

RESOLUTION NO. 1835
CITY OF OGALLALA, NEBRASKA

A RESOLUTION ADOPTING THE OGALLALA ECONOMIC DEVELOPMENT PLAN 2019-2034 (LB 840 PLAN) AND TO SUBMIT THE ISSUE OF THE OGALLALA ECONOMIC DEVELOPMENT PLAN TO THE REGISTERED VOTERS OF OGALLALA AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 6, 2018.

WHEREAS, in November 1990, the Nebraska Constitution was amended to authorize the Nebraska Legislature to pass enabling legislation granting cities and villages the power, with local voter approval, to use local sources of revenue for economic and industrial projects or programs; and

WHEREAS, in 1991 the Nebraska State Legislature authorized cities and villages through the passage of the "Local Option Municipal Economic Development Act" (LB 840) to collect and appropriate local option sales tax revenues for economic development programs; and

WHEREAS, the City of Ogallala recognized that the attraction of new business and industry to a community, or the expansion of existing business or industry, takes place in a very competitive market place. In order to keep Ogallala as competitive as possible in that market place, the community will strive to use all financial and human resources available in a partnership with federal, state, municipal and private sources; and

WHEREAS, to help ensure the success of that economic future, the Ogallala Economic Development Plan for 2019-2034 has been prepared and is hereby being considered for adoption; and

WHEREAS, the City held a public hearing on the proposed Economic Development Plan for 2019-2034 on August 28, 2018; and

WHEREAS, the Economic Development Program, if adopted, calls for the use of existing local option sales tax proceeds primarily for providing direct or indirect financial assistance to the promotion of new and existing businesses in or near Ogallala, Nebraska.

BE IT THEREFORE RESOLVED, by the Council President and City Council of the City of Ogallala as follows:

Section 1: That the proposed Ogallala Economic Development Plan for 2019-2034, marked as Exhibit "A" and attached hereto and incorporated herein by this reference, is hereby adopted and that a copy of such Exhibit "A" shall be filed with the City Clerk for public review and inspection at the City Clerk's Office during regular business hours.

Section 2: The Council President and City Council of the City determine that at the general election on November 6, 2018, there shall be submitted to the qualified electors of the City the following proposition:

PROPOSITION

“Shall the City of Ogallala establish an Economic Development Plan approved by the Ogallala City Council by Resolution 1835, which will be in effect until June 30, 2034? The Economic Development Plan shall operate from July 1, 2019 – June 30, 2034. The Source of the funds shall be an allocation of 35% of the existing ½ cent sales tax, not to exceed \$230,000 per city fiscal year. Additional funds from private sources may be sought beyond those derived from public sources of revenue. The option to purchase real estate and a revolving loan program are components of the Economic Development Plan. The purpose of the Economic Development Plan is to maintain a good quality of life, build strong workforce, develop community resources, attract new investment, broaden the community’s tax base and ensure economic stability and viability for the City of Ogallala.”

Yes (for the Proposition)

No (against the Proposition)

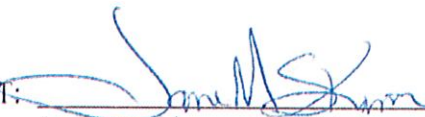
Section 3: That the City Clerk is hereby directed to certify the proposition to the Keith County Clerk on or before September 4, 2018 and to make all notices as required by law.

Section 4: That a copy of this resolution and the proposed Plan shall be filed with the City Clerk who shall make it available for public review at the City Administration Building, 411 East 2 Street, during regular business hours.

Section 5: That all resolutions or parts of resolutions in conflict herewith are hereby repealed.

PASSED AND APPROVED THIS 28th DAY OF AUGUST 2018.


Darrell G. Bassett, Council President

ATTEST: 
Jane M. Skinner, City Clerk

OGALLALA ECONOMIC DEVELOPMENT PLAN–2019-2034

Overview:

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 Ogallala and the surrounding area.

In order for Ogallala 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.

The Nebraska Legislature, in the Local Option Municipal Economic Development Act 18-2701 et seq., R.R.S. Neb., has made the following legislative findings: (1) there is a high degree of competition among states and municipalities in our nation in their efforts 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 business location or expansion decisions which are tailored to meet the needs of the local community; (3) the ability of a municipality to encourage 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 or creation of new businesses, by the use of funds raised by local taxation when the voters of the municipality determine that it is in the best interests of their community to do so.

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

The City of Ogallala has faced stiff competition to recruit and retain businesses and jobs in the Ogallala area. Many of these major business and industry developments serve as the lynchpins of the economic vitality of the City and the area economy. Adopting a plan under the Local Option Municipal Economic Development Act Section 18-2701 R.R.S. Neb. et seq. hereinafter referred to as LB840 Plan is an essential development tool. Such a Plan, if approved, would provide a competitive edge in retaining and recruiting new business and industry and assist with expanding the local tax base.

GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY:

The City of Ogallala's economic development strategy involves building on our strengths to promote the expansion of existing industries and the accompanying creation and retention of jobs and to recruit new industries and new jobs to the community. The principal strategy is directed at maintaining a good quality of life, building a strong workforce, developing community resources, attracting new capital investment, broadening the community's tax base and ensuring economic stability and viability for the City of Ogallala.

The 2019-2034 proposal includes the annual allocation to the Plan from EXISTING ½ cent sales tax revenues, 35% of gross receipts, but no more than \$230,000, in any fiscal year as designated by the City of Ogallala. During the 15 year time frame from 2019 to 2034, the funding would be allocated as follows:

This plan will focus on the development of private industry in Keith County by expanding and recruiting new payrolls that create new economic wealth in the community. This would be overseen by the Economic Development Advisory Committee and administered by the City of Ogallala.

In all cases, final approval of the projects proposed to use LB840 funds will be made by the **Ogallala City Council**.

The City, through its Economic Development arm, has competed as best it could to bring new businesses and new well-paying jobs to the community, but frankly has less ability to compete if it doesn't have the tools granted by the Act. The City believes that not having the ability to directly fund Economic Development in the past may have cost jobs and capital investment which otherwise would have been realized. By not having the benefit of economic development, the growth of the tax base has been hampered which in turn has hindered the growth of our community, which the Plan seeks to change.

The City Administration has prepared the Plan for submission, first to the City Council, and upon Council approval, to the voters of the City of Ogallala. The City intends to use this tool to spur further economic development and to be more competitive or at least as competitive in the economic development area as any other community of comparative size in this or any other State.

Most importantly, the City **does not propose, as part of its strategy, the imposition of any new or additional tax. The City, in proposing an allocation of 35% of gross receipts from the EXISTING ½ cent sales tax, but no more than \$230,000 in any fiscal year as designated by the City of Ogallala.**

STATEMENT OF PURPOSE DESCRIBING GENERAL INTENT AND PROPOSED GOALS:

It is the intent of the City of Ogallala to continue to have an Economic Development Plan, the purpose and goals which will be:

- To create new jobs;
- To expand the labor market;
- To retain existing jobs;
- To attract new capital investment ;
- To broaden the tax base; and
- To provide economic diversification to ensure economic stability and vitality for the City of Ogallala and surrounding areas.

TYPES OF ECONOMIC ACTIVITIES THAT WILL BE ELIGIBLE FOR ASSISTANCE:

Definition of Project or Program:

Economic development program means any project or program utilizing funds derived from local sources of revenue for the purpose of providing direct or indirect financial assistance to a qualifying business or the payment of related costs and expenses or both, without regard to whether that business is identified at the time the project of program is initiated or is to be determined by specified means at some time in the future.

Eligible Activities:

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

1. A revolving loan fund from which low interest or forgivable loans will be made to qualifying businesses on a no more than a one for one match basis from the grantee business for fixed assets or working capital or both or for loan guarantees and based upon job creation and/or retention, said jobs to be above the average wage scale for the community according to the Nebraska Department of Labor’s Occupational Employment and Wage Rates.
2. Grants for public works improvements essential to the location or expansion of, or the provision of new services by a qualifying business; or for capital improvements when tied to job creation criteria or when critical to retention of jobs of a major employer within the community.

3. Grants or loans to qualifying businesses for job training. (Activities which may be funded through the Economic Development Program or General Fund as authorized by Section 13-315 R.R.S.)
4. The purchase of real estate or real estate options on a match basis for non- retail and non-service sector qualifying businesses based on job creation and/or retention, said jobs to be above the average wage scale for the community, which equity investment is to be secured by Mortgage, Deed of Trust, Promissory Note, personal and/or corporate guarantees or other financial instrument. Selection of tract(s) will be based upon appropriateness for intended use by qualifying business considering zoning and the Comprehensive Development Plan of the City. Proceeds from the sale of land may be used by the City for additional land purchases for economic development purposes.
5. The authority to issue bonds pursuant to the Act.
6. Relocation incentives for new residents.
7. Skilled workforce recruitment initiatives.
8. Tourism-related activities.
9. Grants, loans or funds for rural infrastructure development as defined in section 66-102.
10. Grants or loans for the construction or rehabilitation for sale or lease of housing as part of a workforce housing plan, pursuant to the Act.
11. Grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low to moderate income.
12. The provision 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.
13. Commercial/industrial recruitment and promotional activities.
14. New infrastructure development including utilities, paving, and other necessities essential to relocation, expansion, and recruitment of business and industry tied to job creation criteria as set forth by City Council in relation to the Plan.

DESCRIPTION OF TYPES OF BUSINESSES THAT WILL BE ELIGIBLE:

Qualifying Business: Definition

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

- The manufacture of articles of commerce;
- The conduct of research and development;
- The processing, storage, transport or sale of goods or commodities which are sold or traded in interstate commerce;
- The sale of services in interstate commerce;

- Headquarters facilities relating to eligible activities as listed in this section;
- Telecommunications activities, including services providing advanced telecommunications capability;
- Tourism-related activities;
- The production of films, including feature, independent, and documentary films, commercials, and television programs;
- A business that derives its principal source of income from the construction or rehabilitation of housing;
- A business that derives its principal source of income from retail trade, meaning 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;

(Except that no more than forty percent of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any twelve-month period and no more than twenty percent of the total revenue generated pursuant to the act for an economic development program in any five- 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.)

- Any other business deemed as a qualifying business in the Local Option Municipal Economic Development Act or through future action of the Nebraska legislature.

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 application for participation in the 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 city as a participant in its economic development program at a level not less than its average employment in the city over a twelve-month period preceding participation.

Qualifying business does not include a political subdivision, a state agency, or any other governmental entity, except as allowed for cities of the first and second class and villages for rural infrastructure development as provided for in subsection (4) of section 18-2705.

Qualifying Business: Location

A qualifying business must be located within the zoning jurisdiction of Ogallala, unless a variance is granted for special circumstances by the Ogallala City Council for a qualifying business in the Keith County area.

Film Businesses

A qualifying business which derives its principal source of income from the production of films, commercials, and television programs and which is utilizing an economic development program

shall (1) provide notice to the Nebraska Film Office or its successor of each project for which the qualifying business intends to utilize the economic development program and (2) acknowledge in the production credits of the film, commercial, or television program the State of Nebraska and the city operating the economic development program. The acknowledgment shall be required only when production credits are displayed and shall not be required if prohibited by local, state, or federal law, rule, or regulation.

Telecommunications

Advanced telecommunications capability shall mean high-speed, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.

Eligible to Receive Program Benefits Multiple Times

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

SOURCE OF FUNDING:

The Plan will be funded by a portion of **EXISTING** City of Ogallala Sales Tax. **NO NEW TAX** will be implemented.

Funding and Restrictions:

The Plan will be funded by allocating **35% of gross receipts, but no more than \$230,000 from ½ cent sales tax in any fiscal year as designated by the City of Ogallala**, annually for 15 years as authorized in the Local Option Revenue Act. **No increase in taxes will be required.** The City will not impose any additional property or sales tax for the approved economic development Plan. **The City of Ogallala shall not appropriate an amount in excess of the amount approved by the voters at the election which approves the Plan.**

Time Period for Existence of the Plan:

The Plan will be in effect from July 1, 2019 to June 30, 2034.

Proposed Collections from Local Sources:

Revenues shall be used to fund this Plan up to a maximum amount as determined by the Local Option Revenue Act in each budget year covered by the length of the plan, and capital improvements within the City of Ogallala.

Basic Preliminary Proposed Budget:

It is expected that all funds would be used for eligible economic development activities. No funds will be used for administrative purposes.

Authority to Issue Bonds:

Ogallala may have a business opportunity or other economic development project that requires initial funds that exceed the single year proceeds of the local option sales tax. In order to take advantage of such an opportunity, Ogallala should have the ability to issue debt per state statute.

Future sales tax receipts then retire the debt. The City Council may authorize the issuance of bonds to carry out the economic development plan following a public hearing.

PROCESS

The City of Ogallala will be responsible for administration of the Plan. References to Plan Administration in this document will refer to the City of Ogallala, unless the City Council subsequently appoints an outside third party administrator.

Phase 1

Phase 1 determines the potential of financing for the proposed project or activity.

To be considered for direct financial assistance under this plan, an applicant must provide at a minimum the following.

1. A detailed description of the proposed project.
2. A business plan, including employment and financial projections, current and past financial statements and financial records as needed to perform due diligence as well as financing requirements for the project, and total project costs.
3. A list of key management employees and their skills and experience related to the project.
4. A completed City of Ogallala Local Option Municipal Economic Development Plan Application for Financial Assistance (provided by the Plan Administrator).

Additional information, as necessary to determine the eligibility and economic viability of the proposed project(s), may be requested by the Plan Administrator and/or by the City.

Phase 2

Phase 2 is the review portion of the application received.

Upon completion of the application and submittal of the application to the Plan Administrator, the Plan Administrator will review applications and requests for financial assistance in the order in which the Plan Administrator receives them. The plan/project will be submitted to the Citizens Advisory Review Committee for review and recommendations. The Citizen Advisory Review Committee will review each application and decide whether to recommend to City Council for approval based on project feasibility and the potential future economic benefit to the community of Ogallala as determined by review of the applicant's business plan and other requested information. If the Committee does not recommend the application, the business

can decide to revise the plan and resubmit to the Committee for a second review or elect to present the existing plan to the City Council without a favorable recommendation from the Committee.

The Plan Administrator will be responsible for verification of information in the applications from those eligible businesses, which receive a recommendation from the Committee for financial assistance before recommendation is made to the City Council.

Phase 3

After review, the application will be submitted with recommendations to the City Council for its review and final decision.

The Council will consider the overall benefits to the community. Then the Council will strive to provide the Plan Administrator a decision that fits within the time frame suitable to meet the business requirements of the applicants. Once approved, the Plan Administrator will take the necessary actions to execute the agreements made.

PROCESS TO INSURE CONFIDENTIALITY OF BUSINESS INFORMATION RECEIVED

In the process of gathering information about a qualifying business, the City or covered entity may receive information about the business, which is confidential and, 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 business records, which come into their possession.

To protect the business applying for funds and to encourage them to make full and frank disclosure of business information relevant to their application, **the City of Ogallala will take such steps as may be necessary to ensure the confidentiality of the information it receives, pursuant to Neb. Rev. Stat. §18-2715 (4) and §84-712.05.**

1. The adoption of an ordinance which makes such information confidential and punishes disclosure;
2. A restriction on the number of people with access to the files with the Plan Administrator primarily responsible for their safe-keeping, and
3. A requirement that personnel involved in the Plan, sign statements of confidentiality regarding all personal and private submittals by qualified businesses.
4. Sensitive financial records are to be kept confidential by the Plan Administrator and analyzed by the Plan Administrator or an agreed upon third party, not to be shared with the Citizen Advisory Review Committee or the City Council without the explicit consent of the company and/or individuals.

ADMINISTRATION OF ECONOMIC DEVELOPMENT PLAN

1. Plan Administrator and/or an appointed Third Party:

- Assists applicants and conducts active recruiting for potential applicants.
- Will be responsible for the day-to-day activities of administering the plan.
- Develops the application form and procedures to encourage participation from eligible activities.
- Responds to all inquiries in a timely manner.
- Reviews and analyzes confidential financial information to make an educated evaluation of the viability of the project to the economic development team and the City Council.
- Ensures applications are processed, reviewed and brought before the City Council in a timely manner.
- Provides 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.
- Tracks participating businesses' employment figures for two years if said business employs persons in other Nebraska communities.
- Provides a report to City Council and the general public on the activity of the plan on a **quarterly** basis.

2. Citizen Advisory Review Committee:

The Citizen Advisory Review Committee will meet regularly as required to review the plan and any applications referred by the Plan Administrator, and will report to the City Council in a timely manner on its findings and suggestions at a public hearing called for that purpose.

By State Statute, this committee is comprised as such:

- A group of citizens who are registered voters of the City, appointed by the Council President and subject to approval of the City Council, who will review the functioning and progress of the economic development plan and advise the City Council with regard to the plan.
- Committee organization will consist of:
 - Not less than five nor more than ten members.
 - At least one individual with expertise or experience in the field of business, finance or accounting.
 - A City Official or appointed Third Party responsible for the administration of the economic development plan who will serve as an Ex-Officio Member.
 - The ordinance shall designate one municipal official or Third Party to administer the economic development plan and serve as an ex-officio Committee member. The designated individual also will be responsible for providing the committee with necessary information and advice on the economic development plan (Neb. Rev. Stat. §18-2715)

- No member of the committee shall be an elected or appointed City official, an employee of the City, a participant in a decision making position regarding expenditures of plan funds, or an official or employee of any qualifying business receiving financial assistance under the economic development plan or of any financial institution participating directly in the economic development plan.

1. City Council:

- Will have final authority on expenditure of funds in support of the economic development plan.
- Will select a Plan Administrator and approve the membership of the Citizens Advisory Committee.
- Will have ultimate responsibility for the economic development plan.

2. Loan Plan Administrator (if loan plan exists)

If the economic development plan involves the establishment of a loan fund, the governing body of the city shall designate an appropriate individual to assume primary responsibility for loan servicing and shall provide such other assistance or additional personnel as may be required. The individual may be an employee of the city, or the city may contract with an appropriate business or financial institution for loan servicing functions.

The governing body of the City shall be provided with:

- a. An account of the status of each loan outstanding,
- b. Plan income and current investments of unexpended funds on a monthly basis. Plan income shall mean payments of principal and interest on loans made from the loan fund and the interest earned on these funds.

Records kept on such accounts and reports made to the governing body of the City 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 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 individual responsible for loan servicing shall monitor the status of each loan and, with the cooperation of the governing body of the city and the primary lender or lenders, take appropriate action when a loan becomes delinquent.

The governing body shall establish standards in writing 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 governing body 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.

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 which will receive assistance as follows:

Plan Review:

The Ordinance establishing the Plan shall provide for the creation of a Citizens Advisory Review Committee to:

- Review the functioning and progress of the Economic Development Plan at regular meetings as set forth by Ordinance and to advise the governing body of the City with regard to the Plan, and
- Report to the City Council on its findings and suggestions at a public hearing called for that purpose at least once quarterly after the effective date of the Ordinance.
- It is recommended that professionals in the fields of accounting and banking and finance, small business owners and business professionals be included on the Citizens Advisory Review Committee. At least one member of the Committee shall have expertise or experience in business finance and accounting as a banker or accountant, at least one member of the Committee shall be a business owner. All members shall be registered voters of the City. The members shall be appointed by the Council President, subject to the approval of the City Council. The Advisory Committee shall consist of five to ten members as determined by the City Council. No member shall be an elected or appointed City Official, an employee of the City, a participant in a decision-making position regarding expenditure of Plan funds, an official or employee of any qualifying business receiving financial assistance under the Plan, or an official or employee of any financial institution participating directly in the Program.

Monitor Participating Businesses:

Reviews will be conducted on a regular basis, by an appointed entity, to ensure that qualifying businesses are following the appropriate laws and regulations and meeting the terms and conditions of assistance.

Monitor Regulatory Changes:

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

PURCHASE OF REAL ESTATE OR OPTION TO PURCHASE:

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

- Be properly zoned with no excessive easements, covenants or other encumbrances, and
- Should conform and be able to be re-zoned to comply with the City's or County's Comprehensive Plan.
- Shall be located within the zoning jurisdiction of the City of Ogallala unless a variance is granted for special circumstances by the Ogallala City Council for a qualifying business in the Keith County area.
- The proceeds from the future sale of such land would be returned to the City's Economic Development Fund for reuse for any activities eligible in the Program or for additional land purchases.

WORKFORCE HOUSING PLAN

Workforce Housing Plan means a program to construct or rehabilitate single-family housing or market rate multi-family housing which is designed to address a housing shortage that impairs the ability of the city to attract new businesses or impairs the ability of existing businesses to recruit new employees.

The Plan will also 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 under section 18-2710.01;
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;
4. Such other factors, as determined by the city, which are particularly relevant in assessing the conditions faced by persons seeking new or rehabilitating housing in the city.

INVESTMENT OF COMMUNITY DEVELOPMENT FUND

The City will establish a separate Economic Development Fund. All funds derived from local sources of revenue for the Economic Development Plan, any earnings from the investment of such funds, any loan payments, any proceeds from the sale by the City of assets purchased by the City under its Economic Development Plan or other money received by the City by reason of the Economic Development plan shall be deposited into the Economic Development Fund. No money in the Economic Development Fund shall be deposited into the General Fund of the City except as provided by statute. The City shall not transfer or remove funds from the Economic Development Fund other than for the purposes described in the Act and this Plan, and the money in the Economic Development Fund shall not be commingled 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. Neb. In the event the Economic Development Plan 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.

APPROPRIATION OF ECONOMIC DEVELOPMENT FUNDS

1. The City shall not appropriate from funds derived directly from local sources of revenue an amount for an economic development plan in excess of the total amount **approved by the voters** at the election or elections in which the economic development plan was submitted or amended.
2. The restrictions on the appropriation of funds from local sources of revenue as set out in subsections (1) of this section shall apply only to the appropriation of funds derived directly from local sources of revenue. Sales tax collections in excess of the amount which may be appropriated as a result of the restrictions set out in such subsections shall be deposited in the city's economic development fund and invested as provided for in Neb. Rev. Stat. §18-2718. Any funds in the city's economic development fund not otherwise restricted from appropriation by reason of the city's ordinance governing the economic development plan or this section may be appropriated and spent for the purposes of the economic development plan in any amount and at any time at the discretion of the governing body of the city subject only to Neb. Rev. Stat. §18-2716

3. The restrictions on the appropriation of funds from local sources of revenue shall not apply to the re-appropriation of funds, which were appropriated but not expended during previous fiscal years.
4. Any money in the Economic Development Fund not currently required or committed for the purposes of Economic Development shall be invested as provided in Neb. Rev. Stat. §77-2341.
5. In the event that the Economic Development Plan 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.
6. If there is a conflict between this plan and State Statute, the State Statute will control.