

Arnold, Nebraska Economic Development Plan 2017 – 2032

Arnold's Economic Development Corporation Indicators after implementation of the LB840 Plan of 2006 to 2015

In 2006, the 1% sales tax vote and Economic Development plan was passed with a 90% votes in favor. Prior to this, Arnold had witnessed a significant loss of population, a drastic loss of our youth, and income levels that had not kept pace with other rural communities of similar size. These lack-luster statistics could be linked to the limited number of available jobs with competitive wages, coupled with a decline in business activity and a long list of business closings throughout the years.

With the plan and 1% sales tax in place, the following improvements have taken place:

Employed a part-time Economic Development Corporation Director who has the following responsibilities:

- Administer two types of business loan options: the LB840 Business Loan & Grant Program and the Revolving Loan and Grant, which includes recruiting participants, assist with applications, perform due diligence and underwriting, make recommendations to the AEDC Board, monitor participants to ensure adherence to requirements, and payment collection
- Created website and Facebook page to promote Arnold businesses, housing, school, events, recreation, tourism, and news. This includes following the growing trend to have access by mobile devices
- Maintain the newly created and updated Arnold website, Facebook page and online Google-Ad marketing. Views to the Arnold website have recruited new residents, customers, tourists, and businesses. All of which contributes to Arnold's sustainability and vitality. (the web site had over 100,000 site visitors in 2014)
- Provide educational workshops and technical assistance to area businesses
- Sponsor and promote events which increase tourism in the area
- Assist with beautification projects which enhance Arnold's community attractiveness

- Complete marketing and advertising projects which support community, organizations, tourism, and businesses

AEDC's accomplishments within the nine years include:

- Worked with community partners to secure a \$50,000.00 USDA grant to create a revolving loan fund which supports local businesses
- Made LB840 and revolving loans to 37 area businesses that totaled more than \$188,431; and provided matching grants of nearly \$54,584.00.
- Funded a wind study of the Arnold area (exploring potential for wind farm)
- Purchased and installed street banners in the Arnold business district
- Developed a TV spot with air time for the Arnold Public School; developing radio advertising for local businesses and community events
- Monthly radio spots with Custer County area radio station KCNI/KBBN & KBEAR promoting the theater, area events and local businesses
- Facilitated computer classes for the public; QuickBooks training for businesses; and advertising/marketing seminars for business owners
- Worked with Creighton School of Law to provide a seminar on corporations, and with the Mid Plains Center for Enterprise to provide a Business Plan Workshop
- Supports Chamber with advertising for local tourism such as Kegs & Corks, Chili Cook off, Fourth of July, Housing Tour and Christmas Around Town.
- Developed two new area events: Arnold River Battle and The Devil's Den Motorcycle Rally which are annual now and managed by local teams.
- Research and apply for area grants for local projects
- Youth Engagement Day. Introducing area youth to local business owners, entrepreneurship, and the value of investing in their community (partnering with Ogallala Commons)
- Summer internship opportunities for Arnold Students (partnering with Ogallala Commons)
- Ribbon Cuttings for new businesses (partnering with Arnold Chamber)

Community accomplishments supported by AEDC. (Funded by private donations and grants)

- Newly developed Arnold Cemetery Website Project, accomplished with private funding
- New playground equipment for Arnold Park
- Arnold Roping Arena Revitalization Project (in progress)
- Arnold Preschool Lunch Program (co-paying for the preschool lunches)
- TeamMates

Arnold's Education and Future

Not only does a decrease in school enrollment affect the future of the community's work force, it also dramatically affects the level of state support provided to our local school district, and is more intensified at this level of decline.

Arnold is home to an exemplary school system. Arnold public school was recently recognized as one of the top 25 schools in Nebraska; Arnold High School students have achieved ACT scores that were among the highest cumulative scores in Nebraska; and the high school offers state-of-the-art distance learning through partnerships with Nebraska universities and colleges for dual credit college courses. Arnold also offers students the opportunity to participate in Schoolhouse Graphics, a student run business, specializing in signs, and laser engraving. They learn skills important to the real world, and experience what it is like to work, and run a business. Arnold also boasts a very successful TeamMates mentoring program.

Not only are the mentionable qualities of our school and opportunities provided to our students' key to their success, but attracting new families, and retaining current families, is important to stabilizing our student enrollment numbers. To do this we must have continued stability of our local business, services, and housing that we can provide to our community members.

The Law Governing Municipally Funded Economic Development Programs

Nebraska's voters enacted a constitutional amendment in November, 1990, granting cities and villages the power to use local sources of revenue for economic development projects and programs. In 1991, the Unicameral implemented that amendment with the passage of Legislative Bill 840, the Local Option Municipal Economic Development Act.

The Local Option Municipal Economic Development Act is based on the premise that communities should have the ability to use their own tax dollars in ways that best meet local needs. While ongoing planning processes in many Nebraska communities had identified development, job creation, and increased economic opportunity among their highest priorities for the future, a variety of constitutional and legislative prohibitions kept them from investing local public funds in development programs. The removal of those limitations in 1990 gave municipality's greater latitude in determining and acting upon local needs.

Since that time Nebraskans have witnessed the expansion and location of many businesses to communities across the state, large and small, that would not have been possible without the use of the Local Option Municipal Economic Development Act and the local plans passed using that initiative.

As rural communities have witnessed population declines and a loss of younger citizens, they have thought about their future and the types of actions and investments needed to reverse these past trends. At the same time smaller communities are discovering they have the ability to grow if they are able to provide additional employment opportunities. In a period of growing concern about the problems and quality of urban life, including cost and relative safety, the advantages offered by smaller communities have become uniquely attractive. At the same time, information and communication technology has reduced the isolation of small towns. As a result, it is increasingly possible to successfully attract and operate small and medium-sized businesses in rural areas, especially when incentives are available.

The Community of Arnold is built from hardworking citizens, volunteers, and community members who are friendly and outgoing. As residents of Arnold, we know there are many things about our community which make it worth working towards an improved economy that will sustain Arnold into the future. The following is a list of local businesses, services, emergency services, recreational assets, organizations, events, assets, and resources the community of Arnold offers its citizenry, and tourists. Arnold's list of services has grown since 2006.

Businesses, Local Services, Emergency Services

Accountants
Aesthetics Spa - Esthetician
Agriculture services
Antique store
Apartments
Appliance sales/service
Arnold Housing Authority/ Income Assisted Living
Attorney
Auction service
Audio/lighting design, installation
Auto dealership
Bank
Bookkeeping service
Bowling Alley – men's and women's league
Car wash
Carpenters
Cellular phones and service
Cellular towers – Verizon and US Cellular
Chiropractic services
Churches – Baptist, Methodist, Lutheran, Nazarene, Catholic, Non-Denominational
Cleaning Services
Coffee Shop - serving cappuccino, espresso, smoothies, and fresh roasted coffee beans.
Community Center - Capacity 500, meeting room, kitchen, full-size gym
Computer Consultant

Construction companies
Convenience store
Custom signs, banners, engraving
Dance Conservatory
Daycare Facility (2 locations)
Electricians
EMT's
Fire and rescue
Fitness Center
Floral, gifts, home décor, and card shops
Food Pantry
Full-service gas stations
Funeral home/ Mortuary
Grocery store
Gunsmith Shop
Hair Salons
Handyman Services
Hardware store
Heating and cooling sales/service
Heavy equipment operators
Hotel
Income Assisted Housing
Insurance companies
Irrigation services
Landscaping and lawn care
Library – Listed on the National Registry of Historic Places
Mail delivery and overnight shipping
Massage Therapy
Medical facility
Monogramming - Quilting
Motel
Nail Salon
NDOR state yard
Newspaper – weekly local and weekly county newspapers
Office Suites (Hotel Custer)
Pet grooming
Photography
Rialto Theater
Propane
Real Estate Agent
Restaurants bar and grill
Sand and gravel
Screen Printing, Heat Transfer services for shirts and more
Senior Meals
Storage Units
Taxidermy
Telecommunications services
Tractor, truck, and auto repair
Trucking companies
Veterinary services
Village maintenance and utilities
Web Design

Recreational Assets:

Arnold Recreational Area – camping, boating, fishing, playground, modern bath house
Biking
Children’s story hour
City Park- Pavilion and playground
Community Center – For use with School, community, or family events
Fishing - several nearby ponds, lakes, and river
Golf course – with 9-hole grass greens golf, women’s and men’s league
Gun Club
Hunting - deer, turkey, pheasant
Junior cheerleading camp
Public Park - playground, softball complex, soccer, tennis court, sand volleyball, horseshoe pit
Rodeo Arena grounds
Ponds and lakes perfect for fishing, small boating
South Loup River
Swimming pool
Vacation bible school
Youth basketball
Youth federation wrestling program
Youth football program
Youth 4-H Shooting Sports
Youth T-ball program
Youth volleyball
Youth Shooting Sports

Active Arnold Area Organizations

American Legion/Auxiliary Unit 130
Arnold Alumni Association
Arnold Billiards Club
Arnold Cemetery Website
Arnold Chamber of Commerce
Arnold Community Foundation Fund
Arnold Economic Development Corporation
Arnold Education Association
Arnold Food Pantry
Arnold Golf Association
Arnold Gun Club
Arnold Housing Committee
Arnold Ministerial Association
Arnold Planning Commission
Arnold Roping Club
Arnold Township Board
Booster Club
Citizen’s Advisory Committee
Fellowship of Christian Athletes
Finch Memorial Library
Good News Club (K-6th grades)
Ground Zero Christian Youth Group
Rialto Theater Board
Rotary Club of Arnold
Sandhills Open Road Challenge
Various Bible Study/Prayer Groups
Volunteer EMTs
Volunteer Fire Department
Western Riders 4-H Club
4-H Youth Shooting Sports

Local Events:

Antique Tractor Show
Arnold River Battle
Chili Cook-off
Christmas Around Town
Class / Alumni Reunions
Community Garage Sales
Devil's Den Bike Rally
Easter Egg Hunt
Housing Tour
Sandhills Open Road Challenge
Teacher Appreciation Week
Multiple Chamber events
Junk Jaunt

Other Assets:

State of Art Technologies
Agriculture
Abundance of water
Excellent school system
Strong business district
Six churches
Junctions of Hwy 92 & 40
High speed Internet
Verizon cellular tower
US Cellular tower

General Community and Economic Development Strategy

Arnold's community and economic development strategy is to improve our quality of life for our citizens. This involves building on our strengths, promoting our existing businesses, working to retain existing jobs, expanding current businesses, promoting entrepreneurship, and recruiting new businesses. We also need to strengthen our work force, develop community resources, attract new capital investment, broaden the community's tax base, and provide local community services needed to maintain a good quality life.

The Village of Arnold recognizes that the retention and expansion, along with the attraction of businesses, takes place in a very competitive market place. In order to make Arnold as competitive as possible, the community will strive to use all financial and human resources available by using federal, state, municipal, and private sources.

General Intent and Proposed Goals

Successfully, the Village of Arnold, Nebraska has implemented an economic development program, the purpose and goals of which has been: to create and retain jobs and generate employment opportunities within the area labor market; to attract new capital investment to the community; to broaden the tax base; and to provide economic diversification to ensure economic stability and vitality for the Village of Arnold and the surrounding area.

Eligible Businesses

Any corporation, partnership, limited liability company, or sole proprietorship, without regard to its principal source of income, shall be a qualifying business under the Arnold Economic Development Program. A qualifying business need not be located within the territorial boundaries of the Village, but it should be within the Arnold school district.

If a business which would otherwise be a qualifying business employs people and carries on activities in more than one city in Nebraska or will do so at any time during the first year following its application for participation in the economic development program, it shall be a qualifying business only if in each such city, it maintains employment for the first two years following the date on which such business begins operations in the Village as a participant in the economic development program at a level not less than its average employment in such city over the twelve-month period preceding participation. This requirement of Nebraska state statutes applies to all economic development programs operated under the Local Option Municipal Economic Development Act to prevent communities from “stealing” jobs from other Nebraska communities.

Eligible activities under Arnold’s Economic Development shall include, but are not limited to, any project or program for the purpose of providing direct or indirect financial assistance to a qualifying business and the payment of related costs and expenses, without regard to whether that business is identified at the time the project or program is initiated or is to be determined by specified means at some time in the future. Examples of eligible activities include, but are not limited to:

- 1) The purchase or lease of real estate, options for such purchases, and the renewal or extension of such options;
- 2) Public works improvements essential to the location or expansion of a qualifying business;
- 3) Expenses for locating a qualifying business into the area or an existing business to a more suitable location;
- 4) Job creation incentives;
- 5) Grants to qualifying businesses;
- 6) Loans to qualifying businesses;
- 7) Loan guarantees to qualifying businesses;
- 8) The provisions of technical assistance such as marketing assistance, management counseling, preparing business plans, engineering assistance, etc.;
- 9) Job training grants or agreements;
- 10) Tourism related activities;
- 11) The payment of salaries for staff to administer the program should the community decide to move beyond the use of volunteers;

- 12) The need to hire, and payment to/for specialized consultant fees, specialized Economic Development consultants, feasibility studies, program administration, engineering assistance, and other needs studies, or assistance with administration.
- 13) All other activities allowed by law, both now and through future amendments to the Local Option Municipal Economic Development Act.

Land purchases shall be identified for purchase or option to purchase through local analysis by the Arnold Economic Development Corporation board and the director. Land to be purchased or optioned may be within or outside the corporate limits. The property should have no excessive easements, covenants, or other encumbrances. If infrastructure is not in place at the site, there should be a plan of action developed for the extension of necessary utilities. Real estate purchases shall be approved by the Arnold Economic Development Corporation Board.

The Village Board may grant the necessary funds for land purchases to the Arnold Economic Development Corporation. Such land shall remain the property of the Corporation until such time it is sold or transferred to an eligible business. If alternative land or incentives are more suitable to a potential participating business, held land can be sold at market value with the corresponding funds to be used for alternative real estate or business incentives.

In addition, funds may be used to provide the infrastructure to these sites or other sites to make them more attractive to new or expanding businesses. Eligible infrastructure improvements will include, but not be limited to, street, storm water drainage, water, sanitary sewer, gas, or electrical improvements/extensions. Infrastructure costs and improvements may extend beyond the corporate limits of the Village.

The funds may also be used to construct facilities, structures, and/or appurtenances for new or proposed development or to attract new business and industry. These facilities are not required to be within the corporate limits of the Village.

The proceeds from the sale or lease of land purchased and/or developed with funds generated may be used for the purchase and development of additional real estate or for any other eligible activities under the program. Sites and facilities may be sold or leased at a price at or below current market values. Parties buying real estate at market value, which have been purchased through the economic development program, are not required to complete a business assistance application.

These sites and facilities will improve the attractiveness of the community as a location for new and expanding businesses and may be used as an incentive to aid in the location or expansion of a business. Any investment in land and infrastructure can provide that incentive while at the same time providing a benefit that will remain in the community. Developed industrial sites, buildings, and infrastructure will be a long-term benefit to the community regardless of future ownership.

Source of Funding for the Economic Development Program

The Arnold Economic Development Program will be funded by the proceeds from a 1 percent local sales and use tax for a period of 10 years. It is estimated that \$50,000 per year will be generated for the Economic Development Program for an estimated 10-year total of \$500,000.

Although it is not expected that the 1-percent sales tax will generate more than an amount more than 4/10 percent of the actual valuation of the Village of Arnold, the local option sales tax initiative stipulates that any funds generated from the 1-percent sales tax that is in excess of what would equal 4/10 percent of the Village's actual valuation, will be directed to the Village of Arnold for infrastructure expenditures outside of the Economic Development Program.

Duration of Program:

The time period during which the program will be in existence will be from January 1, 2017 to December 31, 2032. Although the sales tax will be collected for a period of 10 years (January 1, 2017 to December 31, 2027), the program will continue until December 31, 2032, so that unused funds within the program (and funds generated through leases, the sale of real estate, loan repayments, and interest) can continue to be spent on economic development activities as described in the plan.

Basic Preliminary 10-Year Budget

Income:

10-year total to be collected: \$500,000
(Income may also include interest, sale of property, and loan repayments.)

Expenditures:

Business Loans/Grants	\$250,000	
Property Acquisition	\$100,000	
Infrastructure Improvements	\$100,000	
Recruitment & Marketing	\$ 50,000	
Total Expenditures		\$500,000

This is only a preliminary budget. It is difficult to approximate how much funds will be expended for various eligible activities. The amount to be expended under the economic development program will be fixed at the time of making the annual budget and shall be included in the budget. Unexpended funds will be re-appropriated in future budget cycles.

Investment of Economic Development Funds

The Village has established a separate Economic Development Fund.

- 1) All funds derived from local fund sources of revenue for the economic development program, any earnings from the investment of such funds, any loan payments, any proceeds from the sale by the Village of assets purchased by the Village under the economic development program, or any other money received by the Village by reason of the economic development program, shall be deposited into the Economic Development Fund.
- 2) No money in the Economic Development Fund shall be deposited in the General Fund of the Village except as provided for by statute.
- 3) The Village shall not transfer or remove funds from the Economic Development Fund other than for purposes prescribed in the Act and this Plan.
- 4) The funds from the Economic Development Fund shall not be commingled with any other Village funds.
- 5) Any money in the Economic Development Fund not currently required or committed for the purposes of economic development shall be invested as provided by Section 77-2341 of Nebraska state statutes.
- 6) In the event the economic development program is terminated, any uncommitted funds will be transferred and used as provided by state statute.

Audit Procedures

The Village shall provide 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 a contractual or business relationship with any qualifying business receiving funds or assistance under the economic development program. The results of such audit shall be filed with the Village Clerk and made available for public review during normal business hours.

Future Funding/Bonding Authority

Arnold may have a business opportunity or other economic development project that requires initial funds that exceed funds on hand. In order to take advantage of such an opportunity, the Village of Arnold shall have the authority to issue bonds pursuant to the Local Option Municipal Economic Development Act to provide funds to carry out the program, following a public hearing. The Village shall also have the authority to commit future funding through contracting and other methods available to the Village to respond to opportunities in which time is of the essence.

Possible Area Cooperation

The Village of Arnold reserves the right to, at some point in the future, conduct the Arnold Economic Development Program, or projects within the program, jointly with other area communities and/or counties. If a joint program or project is undertaken, it will do so under the terms of the Interlocal Cooperation Act or Joint Public Agency Act by means of a properly executed agreement. Prior to entering into such a cooperative agreement, a public hearing will be held, followed by Village Board approval.

Financial Assistance Application Process

To be considered for direct financial assistance under the Arnold Economic Development Program, an applicant must provide the following unless waived by the Program Administrator:

- A detailed description of the proposed project
- A business plan, including employment and financial projections
- Current financial statements, financing requirements for the project, and total project cost and current credit report
- Required to provide a credit report, and score with your loan application. Should be obtained from one of the three large reputable credit reporting companies
- Complete the “Arnold Economic Development Corporation Application for Economic Development Funds” form. Applications are available at the AEDC office or at Arnoldne.org
- Additional information, to determine the economic viability of the proposed project(s), may be requested by the Director.
- Application Fee

Generally, applications will be reviewed in the order in which they were received. When an application is received that is deemed “urgent” by the Director, it may be reviewed and approved, before other applications received. However other pending applications will then be addressed in a timely manner.

Application review and approval, or disapproval, will be based on project feasibility as determined by review of the applicant's application and documents, along with the potential future economic benefit to the community. Applications may be prioritized by the Director with the most cost-effective project to receive a priority for the use of funds.

Before final approval, the Director will be responsible for the verification of business information provided by eligible businesses that receive a recommendation for financial assistance.

Upon completion of the negotiations on the terms and conditions of assistance between the Director and the applicant, the project will be submitted to the AEDC Board for its review and approval. The Board will consider the overall benefits to the community in its deliberation and will provide the Director a decision. Once approved, the Director will take the necessary action to execute agreements made.

Other incentive assistance processes, using alternative requirements and documentation, may be implemented so that the requirements are more appropriate for the type and amount of the incentive. For instance, in the case where a job creation incentive could be implemented, documents such as a business plan, financial statements, and similar documentation, may not be applicable to this type or amount of incentive. So in this and similar cases, alternative requirements and application form could be developed and used for this type of incentive.

Eligible qualifying businesses may apply more than once and receive program benefits more than once after a loan has been fully repaid.

In the process of gathering information about a qualifying business, the AEDC Director may receive confidential information about the business which, if released, could cause harm to the business or give unfair advantage to its competitors. State law authorizes cities and other public entities to maintain the confidentiality of the information it receives. Procedures are in place to insure the confidentiality of business information received from applicants for financial assistance. These include the adoption of an ordinance which makes such information confidential and punishes disclosure; a restriction on the number of people with access to files; the designation of a responsible party for their safekeeping; and requirements for personnel involved in the program review or with access to any business information, to sign statements of confidentiality regarding all personal and private submittals. These procedures may be revised from time to time by the AEDC Board's approval.

Contracts made with qualifying businesses shall include protective measures, applicable to the project, to safeguard Arnold's investment in the project.

Director's Responsibilities

A description of the director's plan follows. Additional responsibilities, as well as positions may be needed to carry out the program during the course of the economic development program and may be approved by the AEDC Board at some point in the future.

It is the intent of the Village Board to work with the Arnold Economic Development Corporation Director and board for the Arnold's Economic Development Program.

The Director:

- 1) Will be responsible for the day-to-day activities of administering the program;
- 2) Will use and make available an "Arnold Economic Development Program Application for Financial Assistance" form;
- 3) Will assist applicants and conduct active recruiting for potential applicants to the extent possible;
- 4) Will review applications on a timely basis;
- 5) Will verify business information provided by eligible businesses to the extent applicable and possible;
- 6) Will negotiate the terms and conditions of the assistance to be provided;
- 7) Will make recommendations to the AEDC Board on program expenditures;
- 8) Will monitor participating businesses to ensure they are meeting or have met funding requirements as necessary (to include verifying employment figures of participating businesses' various Nebraska business locations to ensure they remain eligible in Arnold's program by keeping employment levels in all Nebraska communities at levels required by law);
- 9) Will be responsible for the procedures to insure that all applicable laws, regulations, and requirements are met by the municipality;
- 10) Will provide for the review of all contracts, official documents land transactions, and other official actions related to the economic development program;
- 11) Will present and attend meetings of the Citizen Advisory Review Committee who will provide the committee with necessary information either directly or through the Village's ex-officio member of the Committee.

The Arnold Village Board:

- 1) Will establish the Arnold Economic Development Program by Ordinance;
- 2) Will work with the Arnold Economic Development Corporation Director;
- 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) Will appoint a village official or employee to serve as an ex-officio, non-voting member of the Citizen Advisory Review Committee, and provide the committee with necessary advice and information;
- 5) Will develop and approve procedures to insure the confidentiality of business information received from applicants; restricting number of people allowed file access
- 6) Will have final authority on expenditures of funds in support of the economic development program;
- 7) Will arrange for an annual audit of the program;
- 8) Will annually review the process to assure that applicable laws and regulations are being met;
- 9) Will have ultimate responsibility for the economic development program.

Although, it is the intent of the Village Board to contract the administration of Arnold's Economic Development Program to the Arnold Economic Development Corporation, the Village retains the option to contract with another appropriate organization or may choose to administer the program within Village government. If the village chooses this option it may assign, hire or appoint a director of the program.

Process to Assure Applicable Laws and Regulations are Met

The Director will be responsible for procedures to insure 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 review and approval by the AEDC board and the Village Board.

The Director may use the Village Attorney or retain separate counsel to review any and all contracts, any and all official documents, land transactions, and other official actions related to the economic development program, as well as applicable laws annually, to ensure compliance with applicable laws, regulations, and requirements, plan provisions. This includes, but is not limited to specialized Economic Development assistance, engineering or community planning assistance, and assistance to carry out administration of the plan, and laws. These procedures will be subject to review and approval by the AEDC board and the Village Board.

If there is a conflict between this plan or the ordinance that governs this plan and Nebraska State Statutes (both current and future), State Statutes will prevail.

Economic Development Program Ordinance

After the approval by the voters of the economic development program, the Village Board has established the economic development program by ordinance in conformity with the terms of such program as set out in the original enabling resolution.

Loan Program

Loans and a revolving loan program are eligible under Arnold's Economic Development Plan. As required by law, this plan must describe the loan program if it is an eligible activity under the plan. To meet that requirement, general guidelines follow:

- 1) Loans may be made under the program. These may be low-interest or no-interest loans.
- 2) Criteria that will be used to determine the level of assistance will include, but are not limited to, credit worthiness, business experience, ability to pay loan back, job creation and retention, economic impact to the community, and the leverage of private and other funding sources.
- 3) For loans, the "Financial Assistance Application Process" and the business information verification process, as described earlier in this plan will also apply to loan assistance.
- 4) Although it is not expected that a single business would receive the entire proceeds from the funds to be raised through the 1-cent sales tax, under certain conditions, 100 percent of the available funds may be provided to a single business. However, in this case, program funds would not exceed 50 percent of total project costs.
- 5) 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 through negotiations, and will be based upon job creation or retention and economic impact of the project to the community.
- 6) A loan repayment schedule providing for monthly, quarterly, or annual payments will be approved in conjunction with project approval. The time requirements to meet the goals of the business will be determined through negotiations and information provided. Requirements of other participating funding sources will also be considered when determining the time requirements to meet goals under Arnold's program. Repayments can either be held in the revolving loan fund for future loan projects, or returned to the Economic Development Fund for any eligible program activities.

- 7) The Director will administer the loan program and monitor loans.

- 8) The Revolving Loan Fund is active under the Economic Development Program, it will be audited annually by a selected firm or certified public accountant to ensure that the assistance given is used in an appropriate manner and that the AEDC board is protected against fraud and deceit in the conduct or administration of the program.

Citizen Advisory Review Committee

As per the Act, the ordinance establishing the economic development program shall provide for the creation of a Citizen Advisory Review Committee. (This committee is a “watch dog” committee, and not a committee that plays a role in the decision-making process in regard to where program funds are spent.) The committee shall consist of not less than five or more than ten registered voters of the Village who shall be appointed by the Village Chairperson subject to approval by the Village Board. At least one member of the committee shall have expertise or experience in the field of business finance or accounting. No member of the Citizen Advisory Review Committee shall be an elected or appointed Village official, an employee of the Village, a participant in a decision-making position regarding the expenditure of 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. The ordinance will provide for regular meetings of the Citizen Advisory Review Committee to review the functioning and progress of the economic development program and to advise the governing body of the Village with regard to the program. At least once every six-month period after the effective date of the ordinance, the committee shall report to the governing body on its findings and suggestions at a public hearing called for that purpose. The ordinance shall also designate an appropriate Village official or employee to serve as an ex-officio member of the committee with responsibility for assisting the committee and providing it with necessary information and advice on the economic development program.