

LB840: Bellevue's Economic Development Plan

LB840 Project Review Committee Orientation
Mark Elbert, Community Development Director

What is LB840?

- In 1991, the Nebraska Unicameral implemented this amendment with the passage of Legislative Bill 840, the **Local Option Municipal Economic Development Act**.
- LB840 allows cities and villages the power to use local sources of revenue for economic or industrial projects and programs.

Bellevue's Strategy

- 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 Bellevue.
- An economic development program can establish the city as a nurturing environment for small and large businesses alike.
- This atmosphere will encourage people with skills and ideas to move or return to Bellevue to do business as well as retain current residents.

Purpose & Intent

- The City of Bellevue has implemented the Economic Development Program within the corporate limits of the City as well as it's Extra-Territorial Jurisdiction ("ETJ").
- The City of Bellevue will promote new development throughout the City and its ETJ.

Goals for the Program

- Create new jobs
- Generate employment
- Attract a variety of new businesses
- Attract new capital investment
- Broaden the tax base
- Expand the labor market
- Compliment and further the goals of the City's Comprehensive Plan

Eligible Activities

- Eligible economic activities of the Economic Development Program are:
 - Purchase Land
 - Execute Options
 - Construction or Infrastructure Financing
 - Loan Fund

Purchase of Land

- The City of Bellevue may purchase real property or execute options for real property.
- After a review, the Program Administrator will make a recommendation to the Mayor and City Council regarding land purchase or options.
- The City shall comply with all statutory requirements when purchasing real property.
- Proceeds from the sale of real property shall be returned to the City of Bellevue's Economic Development Fund for future use.

Infrastructure Improvements

- The City of Bellevue may make expenditures or grants for public works improvements, site development and infrastructure such as water, sewer, electrical, gas, and transportation.
- Any expenditures for access to transportation shall specifically include installation of railroad tracks, railroad crossings, rail switch stations and docks or piers for loading and unloading barges and other river transportation vessels.

Loan Fund

- The loan fund shall be organized and operated as determined by the City of Bellevue based on programs offered by the Small Business Administration (SBA) or the State of Nebraska.
- The City of Bellevue can in any case impose additional or greater requirements, standards, criteria or conditions as determined appropriate.

Minimum Requirements by SBA or State of Nebraska

- Types of financial assistance available, the maximum proportion of financial assistance that will be provided to any single qualifying business and the criteria used to determine the appropriate level of assistance;
- The criteria and procedures that will be used to determine the necessity and appropriateness of permitting a qualifying business to participate in the loan fund;
- The criteria for determining the time within which a qualifying business must meet the goals set for it under its participation agreement; and
- Standards for loan delinquency, declaration of default, and actions to be taken upon default (consistent with Neb. Rev. Stat. section 18-2720).

Loan Fund (cont.)

- The loan fund will be administered in accordance with applicable law, including Neb. Rev. Stat. section 18-2720.
- The loan fund will be audited annually in conjunction with the audit of the Economic Development Program pursuant to Neb. Rev. Stat. section 18-2721.
- Nebraska Statutes 18-2705 through 18-2722 provide the governing language for the Economic Development Program.

Source of Local Option Funds

- Existing local option City Sales and Use Tax, Lodging Tax, Occupancy Tax and Real Estate Tax.
- The City of Bellevue may not appropriate funds to fund the Economic Development Program if the City Council (by resolution) or the voters (by ballot) do not approve the appropriation.
- Additional funds from other non-City sources will be sought beyond those derived from local sources of revenue, such as Tourism Grants.

Length of Time the Program will Exist

- May 1, 2015 until April 30, 2040.
- Miscellaneous revenues and funds, including repayment of loans, return on investments, fees, and proceeds from properties, may continue to be used for activities within the program during the life of the program.

Note: Voters approved continuation of plan in May 2022.

Note: Voters approved expansion of plan to entire City Limits and ETJ in November 2022.

Preliminary Budget

- City of Bellevue ***shall*** establish an Economic Development Fund.
- Shall contribute an amount not to exceed \$375,000 for any one-half year; or
- Shall contribute an amount not to exceed \$750,000 per year beginning May 1, 2015 and ending April 30, 2035.
- The minimum expenditure in any one year shall not exceed the amount contributed for that year ***plus*** any surplus funds from previous years ***plus*** any non-City source of funds available.

Bond Authority

- Following a public hearing, the Bellevue City Council may authorize the issuance of bonds to carry out this Economic Development Program.
- Future contributions of Local Option City Sales and Use Tax, Lodging Tax, Occupancy Tax and Real Estate Tax to the Economic Development Fund shall be used to pay off these bonds.

Administrative Process

- Citizen Advisory Review Committee (the Committee) established by Mayor and Council.
- Five voting members; 3 members must have expertise in business, finance or accounting.
- Ex-officio members from the City of Bellevue include the Program Administrator, the City Administrator and Designated City Official.

Meetings

- The Committee will meet to review applications on an as needed basis.
- The Committee will also meet on a quarterly basis to review the progress of the Economic Development Program.
- The Committee will report its findings and suggestions to the Bellevue City Council on no less than a semi-annual basis.
- The Bellevue City Council may assign additional responsibilities to the Committee as necessary.

Application Process

- Program applicants must provide the following information:
 - 1) A detailed description of the proposed project, including an address or legal description for the proposed project.
 - 2) A business plan that includes employment and financial projections, current financial statements, financing requirements for the project and total projected costs.
 - 3) A completed City of Bellevue Local Option Municipal Economic Development Program application.

Application Process (cont.)

- The Committee will review applications in the order they are received.
- Approval/disapproval of an application will be based on project feasibility and the potential future economic benefit.
- After a financial verification process, the Committee may, or may not, recommend approval of an application.
- After the Committee's recommendation is determined, the application will be presented to the Bellevue City Council for consideration.

Upon Approval

- After Bellevue City Council approval, and provided that proper execution of the agreements are made, the Bellevue City Council will provide a suitable time frame to disburse funds meeting the requirements of the applicant.

Key Contacts

Mark Elbert, Community Development
Director & LB840 Program Administrator
Email: Mark.Elbert@Bellevue.net Phone:
(402)293-6085

Rich Severson, Finance Director
Email: Rich.Severson@Bellevue.net Phone:
(402)293-3088