

Ord City Sales Tax Guidelines

Eligible Applicants:

The revolving loan fund can provide loans or loan guarantees to any business eligible for assistance under the Local Option Municipal Economic Development Act. 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:

1. Businesses or projects which will create or retain quality jobs in Ord and the surrounding area.
2. Applications which provide for the expansion, enhancement or transition of existing businesses in Ord and the surrounding area.
3. New business starts.
4. Businesses that in the opinion of the loan committee have unusual potential for growth.
5. Businesses that are relocating from outside Nebraska.
6. Businesses that provide for important local or regional needs.
7. The business needs to be located within Valley County.

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
- 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 2%
- 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 lender.
- Length of loan = 10 years for capital assets and 5 years for loans involving any other asset category, up to 10 years for equipment and fixtures may be possible for transition projects.
- 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.
- In cases of business transition projects, the loan committee may choose to modify loan terms listed in the sales tax policy manual. These changes may include (but are not limited to) interest-only payments for a period of the loan or other modifications the committee feels are justifiable under the current policies of the sales tax program.

Forgivable loans:

Forgivable, performance based loans will be considered by Economic Development Board with one or all of the following criteria taken into consideration:

1. The levels of job creation/job retention, and the duration of those job commitments, being proposed as job performance requirements to be met by the benefited business.
2. Level of economic impact to the community.
3. The overall wage levels being paid by the benefited business.
4. Benefited business' commitment to providing a minimum annual wage increase for all employees through a period of time
5. The level of equity investment by owners
6. An assessment of the ability of the benefited business to repay the loan in the event job performance requirements are not met

Application Requirements:

1. Complete an application that may be obtained from the Economic Development Office, 1514 K Street, Ord, Nebraska, 68862
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 \$115.00 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 Ord 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 considers any application:

1. Sole Proprietorship:
 - a. Submit a Valley County 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 Valley County 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 Valley County 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 Valley County 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 Valley County 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 Valley County 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 Valley County 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 questions regarding the sales tax guidelines, please call the Valley County Economic Development office at (308) 728-7875 or email trevorlee@ordnebraska.com.