years completed individual federal tax returns (signed)
- \_\_\_\_\_ If "*S*" or "*C*" *CORP, LLC or LLP*: Two years complete individual federal tax returns, if over 25% ownership (signed)
- \_\_\_\_\_ If *PARTNERSHIP*: Two years complete individual federal tax returns for general partners and for limited partners, if over 25% ownership (signed)
- \_\_\_\_\_ Credit Bureau Report w/ score ([www.annualcreditreport.com](http://www.annualcreditreport.com)) for *INDIVIDUAL SOLE PROPRIETORS* or for:
  - If *CORPORATION*: all shareholders with over 25% ownership
  - If *PARTNERSHIP*: all general partners
  - If *LLC or LLP*: managers

Other Information:

- \_\_\_\_\_ Copy of Valid Driver's License
- \_\_\_\_\_ Certification and Authorization form (completed and signed)
- \_\_\_\_\_ \$150 non-refundable application fee payable to Ravenna Economic Development
- \_\_\_\_\_ Authorization forms for Child Registry and Criminal History Checks

**Ravenna Sales Tax Guidelines Eligible Applicants**

The revolving loan fund can provide loans or loan guarantees to any business eligible for assistance under LB 840. While not meant to restrict the scope or flexibility of the fund, evaluation of applications should give special priority to businesses that meet one or more of the following criteria:

- Businesses which create one quality job for each \$25,000 or less in public financing assistance in order to create quality job opportunities for area residents
- Applications which provide for the expansion or enhancement of existing businesses in Ravenna and the surrounding area
- New business starts
- Businesses that in the opinion of the loan committee have unusual potential for growth
- Businesses that are relocating from outside Nebraska.
- Businesses that provide for important local or regional needs.

### Revolving Loans:

Funds for a single project shall not exceed the amount of funds available under the Economic Development Program during the project term, nor shall it provide for more than 50% of applicant's total project costs.

- The maximum amount that can be loaned is \$25,000 per quality job created.
- Existing businesses must pay all of their employees at least the current hourly wage required by the Nebraska Department of Economic Development CDBG guidelines. No benefit package is required.
- New businesses must pay all of their employees at least the current hourly wage required by the Nebraska Department of Economic Development CDBG guidelines. Also, they must provide a quality benefit package.
- Applicant must have 10% equity investment
- Interest rate is fixed and negotiated case by case, shall not be less than ½ of prime rate in Wall Street Journal and never less than 4%
- Security for the loan will include, but 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 Ravenna Economic Development Program.
- Length of loan = 10 years for capital assets and 5 years for loans involving any other asset category
- 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 projects.

### Application Requirements:

1. Complete an application that may be obtained from the Ravenna Economic Development Office, 318 Grand Ave, Ravenna, Nebraska, 68869
2. Submit the completed application together with all information as set out below to the Economic Development Office. In addition, the applicant must submit a \$150.00 non-refundable application fee payable to the Economic Development Board. The application will then be compiled by the Director of Economic Development and sent to the Loan Committee for review. Upon completion of the review, the Loan Committee will decide whether or not to recommend the project to the Ravenna City Council, If the project is not recommended to the City Council for approval the application process ends. However, the applicant may work with the loan committee and submit another application after necessary changes have been made.
3. The Economic Development Director will notify any applicant of the decision of the committee.
4. If the project is recommended to the City Council for approval, the City Council will review the project and recommendations and make the final decision on the project.
5. The applicant will be notified of the City Council's decision.

### Information Required:

The qualifying business shall provide the following information before the Director of Economic Development and the Loan Committee consider any application.

1. Sole Proprietorship:
  - a. Submit a Ravenna Economic Development Loan Fund Application.
  - b. Business plan, including projected two year income and expenses

- c. Two years complete individual federal tax returns (signed).
  - d. Current year-to-date Profit and Loss Statement (signed).
  - e. Recent Balance Sheet (signed) and previous 2 years, if available.
  - f. Credit Bureau Report (CBR).
  - g. Other information as requested.
2. "S" Corporation:
- a. Submit a Ravenna Economic Development loan fund application.
  - b. Business plan, including projected two year income and expenses.
  - c. Two years complete individual federal tax returns, if over 25% ownership (signed).
  - d. Two years complete corporate tax returns (signed).
  - e. Current year to date profit and loss statement (signed).
  - f. Recent balance sheet (signed) and previous 2 years, if available.
  - g. Articles of Incorporation, By-Laws, and Minutes of last meeting.
  - h. Corporate Resolution authorizing loan application and execution of required documents.
  - i. Credit Bureau Report (CBR) for Shareholders with over 25% ownership.
  - j. Other information as requested.
3. "C" Corporation:
- a. Submit a Ravenna Economic Development loan fund application.
  - b. Business plan, including projected two year income and expenses.
  - c. Two years complete individual federal tax returns, if over 25% ownership (signed).
  - d. Two years complete corporate tax returns (signed).
  - e. Current year to date profit and loss statement (signed).
  - f. Recent balance sheet (signed) and previous 2 years, if available.
  - g. Articles of Incorporation, By-Laws, and Minutes of last meeting.
  - h. Corporate Resolution authorizing loan application and execution of required documents.
  - i. Credit Bureau Report (CBR) for Shareholders with over 25% ownership.
  - j. Other information as requested.
4. General Partnership:
- a. Submit a Ravenna Economic Development loan fund application.
  - b. Business plan, including projected two year income and expenses.
  - c. Two years complete individual federal tax returns, if over 25% ownership (signed).
  - d. Two years complete partnership returns (signed).
  - e. Current year-to-date profit and loss statement (signed).
  - f. Recent balance sheet (signed) and previous 2 years, if available.
  - g. Complete partnership agreement.
  - h. Credit Bureau Report (CBR) for general partners.
  - i. Other information as requested.
5. Limited Partnerships:
- a. Submit a Ravenna Economic Development loan fund application.
  - b. Business plan, including projected two year income and expenses.
  - c. Two years complete individual federal tax returns for general partners and for limited partners, if over 25% ownership, and partnerships tax returns (signed).
  - d. Complete copy of Partnership agreement.
  - e. Credit Bureau Report (CBR) for general partners.
  - f. Other information as requested.

6. Limited Liability Companies:
  - a. Submit a Ravenna Economic Development loan fund application.
  - b. Business plan, including two year projected income and expenses.
  - c. Two years complete individual federal tax returns, if over 25% ownership (signed).
  - d. Two years complete entity tax returns (signed).
  - e. Current year-to-date profit and loss statement (signed).
  - f. Recent balance sheet (signed) and previous 2 years, if available.
  - g. Credit Bureau Report (CBR) for managers.
  - h. Other information as requested.
7. Limited Liability Partnership:
  - a. Submit a Ravenna Economic Development loan fund application.
  - b. Business plan, including two year projected income and expenses.
  - c. Two years complete individual federal tax returns, if over 25% ownership (signed).
  - d. Two years complete entity tax returns (signed).
  - e. Current year-to-date profit and loss statement (signed).
  - f. Recent balance sheet (signed) and previous 2 years, if available.
  - g. Credit Bureau Report (CBR) for managers.
  - h. Other information as requested.

**Contact Information:**

If you have any questions regarding the sales tax guidelines, please call the Economic Development Office at (308) 452-3133 or e-mail at [development@myravenna.com](mailto:development@myravenna.com)



## CERTIFICATION AND AUTHORIZATION

Applicant: \_\_\_\_\_ Ravenna Economic Development Program:  
City of Ravenna - PO Box 108 – Ravenna, NE 68869

### Certification

#### To Ravenna Economic Development Program:

1. Applicant (and co-applicant if applicable), \_\_\_\_\_ has applied for a loan from Ravenna Economic Development Program. In applying for the loan, Applicant provided to the Loan Committee of the Ravenna Economic Development Program various information about Applicant and the requested loan, such as the amount and source of equity, income information, and assets and liabilities. Applicant certifies that all of the information is true and complete. Applicant made no misrepresentations to Ravenna Economic Development Program, nor did Applicant omit any important information.
2. Applicant understands and agrees that Ravenna Economic Development Program may verify any information provided concerning Applicant's application, including, but without limitation, verifications from financial institutions of the information provided.

#### Authorization to Release Information

1. Applicant has applied for a loan from the Ravenna Economic Development Program. As part of the application process, Ravenna Economic Development Program, any insurer of the loan and any collateral title insurer may verify information Applicant provided to Ravenna Economic Development Program either before or after the loan is closed.
2. Applicant authorizes you to provide to Ravenna Economic Development Program any and all information and documentation they may request and any information pertaining to a borrower's default in payment. Such information may include, but not be limited to, income, bank, money market, and similar account balances; credit history; evidence of flood insurance, and copies of income tax returns. (Real Estate applications may require appraisals performed by licensed appraisers if over \$50,000 and certified appraisals if over \$250,000. Projects over \$250,000 may require Environmental Impact Statements)
3. Ravenna Economic Development Program may address and send this authorization to any person or company named below:
  - a. Financial Institution/Loan Officer \_\_\_\_\_
  - b. CPA Firm/Accountant \_\_\_\_\_
  - c. Law Firm/Attorney \_\_\_\_\_
  - d. Other \_\_\_\_\_
4. A copy of this authorization may be accepted as an original.

**Authorization to File Financing Statement**

Applicant hereby authorizes Ravenna Economic Development Program to file the appropriate Financing Statements for the agreed upon collateral prior to executing a security agreement. Applicant is also aware that the terms of the loan recommendation will be furnished to the Ravenna Council and will be public information.

Signature:

\_\_\_\_\_

Applicant

\_\_\_\_\_

Date

\_\_\_\_\_

Applicant

\_\_\_\_\_

Date

**Criminal History Request**

REPLY TO: Ravenna Economic Development ATTENTION: Trevor Lee

318 Grand Ave

Ravenna, NE 68869

**SUBJECT: REQUEST FOR CRIMINAL HISTORY INFORMATION**

TO: NEBRASKA STATE PATROL

CRIMINAL IDENTIFICATION DIVISION

P.O. BOX 94907

LINCOLN, NE 68509

CRIMINAL HISTORY REQUESTED

NAME (PRINT Last, First, Middle Initial): \_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_

DATE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY STATE ZIP: \_\_\_\_\_

SOCIAL SECURITY NUMBER: \_\_\_\_\_

I hereby authorize the release of any and all criminal history information maintained on me:

\_\_\_\_\_  
Name (Print Last/First/M.I.)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Requestor

Ravenna Economic Development

318 Grand Ave

Phone: (308) 452-3133

Ravenna, NE 68853

**NDSS Central Registry Check  
And Release of Information**

Child Abuse/Neglect Central Registry P.O. Box 95044 Lincoln, NE 68509
---

Before being approved for loan funding by the Ravenna Sales Tax program, Ravenna Economic Development may need to check the Nebraska Child Abuse/Neglect Central Registry to confirm that there have been no substantial referrals of child maltreatment concerning you. To do so we need your authorization.

I authorize the Nebraska Department of Social Services (NDSS) to release information from the Central Registry pertaining to me to the Ravenna Economic Development office.

I understand and acknowledge that Ravenna sales tax funding policies require a NDSS Registry Check. I further understand and acknowledge the information obtained by Ravenna Economic Development from the NDSS Registry Check may cause the Ravenna Economic Development to deny me loan funding through their sales tax program.

_____	_____
Name (Print Last/First/M.I.)	Signature
_____	_____
Date of Birth	Other names used in past 10 years
_____	_____
Date	Social Security Number

Names of children who have lived with you in the past 5 years

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Addresses where you have lived over the past 5 years – street and town:

\_\_\_\_\_  
\_\_\_\_\_

# Policy and Procedure Manual

## **Economic Development Program LB 840 – Local Option Municipal Economic Development Act**

**Ravenna, Nebraska**

Approved February 4, 2013

# TABLE OF CONTENTS

Introduction

1. Program Administration .....	1
2. Grant Application .....	2
2.1 Duties of Program Administrator	
2.2 Request for Grant Funds	
2.3 Determination of Assistance	
3. Revolving Loan Fund .....	3
3.1 Application Requirements	
3.2 Eligible Applicants	
3.3 Application Process	
3.4 General Guidelines	
3.5 Application process – Program Administrator	
3.6 Application process – Loan Committee	
3.7 Application Process – Evaluation of Loan Application by Loan Committee	
3.8 Application Process – Decision of Loan Committee	
3.9 Application Process – City Council	
4. Closing Loan .....	7
5. Servicing of Loan .....	7
6. City Council Responsibilities .....	8
7. Citizens Advisory Review Committee .....	9
8. Confidentiality .....	10

## **Introduction**

The Ravenna Economic Development Plan, approved by voters, offers direct financial assistance, loan guarantees, loans and performance loans which may be approved to credit a portion of the loan on a grant basis if the business completes the performance terms.

The Economic Development Plan is presently administered by the Ravenna Economic Development Board.

### **1. Program Administration**

The Program Administrator shall have the following duties:

- 1) Will be responsible for the day-to-day activities;
- 2) Assist applicants and conducts active recruiting for potential applicants;
- 3) Provide someone to serve as an ex-officio, non-voting member of the Citizen Advisory Review Committee who will provide that committee with necessary advice and information;
- 4) Track employment figures for participating businesses for two years if businesses employ persons in other Nebraska communities;
- 5) Recommend all non-loan projects for final approval to the City Council;
- 6) Present all loan projects that have been approved by the Loan Committee to the City Council for final approval; and
- 7) Create an annual budget for approval by the City Council.
- 8) The Program Administrator or contracted loan administrator is responsible for auditing and verifying job creation and retention and determining grant credits toward any loan made.
- 9) Assume Primary responsibility for loan servicing and shall provide such other assistance or additional personnel as may be required.
- 10) The Program Administrator will be responsible for procedures to ensure that all applicable laws, regulations and requirements are met by the municipality and the qualifying businesses that receive financial assistance. These procedures will be subject to the review and approval by the City of Ravenna.
- 11) The Program Administrator may use the City Attorney to review all contracts, official documents, land transactions, and other official action related to the economic development program, as well as applicable laws annually, to ensure compliance with applicable laws, regulations and requirements.

## **2. Grant Application**

### **2.1 Duties of Program Administrator**

All applications for financial assistance will be submitted to the Program Administrator who will:

- 1) Determine whether the application is complete;
- 2) Determine whether the applicant is an eligible business;
- 3) Verify all information provided in the application;
- 4) Determine if the project is feasible based on review of business plan and other information;
- 5) Determine the future economic benefit to the community of Ravenna; and
- 6) Recommend approval or disapproval to the City Council.

### **2.2. Request for Grant Funds**

If an application requests direct assistance in the form of grants only, then the Loan Committee will be by-passed and the matter will go directly to the City Council.

If the applicant is also requesting a loan or loan guarantee along with the grant, then the application shall be sent to the Loan Committee for review and their recommendation prior to sending the application to the City Council. (See 3.5 – 3.7)

### **2.3 Determination of Assistance – City Council**

In determining whether there should be direct assistance in the form of a grant or allow recapture of a portion of a loan, the City Council will review the application in accordance with the following criteria:

- 1) Grants are generally disfavored and only given in exceptional circumstances and even then, the grant amount approved is a small percentage of overall financial projects.
- 2) Council will consider whether applicant is eligible under special priority under Section 3.2.
- 3) Council will consider overall benefits to the community including future economic benefit.
- 4) Council will consider overall project feasibility and feasibility without the grant.



- 5) Council will consider whether other project financing has been given to applicant including TIF or State economic development assistance.
- 6) Decisions by the City Council as to direct assistance are final.

### **3. Revolving Loan Fund**

This section will describe details of the operation of the Revolving Loan Fund. The Revolving Loan Fund involves the Program Administrator who makes sure the loan application is complete and verified, the loan committee who reviews and makes recommendations on the loan applicant, and the City Council who makes the final decision regarding the loan. The size and special features of this fund, combined with the requirements of LB 840, requires that its operation be outlined as follows:

#### **3.1 Application Requirements**

Applicants must:

- 1) Be an eligible applicant for assistance for LB840 Revolving Loan;
- 2) Provide a detailed description of the proposed project;
- 3) Provide a business plan, including employment and financial projections;
- 4) Provide current financial statements, financing requirements for the project, and total project cost;
- 5) File completed application with Program Administrator containing all information in the attached application shown as Exhibit 1;
- 6) Pay non-refundable application fee, set by the City Council, when the application is submitted, and sign appropriate releases for obtaining credit and financial information;
- 7) Provide additional information when requested by Program Administrator, Loan Committee or the City Council;
- 8) Provide executed security documents in the form of a Trust Deed, Promissory Note, Security Agreement and Financing Statement, if approved.

#### **3.2 Eligible Applicants**

The Revolving Loan Fund can provide loans or loan guarantees to any business eligible for assistance under LB 840. Because Ravenna is a city with a population of less than 2,500 people, any business shall be a qualifying business. (§18-2709(c)). A qualifying business need not be located within the territorial boundaries of the City of Ravenna. (§18-2709(4))

## **Special Priority Applicants**

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:

- a) Businesses which create one job for each \$25,000 or less in public financing assistance;
- b) Applications which provide for the expansion or enhancement of existing businesses in Ravenna or its surroundings;
- c) New business starts;
- d) Businesses that, in the opinion of the Loan Committee, have unusual potential for growth;
- e) Businesses that are relocating from outside Nebraska;
- f) Businesses that provide for important local or regional needs.

### **3.3 General Guidelines:**

- a) At the time when a qualifying business makes application to the city to participate in a loan fund program, the qualifying business shall provide to the City appropriate documentation evidencing its negotiations with one or more primary lenders and the terms upon which it has received or will receive the portion of the total financing for its activities which will not be provided by the city. (§18-2719)
- b) The amount of funds available for any single project shall not exceed the amount of funds available under the economic development program, nor shall it provide for more than fifty percent (50%) of applicant's total project costs. (§18-2717)
- c) 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 ten percent (10%) equity investment.
- d) 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) The interest rate shall be fixed and negotiated on an individual basis.
- f) The term shall not exceed ten (10) years for loans used for capital assets and five years for loans involving any other asset category.
- g) 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.

- h) If the loan is approved as performance based, a qualifying business may be approved to recapture a portion of the loan amount on a grant basis. The recaptured amount will be determined by the City Council, based upon job creation or retention and economic impact of the project to the community.
- i) 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 projects when approved.
- j) The Program Administrator or contracted loan administrator 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. No grant credits will be made available beyond the level initially approved.
- k) The Revolving Loan Fund will be audited annually by a selected firm of certified public accountants.
- l) Recapture loan if recommended by Program Administrator and approved by City Council, the Loan Committee can recommend that all or a portion of the loan is recaptured based on the applicant fulfilling performance requirements set up in the loan.

### **3.4 Loan Application Process – Program Administrator**

The Program Administrator will review the loan application to determine that:

- a) The application is complete;
- b) It qualifies for LB840 funds;
- c) It meets the guidelines of the Revolving Loan Fund;
- d) The applicant is an eligible business;
- e) Verify all information on the application;
- f) Present the loan to the Loan Committee;
- g) Report the decision of the Loan Committee to the applicant.

### **3.5 Loan Application Process- Loan Committee**

Once an application is determined to be complete, it is presented to the Loan

Committee.

Five (5) members shall constitute the Loan Committee. Two (2) members must be appointed by the Mayor, two (2) of the members may be appointed to the committee by the Ravenna Economic Development board and one (1) appointed by the Ravenna Chamber of Commerce.

- a) All five members must have experience in the field of business finance or accounting.
- b) All members must be Ravenna or surrounding area residents.
- c) No member can be an elected or appointed official or an employee of the city, or anyone who is an applicant.
- d) Terms are 4 years except initial terms shall be staggered

### **3.6 Evaluation of Loan Application by Loan Committee**

The loan committee will evaluate each application according to the following criteria:

- a) Eligibility under LB 840;
- b) Meets the general guidelines of the Revolving Loan Fund; (See 3.3)
- c) Soundness and credibility of the business proposal;
- d) If the business fits into one of the priority categories established by the plan for assistance; (See Section 3.2)
- e) Track record, credibility, and credit worthiness of applicant;
- f) Ability to leverage significant private financing;
- g) Probability that the business assistance will be repaid;
- h) Other criteria that the loan committee may establish for application review.

### **3.7 Decision of the Loan Committee**

The Loan Committee, after it reviews an application, may:

- a) Recommend the loan;
- b) Not recommend the loan;
- c) Request additional information.

The decision of the Loan Committee is final.

### **3.8 City Council**

If an Applicant is recommended for a loan, the City shall review the loan recommendation of the Loan Committee and the appropriate information provided to them to determine whether the applicant meets eligibility and criteria to participate in the Revolving Loan Fund.

## **4. Approval and Execution of Agreement**

Upon completion of the negotiations of the terms and conditions of assistance between the Program Administrator and the applicant, the project will be submitted to the Loan Committee for its approval, if applicable, and then to the City Council for its review and approval. The Council will consider the overall benefits to the community, and will provide the Program Administrator a decision that fits within the time frame suitable to meet the business requirements of the applicant. Once approved, the Program Administrator will take the necessary actions to execute the agreements made.

## **5. Servicing of Loans**

The City Council has designated the Ravenna Economic Development Board, an appropriate organization, to assume primary responsibility for loan servicing and shall provide other assistance or additional personnel as may be required. The City Council shall be provided with an account of the status of each loan outstanding, program income, and current investments of unexpected funds on a monthly basis. Program income shall mean payments of principal and interest on loans made from the loan fund and the interest earned on these funds. (§18-2720)

Records kept on such accounts and reports made to the City Council shall include, but not be limited to, 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 the interest rate, the maturity date, and the frequency of payments; and (f) the payments made to date and the current balance due.

The Ravenna Economic Development Board 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.

The Ravenna City Council shall establish 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 to protect the interests of the qualifying business, third parties, and the City. The Ravenna City Council shall establish a process to provide for 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.

## **6. City Council Responsibilities**

- 1) The Economic Development Program has been established by the passage of Ordinance No. 2011-O-025 on November 7, 2011.
- 2) The City Council has contracted with the Ravenna Economic Development Board to serve as Program Administrator.
- 3) Will appoint a Citizen Advisory Review Committee as described in this plan and will take responsibility for scheduling their meetings, as well as a public hearing, every six-month period.
- 4) The City Council has passed Ordinance No. 2012-O-001 on January 9, 2012, to adopt a Confidentiality Policy.
- 5) Has created an Economic Development Fund at Town & Country Bank. (§18-2718)
- 6) Has contracted for an annual, outside, independent audit of its economic development program by a qualified private auditing business. The auditing business shall not, at the time of the audit or for any period during the term subject to the audit, have any contractual or business relationship with any qualifying business receiving funds or assistance under the economic development program or any financial institution directly involved with a qualifying business receiving funds or assistance under the economic development program. The results of such audit shall be filed with the City Clerk and made available for public review during normal business hours. (§18-2721)
- 7) Will annually review the process to assure that applicable laws and regulations are being met.
- 8) Will have ultimate responsibility for the economic development program.
- 9) Will have final authority on expenditures of funds in support of the economic development program.
- 10) Will appoint Ravenna Economic Development Board to service loans.
- 11) Will establish standard of delinquency and process for consultation for applicants unable to make payments.
- 12) Will adopt a budget.

## **7 Citizens Advisory Review Committee**

**7.1** Nebraska Revised Statute §18-2715 calls for the creation of a Citizens Advisory Review Committee to consist of five (5) to ten (10) members. The Ravenna Economic Development Plan calls for a 5 member committee.

**7.2** These shall be appointed by the Mayor and approved by the City Council. However, two members shall be recommended by the Ravenna Economic Development Board and one by the Ravenna Chamber of Commerce.

**7.3 Terms:** The terms shall be 4 years, except the initial terms shall be staggered.

#### **7.4 Qualifications**

- a) At least one (1) individual on the committee shall be experienced in the field of business, finance or accounting.
- b) All members shall be registered voters of the City.
- c) The Director of the Ravenna Economic Development Board, the Program Administrator, will serve as an ex-officio member.
- d) No member of the citizen advisory review committee shall be an elected or appointed city official, an employee of the city, a participant in a decision-making position regarding expenditures of program funds, or an official or employee of any qualifying business receiving financial assistance under the economic development program or of any financial institution participating directly in the economic development program.

#### **7.5 Function of the Citizens Advisory Review Committee**

The Citizens Advisory Review Committee will:

- a) Meet regularly to review the functioning and progress of the economic development program at regular meetings and advise the City Council in regards to the program.
- b) Meet at least once in every six-month period after the effective date of the ordinance, report to the City Council on its findings and suggestions at a public hearing called for that purpose.
- c) Members may be permitted access to business information received by the City in the course of its administration of the Economic Development Program, which information would otherwise be confidential under any ordinance of the city providing access to such records to members of the committee and guaranteeing the of the Economic Development Program.
- d) Review the functioning and progress of the Economic Development Program and Advise the City.

- e) The Citizens Advisory Review Committee shall review loans and grant applications to make certain state statutes and the Economic Development Plan approved by voters have been complied with.
- f) Make sure Confidentiality Ordinance is followed.

## 8. Confidentiality

The Ravenna City Council has passed the following ordinance for Confidentiality:

AN ORDINANCE TO ADOPT A CONFIDENTIALITY POLICY FOR THE CITY OF RAVENNA AND ITS EMPLOYEES AND INDEPENDENT CONTRACTORS FOR THE RAVENNA ECONOMIC DEVELOPMENT PROGRAM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF RAVENNA, NEBRASKA.

WHEREAS, the City of Ravenna has adopted an LB 840 Local Option Municipal Sales Tax Program, and the purpose of this program is to generate economic activity and assist businesses in relocation or expansion. It is important for all these businesses that the information they provide to the City through its program be kept confidential.

WHEREAS, be it corporation, partnership, limited liability company, or sole proprietorship who provides financial information to the City of Ravenna, they shall be assured that the information they provide shall be kept confidential.

1. It is a policy of the City for proper operation of its Economic Development Program that requires any public officials and employees and any members who are part of this program be receptive to the confidential nature of the information that is being provided by businesses, and that the public have confidence in the integrity of its citizens that this information shall not be disclosed. In recognition of these goals, the following confidentiality ordinance for all of the City officials and the program administrator of the City's program is hereby adopted.
2. All members of the Ravenna Economic Development Board, Ravenna City Council, the Loan Committee established under the Loan Program and the Citizens Advisory Review Committee, or any other employee of the City, the Economic Development Board or any Administrator of the LB 840 Program who are in possession of, or have access to, financial information must sign an agreement pledging that they will not release this information and that this information shall be kept confidential.
3. In the event that anyone does disclose financial information or other information that is confidential, they shall be subject to disciplinary action if they are an employee of the City, or they shall be subject to removal from a board of the City if they are a member of a board, or shall be subject to removal by the Economic Development Board, if it is one of their committee members. City Council members shall be subject to sanction.



This ordinance has four purposes:

- 1) to encourage high ethical standards by the citizens, officials, boards and employees;
- 2) to establish a requirement for strict confidentiality in the conduct of all officials and employees;
- 3) to prohibit disclosure by such officials and employees of any private financial or other confidential information provided to them by business applicants; and
- 4) to serve as a basis for disciplining those who fail to abide by its terms.

### **Standard of Conduct**

- A. All City officials, employees or any organization which has been contracted and may be provided confidential information shall sign a Pledge of Confidentiality.
- B. official or employee shall disclose any confidential information either while they are an employee or even after their leave of employment. If there are any conflicts of interest by any City official or employee, appointee of the City, or the Program Administrator of the City's LB 840 Program, this conflict of interest shall be disclosed on the records of either the City Council or the minutes of the meeting of that body, and they shall refrain from participating in any discussion or voting thereon.
- C. No City official or employee or anyone contracted with the City should willfully and knowingly use confidential information either for pecuniary gain or disclose to any other person confidential information acquired in the course of and by reason of their official duties.
- D. No former City official, employee or any one who has been contracted with by the City to administer the LB 840 Program shall use any confidential information to which they have had access by virtue of their official capacity and which has not been made public concerning the property, operations or affairs of any public body that has disclosed information pursuant to the LB840 Program.

### **Disposition of Alleged Violations; Hearings**

Violations, complaints and alleged violations of this Ordinance shall be handled as follows:

- 1) In the case of City employees, disciplinary action shall be maintained as provided in the City's personnel policies as the same may from time to time be amended.
- 2) In the case of City officials, employees or members of the Ravenna Economic Development Board, upon the complaint of any person filed with the City Clerk's office or on its own initiative, the City Council shall consider possible violations of this Ordinance.

- a. A complaint alleging a violation of this ordinance must be filed with the city clerk within one year from the commission of the action alleged as a violation, and not afterward.
- b. Not later than five (5) working days after the City Clerk receives a complaint, the City Clerk shall acknowledge the receipt of the complaint to the complainant, and provide a copy of the complaint to the City, the City attorney, the City Council and the person complained against. Not later than ten (10) working days after receipt of a complaint, the City Council shall notify in writing the person who made the complaint and the person complained against of a date for a preliminary hearing.
- c. The City Council may consider possible violations of this Ordinance on its own initiative. Within five (5) working days of the City Council's decision to consider a possible violation of this Ordinance, the City Council shall draft a written complaint specifying the section(s) of this Ordinance alleged to have been violated and shall file a copy with the City Clerk, and provide a copy to the City attorney and the person complained against. Not later than ten (10) working days after the filing of the complaint with the City Clerk, the City Council shall notify in writing the person complained against of the date for the preliminary hearing.
- d. The hearing before the City Council may be either in public or in private. All hearings shall be in public, unless the person complained against shall notify the City Clerk in writing of his or her desire to have a private hearing at least seventy-two (72) hours prior to the time set for said hearing.

### 3) Preliminary Hearing

- a. The issue at a preliminary hearing shall be the existence of reasonable grounds to believe that a violation of this Ordinance has occurred. The person filing a complaint, or the legal counsel for the City Council in cases considered upon the City Council's own initiative, shall state the alleged violation and shall describe in narrative form the testimony and other evidence which would be presented to prove the alleged violation as stated in the written complaint. Statements at a preliminary hearing shall be under oath, but there shall be no cross-examination or requests for persons or evidence issued for the hearing. Members of the City Council may question the complainant, legal counsel for the City Council, or the City official named in the complaint.
- b. The City official, employee or member of the Ravenna Development Board named in the complaint shall have the opportunity to respond, but is not required to attend or make any statement. The official may describe in narrative form the testimony and other evidence which would be presented to disprove the alleged violation. If the official agrees that

a violation has occurred, he may so state and the City Council may consider the appropriate sanction or prosecution.

- c. The complainant and the City official named in the complaint shall have the right of representation by counsel.
- d. At the conclusion of the preliminary hearing, the City Council shall decide whether a final hearing should be held. If the City Council determines that there are reasonable grounds to believe that a violation of this chapter has occurred, it shall schedule a final hearing.

If the City Council does not determine that there are reasonable grounds to believe that a violation of this Ordinance has occurred, the complaint shall be automatically dismissed. A decision to conduct a final hearing is not a finding that a violation has occurred.

The City Council, at any time during the preliminary hearing, may also dismiss a complaint if the complaint does not allege conduct which would be a violation of this chapter. Before a complaint is dismissed for failure to allege a violation, the complainant or the legal counsel for the City Council shall be permitted one opportunity, within a period to be specified by the City Council, to revise and resubmit the complaint.

- e. The complainant, legal counsel for the City Council, and the City official named in the complaint may ask the City Council at a preliminary hearing to request certain persons and evidence for a final hearing, if one is scheduled pursuant to the City Council's subpoena power granted under Section 16-406, N.R.S. 1943, as amended.

#### 4) Final hearing.

- a. The final hearing shall be held as expeditiously as possible following the determination by the City Council that there are reasonable grounds to believe that a violation of this Ordinance has occurred, but in no event shall it be held more than thirty (30) days after said determination. The City Council may grant one postponement, not to exceed fifteen (15) days each, upon the request of the City official named in the complaint or the complainant.
- b. The issue at a final hearing shall be whether a violation of this Ordinance has occurred. The City Council shall make its determination based on the preponderance of the credible evidence in the record. All witnesses shall make their statements under oath. If the City Council determines that a violation has occurred, it shall state its findings in writing, shall identify the particular section(s) of this Ordinance which have been violated, and within five (5) working days shall deliver a copy of the findings to the complainant, if any, the person named in the complaint and the City Clerk. Said findings shall constitute a public record for the purpose of access by the public.

Section 2. Those found to have violated this ordinance shall be subject to fines, penalties, possible removal from committee positions, censure and other legal remedies.

Section 3. Any other ordinance or section passed and approved prior to the passage, approval, and publication or posting of this ordinance and in conflict herewith, is hereby repealed.

Section 4. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED THIS 4<sup>th</sup> DAY OF FEBRUARY, 2013