

**SOUTHEAST NEBRASKA DEVELOPMENT, INC. (SEND, Inc.)
NON-PROFIT DEVELOPMENT ORGANIZATION (NDO)
ECONOMIC DEVELOPMENT PLAN FOR USE OF NDO PROCEEDS**

PART I: TYPE OF PLAN

A. REGIONAL

The Southeast Nebraska Development Inc., (SEND, Inc.) NDO Regional Revolving Loan Fund (SEND, Inc. -RLF) shall be used within the Southeast Nebraska Development District's (SENDD) service area and may include the City of Lincoln on a case by case basis.

PART II: GOALS AND OBJECTIVES

A. LOCAL OBJECTIVES

1. Provide financing and/or refinancing for start-up and existing businesses that cannot obtain sufficient conventional financing or to attract new businesses;
2. Provide financing 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 to attract new businesses or impairs the ability of existing businesses to recruit new employees;
3. To create and retain jobs principally for low-to-moderate income persons;
4. To diversify the region's economy by assisting businesses, which are not presently in the region;
5. To encourage the redevelopment of vacant or blighted buildings and land;
6. To promote entrepreneurship and new business development;
7. To stop "leakage" of dollars from leaving the region;
8. To provide necessary public infrastructure to business and industry; and
9. Help businesses and industry with job training costs.

PART III: ELEMENTS OF THE PLAN

A. ELIGIBLE BUSINESSES

1. Manufacturing assembling, fabricating or processing of tangible personal property;
2. Storing, warehousing, distributing, transporting, or selling of tangible personal property;
3. Conducting research, development, or testing for scientific, agricultural, animal husbandry, food product, or industrial purposes;
4. Performing data processing, telecommunications, insurance, or financial services;
5. Transportation, retail, service, and tourism that are for profit and/or not for profit;
6. Food systems;
7. Any business that provides early childhood services fulfilling a gap within the community;
8. Any business that derives its principal source of income from the construction or rehabilitation of workforce intended housing; and
9. The administrative management of any activities, including headquarter facilities relating to such activities.

B. ELIGIBLE ACTIVITIES

Eligible activities, for which loan funds may be used, shall be limited to:

1. Acquisition of land and buildings;
2. Construction or renovation of real estate either leased or owned;
3. Acquisition of machinery, equipment, property or services;

4. Providing funds for the purpose of guarantying loans for any of such purposes;
5. Working Capital;
6. Equity Investment;
7. Job Training costs;
8. Public Infrastructure (streets, water, sewer, electrical) necessary to accommodate businesses;
9. Construction or rehabilitation of workforce intended housing;
10. Miscellaneous activities that continue to support economic development as approved by the board; and
11. Refinancing of debt.

C. TYPES, AMOUNTS, AND TERMS OF ASSISTANCE

Assistance shall only be provided when other sources of funds under like terms are not otherwise available. Funds will be provided in the least amount necessary when used with other sources and in accordance with the other restrictions contained in this plan to make the project feasible.

The amount of assistance for any single application shall not exceed the amount of funds available or expected to be available to the SEND, Inc. RLF at the time of approval of the application; provided that the SEND, Inc. RLF shall only be obligated for funds actually available on the date of the approval.

For direct loans involving bank participation, no application shall provide more than fifty (50%) percent of the cost of fixed assets to be purchased and/or working capital including interim financing (required by the project). Micro loan applications up to \$35,000 with no bank participation may provide 100% of the funds needed to successfully complete the project. In either case, applicant must provide equity injection and evidence of the ability to participate. The minimum participation amounts shall be equal to ten (10%) percent of the total project cost for projects including expansion of an existing business (existing at least three years) or twenty (20%) percent of the total project cost of a start-up business (to be created or existing less than three years). In the event such funds are used to guarantee a loan no equity participation shall be required of applicant, but applicant shall endeavor to provide as much equity for such purpose as is possible. For loans involving the refinancing of debt, the application must provide a 5% improvement to cash flow as a result of the refinancing. Debt refinancing will not be allowed if the situation will directly compete with a traditional lender; a commitment or denial letter may be requested during the application process. Debt refinancing will be determined by the Southeast RLF Committee on a case by case basis.

The application shall state the proposed terms of the loan. However, SEND, Inc. reserves the right to negotiate the amount, the interest rate, and term of the loan with the applicant. Generally, interest rates shall not be less than fifty percent of prime rate in the Wall Street Journal. Interest rates will be determined on a case by case basis.

Terms of the loan are dependent upon the type of financing provided and in no case shall be the term exceed useful life of assets finances. Standards for terms shall be:

1. Working capital – up to 3 years
2. Machinery and equipment – up to 7 years
3. Refinancing of Debt – up to 10 years
4. Land and buildings – up to 15 years.

It should be noted that the above guidelines are established as a reference standard and may be amended or waiver on a case-by-case basis, depending on the impact the business may have on the economy.

All applicants of approved projects shall provide adequate assurances that the project will be started and completed. Security for loans will include but will not be limited to a promissory note, mortgage or deed of trust, security agreement, UCC Filing, assignment of life insurance and personal and/or corporate guarantees, as appropriate. The security may be in a subordinate position to the primary (participating) lender in the project. The collateral pledged by the business must adequately secure the amount of funding provided by the NDO on the project. Personal assets may be considered if there are not sufficient assets available to be pledged by the business.

PART IV: APPLICATION AND REVIEW PROCESS

A. APPLICATION PROCESS

Businesses may obtain an application from the SEND, Inc. office during normal business hours or via the website www.sendd.org. Completed applications are to be submitted to the SEND, Inc. NDO Program Administrator. Applications will be reviewed in the order in which they are received. When considering multiple projects, priority will be given to projects in which other sources of funds under like terms are not otherwise available.

B. REVIEW AND APPROVAL PROCESS

SEND, Inc. staff shall be responsible for preparing loan applications for the Southeast RLF Committee (who are comprised of the members on the SEND, Inc. Board of Directors) review. This can include 1) meet with the applicant, if necessary, 2) request additional information, if necessary, 3) determine that the activities are eligible as required in this plan and by other federal and state requirements, 4) consider and make recommendations for changes to the original application, and 5) present the loan request to the Southeast RLF Committee.

C. REVIEW AND APPROVAL PROCESS

SEND, Inc. will utilize a Southeast RLF Committee as their advisory body. The Southeast RLF Committee shall 1) meet with the applicant, if necessary, 2) accept additional information, 3) accept recommendations from the SEND, Inc. NDO Program Administrator, 4) Consider and make recommendations for changes to the original application, and 5) determine that the activities are eligible as required in this plan and by other federal and state requirements.

Once an application is reviewed, The SEND, Inc. Board of Directors shall receive a recommendation from the Southeast RLF Committee. With the information provided the SEND, Inc. Board of Directors will make final determination on the project. The SEND, Inc. Board of Directors will have responsibility of ratifying all decisions made by the RLF Committee.

PART V: PROGRAM FUND AND REPAYMENTS

SEND, Inc. shall deposit all repayments from loans approved prior to and after the adoption of this plan and other program income into its revolving loan fund accounts. These accounts shall be interest bearing accounts. The amount of money in this account shall be no larger than the amount insured by the FDIC, FSLIC or approved pledges securities. SEND, Inc. may also invest funds from the fund in secured instruments, as provided by law that can be converted and be readily used for approved applications.

PART VI: PROGRAM ADMINISTRATION

SEND, Inc. will serve as administrator of this fund and charges for such services shall be paid for entirely or in part with the funds provided by this plan. SEND, Inc. will charge administration fees on a cost reimbursement basis, not to exceed 8%.

PART VII: PRIORITY RANKING SYSTEM

Priority will be given toward the following 1) Industrial Job Creation and Job Retention, 2) Back Office/Service Operations targeting job creation/job retention, 3) Workforce housing development that addresses housing shortages or enhances the ability to attract new businesses or to recruit new employees, 4) Retail Business, 5) Public Works Infrastructure to support Industrial, Service, Commercial, and Retail, 6) Food Systems, and 7) Childcare.

PART VIII: CONFLICT OF INTEREST CLAUSE

Regarding any members of the SEND, Inc. Board of Directors, Southeast RLF Committee, or SENDD staff involved with administration of this Non-Profit Development Organization, confidential business information may be shared from time to time so that with these individuals in order to participate in discussions regarding applications for economic development assistance. These individuals will be required to acknowledge an obligation to disclose for the public record any personal and/or professional financial interest(s) in the project which is the subject of an application for economic development assistance. Further, they must acknowledge that anyone who makes such a disclosure shall not participate in discussion and review of the application, nor shall this individual vote on any recommendation, nor approve of any further negotiations or recommendations regarding the application.

PART IX: GRIEVANCE PROCEDURES


In the event that any applicant feels he or she is aggrieved by any decision of the NDO process, he or she may file a grievance with the President of SEND, Inc., 7407 O St, Lincoln, NE 68510 within thirty (30) calendar days of notification of a funding decision.

PART VII: PLAN AMENDMENTS

SEND, Inc. may consider amendments to this plan at any time provided that prior to making any changes to this plan, the Southeast RLF Committee, SEND, Inc. staff and any other persons as may be designated by SEND, Inc. shall consider any proposed changes and make a recommendation to the SEND, Inc. Board of Directors for their consideration. Changes shall be adopted by resolution and approved by the State of Nebraska Department of Economic Development.


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This plan is hereby approved by action of the Board of Directors of Southeast Nebraska Development Inc. (SEND, Inc.) this 31st day of January, 2023.

DocuSigned by:

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Douglas Goracke, President

This reuse plan is hereby approved by the Nebraska Department of Economic Development (NDED) this 31st day of January 2023.

DocuSigned by:

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NDED Representative Tom Stephens