

City of Schuyler, Nebraska

SCHUYLER ECONOMIC DEVELOPMENT PLAN

October 1, 2017 - September 30, 2028

Proposed by the Schuyler Community Development, Inc. (October 28, 2016)

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City of Schuyler, Nebraska

SCHUYLER ECONOMIC DEVELOPMENT PLAN

October 1, 2017 - September 30, 2028

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SCHUYLER ECONOMIC DEVELOPMENT PLAN

Introduction

Nebraska's voters enacted a constitutional amendment in November, 1990, granting cities and villages the power to use local sources of revenue for economic or industrial projects and programs. In 1991, the Unicameral implemented this amendment with the passage of the Local Option Municipal Economic Development Act, Legislative Bill 840; codified in the Nebraska Statutes as Section 18-2701, et seq. (the " Act ").

The Local Option Municipal Economic Development Act is based on the premise that communities should use their own 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 communities from investing local public funds in development programs. Voter approval of LB 840 removes these prohibitions or legal barriers and affords municipalities greater latitude in shifting spending priorities to implement local solutions for economic growth and development.

The core of the Act's process involves the formulation of a proposed plan ('the Plan ') for local economic development. The Plan forms the foundation for the collection and expenditure of local tax revenues for economic development and the provisions of the Plan become the basis under which the municipality operates.

I. STATEMENT OF PURPOSE, GENERAL INTENT AND GOALS

The City of Schuyler, Nebraska, intends to implement the **Schuyler Economic Development Plan (SEDPlan)** the purpose and goals of which will be to: generate additional employment opportunities; recruit new businesses; broaden and grow municipal tax base; retain jobs; recruit and retain residents; grow and expand existing businesses; revitalize downtown central business district; create sufficient housing through new development programs in supporting the attainment of these stated goals.

Schuyler is strategically located in an economically strong and highly competitive region. To improve the community's competitiveness, including the development of sufficient housing to support future growth, the City of Schuyler will strive to utilize all municipal resources in conjunction with available federal, state and private resources.

II. GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY

Schuyler's community and economic development strategy involves building on its strengths by supporting existing industries and the retention of its current workforce, and, to recruit new industries and new employment opportunities to the community. The principal strategy is directed at assuring quality of life for citizens; maintaining a strong workforce; local residency of workforce; developing new housing programs; maximizing on community resources; attracting new capital investment; broadening and growing the municipal tax base; and ensuring economic stability and vitality for Schuyler.

The recruitment of new businesses from outside of Schuyler as well as the development of new businesses from within the community will strengthen and grow Schuyler. Small business development can establish Schuyler as a nurturing environment for entrepreneurial opportunity. In turn, this favorable business atmosphere provides both encouragement and incentive for people with skills and ideas to consider Schuyler a logical location to start their business. The City can also create additional employment opportunities by establishing an environment conducive for existing businesses to expand their markets and compete more successfully. The successful marketing of Schuyler as a "*center for opportunity*" is important to the City's effort in retention, expansion and recruitment.

III. ELIGIBLE ACTIVITIES

The **Plan** (*SEDPlan*) may include, but shall not be limited to, the following activities:

1. direct loans or grants to qualifying businesses for fixed assets or working capital or both
2. loan guarantees for qualifying businesses
3. grants for public works improvements which are essential to the location or expansion of, or the provision of new services by, a qualifying business
4. grants or loans to qualifying business for job training
5. the purchase of real estate, options for such purchase, and the renewal or extension of such options
6. grants or loans to qualifying businesses to provided relocation incentives for new residents
7. the issuance of bonds as provided for in the Local Option Municipal Economic Development Act
8. payments for salaries and support of city staff to implement the economic development program or the contracting of such to an outside entity
9. grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income
10. grants, loans, or funds for rural infrastructure development as defined in NE Statute Section 66-2102
11. grants or loans for the construction or rehabilitation for sale or lease of housing as part of a workforce housing plan
12. small business development and training
13. recruitment of qualifying businesses
14. site preparation and development, including demolition and infrastructure improvements to real estate purchased under this Plan
15. construction of speculative buildings
16. incentives and incentive programs
17. downtown central business district revitalization / redevelopment, including demolition and new infrastructure
18. retail development and that eligible or qualifying businesses shall include retail trade and retail development

IV. ELIGIBLE / QUALIFYING BUSINESSES

- A. An eligible / qualifying business shall mean any corporation, partnership, limited liability company or sole proprietorship which derives its principal source of income from any of the following:
- 1) manufacturing articles of commerce
 - 2) conduct research and development
 - 3) processing, storage, transport or sale of goods or commodities which are sold or traded in interstate commerce
 - 4) sale of services in interstate commerce
 - 5) headquarters facilities relating to eligible activities as listed in this section
 - 6) telecommunications activities
 - 7) tourism related activities
 - 8) a business involved in the construction or rehabilitation of housing for persons of low to moderate income
 - 9) retail development
 - 10) business that derives its principal source of income from the construction or rehabilitation of housing
 - 11) business that derives its principal source of income from retail trade
- B. A business need not be located within the territorial boundaries of Schuyler if the City Council determines there is a clear economic benefit to Schuyler.
- C. Businesses approved to receive ***SEDP*** funds may make subsequent application for additional direct financial assistance from the Plan. Each application request will be reviewed and evaluated separately by the Loan Review Board.
- D. It is not the intent of the Plan for a business operating in another Nebraska community to close its operation and relocate to Schuyler for the purpose of capitalizing on the benefits of the **Schuyler Economic Development Plan**. If an eligible business currently operating and providing employment in another Nebraska community, or will do so at any time during the first year qualifying for participation in the Plan, said business will remain a qualified Plan participant only if employment at all Nebraska locations is maintained for two years from the date the business begins operations as a participant in the Plan. The levels of employment in the other Nebraska communities will not be less than the average employment in each community location for twelve months preceding the date a business began its participation in the Plan.

V. SOURCE OF FUNDING

Section V. describes the source of funds and budget for the **Schuyler Economic Development Plan**. It is important to note a **Proposed Annual Budget** shall be developed and may need to be modified periodically by the City Council. In the field of economic development it is impossible to anticipate every condition or requirement. The City will retain the flexibility to respond expeditiously to specific requirements and opportunities when necessary. Plan funds are intended to be used for Eligible Activities.

A. **Plan Funding**

Source of funds for the **Schuyler Economic Development Plan** will be a one-half (1/2) percent (LB 840) local option sales tax (currently, prescriptions and groceries excluded from sales tax). Local option sales tax LB 840 revenue exceeding or in addition to the approved **Annual Budget** shall be deposited into City's general fund for downtown redevelopment / revitalization, capital improvements, parks and recreation, public safety, implementation and administration of the **SEDPlan**. City Council approval required for expenditures.

B. **Plan Duration**

This tax will remain in force for a period of eleven (11) years, beginning on October 1, 2017. The one-half (1/2) percent local option sales tax (LB 840) will go out of existence on September 30, 2028. Uncommitted funds and revenues may continue to be used for eligible activities contained within the Plan for an additional six year period. Unless extended by the voters, this Plan shall end September 30, 2034.

C. **Budget**

The Annual Budget amount of \$150,000 for fiscal year 2017-2018 with an annual 2% increase each year after the first year of the net revenue received by the City of Schuyler from such sales and use tax shall be appropriated to fund the Schuyler Economic Development Plan. A proposed budget shall be submitted annually by July 1st to the City Council for consideration and approval. Expenditures shall be made as authorized by Nebraska Law, to include but not to be limited to expenditures for land acquisition, land options, building construction, incentives, marketing, recruitment, development, infrastructure, downtown revitalization, housing development programs, eligible activities and administration of the Plan.

D. **Bond Authority**

The City of Schuyler may be presented with economic development opportunities which could require initial funds exceeding the single year proceeds of the local option sales tax. In order to take advantage of such opportunities the City of Schuyler shall have the authority to issue bonds. Future local option sales tax receipts shall be utilized to retire these bonds. The City Council may authorize the issuance of bonds to execute the **Schuyler Economic Development Plan** following a public hearing.

VI. ADMINISTRATION OF THE PLAN

The City Council, Plan Administrator (PA), Citizens Advisory Review Committee (CARC), and the Economic Development Coordinator will administer the Plan.

A. City Council:

- 1) The City Council will have final authority on the expenditures of funds in support of the Economic Development Plan.
- 2) A contractual relationship with the Schuyler Community Development (SCD) will be established. (see *Page 15*)
- 3) Ultimate responsibility for the Schuyler Economic Development Plan rests with the City Council.

B. Plan Administrator (PA):

- 1) The City Clerk of the City of Schuyler shall be the SEDPlan Administrator (PA).
- 2) PA is responsible for the day-to-day activities of administering the Plan. PA may direct the Economic Development Coordinator (EDC) to provide assistance in administering the Plan.
- 3) Assists applicants and conducts active recruiting for potential applicants.
- 4) Plan Administrator serves as an ex-officio (non-voting) member of the Citizens Advisory Review Committee (CARC). Will provide information to CARC as well as coordinate CARC meetings and public hearings for reporting purposes.
- 5) PA serves as an ex-officio (non-voting) member of the Loan Review Board, and, will provide information to the Loan Review Board and coordinate its meetings.
- 6) In the event of termination of the Plan Administrator, the PA's listed responsibilities will be executed by another City employee appointed by the Mayor and approved by the City Council.
- 7) PA conducts reviews of businesses approved for receiving funds from the Plan to insure agreement compliance.

C. Citizens Advisory Review Committee (CARC)

The Citizens Advisory Review Committee's function is to provide an overview of the progress in implementing the Plan. CARC will meet regularly and will report their findings and/or recommendations to the City Council at least once in every six month period at a public hearing called for that purpose.

- 1) Five registered voters of the City of Schuyler will comprise the Citizens Advisory Review Committee (CARC).
 - (a) Members are appointed by the Mayor and approved by the City Council. Terms shall be for four years, except the initial terms shall be established on a staggered basis to provide continuity on the Committee.
 - (b) At least one individual on the committee must have expertise or experience in the field of business finance or accounting.
 - (c) Both the Plan Administrator (PA) and the Economic Development Coordinator (EDC) will serve as ex-officio (non-voting) members.
- 2) No member of the Citizens Advisory Review Committee (CARC) 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 **Schuyler Economic Development Plan**, or, of any financial institution participating directly in the Plan.

D. Economic Development Coordinator (EDC)

The Economic Development Coordinator (EDC) shall assist the Plan Administrator (PA) in the implementation and administration of the Plan. EDC will serve as an ex-officio (non-voting) member on both the Citizens Advisory Review Board (CARC) and the Loan Review Board (LRB). The responsibility of the EDC is to provide information, coordination and guidance to both the Citizens Advisory Review Committee and to the Loan Review Board as may be directed by the Plan Administrator (PA).

VII. DIRECT FINANCIAL ASSISTANCE

The Plan is designed to provide direct financial assistance by funding different types of loans and loan packages to new and existing businesses with location and expansion opportunities.

A. General Guidelines:

- 1) The amount of funds available for any single project shall not exceed the amount of funds available under the Plan during the project term, nor shall it provide for more than fifty percent (50%) of applicant's total project costs. An applicant must provide participation and evidence of participation through private funding as distinguished from federal, state or local funding in the minimum amount of ten percent (10%) equity investment. Rights are reserved to negotiate terms and conditions of the loan with each applicant. Terms and conditions may differ substantially with each applicant.
- 2) The interest rate shall be negotiated on an individual basis. Security for loans will include, but will 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.
- 3) If the loan is approved as performance based, a business may qualify for performance based credits to have a portion of the loan forgiven. The forgivable amount will be based upon the project and its alignment with the Plan's Goals and its overall economic impact to the community.
- 4) 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 Plan Fund for future projects.
- 5) The PA or a contracted loan administrator is responsible for auditing funded businesses and verifying job creation, job retention and determining credits earned for Performance Based Forgivable Loans.
- 6) The Plan Fund shall be audited annually by a selected firm of certified public accountants and approved by the City Council.
- 7) It is anticipated that the Plan can be fully administrated by the Plan Administrator (PA) and assisted by the Economic Development Coordinator.

B. Financing Available:

- 1) Low Interest Loan: The Plan may provide a low interest loan (below market rate) blended with and subordinated to private financing. Repayment of the Low Interest Loan may be simultaneous with that of the private financing; or, repayment of the Plan's loan may be made following full payment of the private financing. Final approval by the City Council required.
- 2) Loan Guarantee: A portion of the Plan's funds are pledged against private financing. Guarantees make private financing more available with minimal expenditures from the Plan Fund. Final approval by the City Council required.
- 3) Performance Based Forgivable Loan: Eligible / qualifying businesses may be considered for performance based credits to have a portion of the loan forgiven. Final approval by the City Council required.
- 4) 0% Interest Loan: No cost 0% interest loans may be considered when needed. Final approval by the City Council required.
- 5) Loan Package: Any combination of the four different loans listed above may be packaged for eligible / qualifying businesses. Final approval by the City Council required.

C. Eligible Applicants:

While not meant to restrict the scope or flexibility of the Plan, evaluation of loan applications should give special priority to businesses which meet one or more of the following criteria:

- 1) business located in Schuyler or within two miles adjacent to its city limits
- 2) businesses which create employment
- 3) supporting existing businesses' retention and/or expansion or enhancement of its operations in Schuyler
- 4) new business startups
- 5) businesses having favorable potential for growth
- 6) businesses that are relocating from outside of Nebraska
- 7) businesses providing for important local or regional needs

D. Loan Review Board

The Loan Review Board (LRB) shall consist of five members appointed by the Mayor and approved by the City Council. Terms shall be for four years. Both the Plan Administrator (PA) and Economic Development Coordinator (EDC) serves as ex-officio (non-voting) Board members. No appointee to the LRB may be an elected or appointed official of the City of Schuyler; an employee of the City; a pending loan applicant nor an employee, agent, shareholder, or officer of a pending loan applicant for Plan funds. All Members on the Loan Review Board must have experience in the field of business, finance, or accounting. Members of the Loan Review Board shall be registered voters of the City of Schuyler.

E. Application Process

Loan applications may be obtained from the office of the Plan Administrator, 1103 B Street, Schuyler, NE 68661. Submit Information Required Of Applicant to the Plan Administrator. Plan Administrator (PA) may direct the Economic Development Coordinator to assist in the Application Process.

- 1) The PA shall make a preliminary determination as to whether (a) the Applicant is eligible; (b) the proposed activities are eligible; (c) the Applicant has no legal actions pending; and (d) all information required has been received.
- 2) The Loan Review Board shall review loan applications and provide guidance to the Plan Administrator concerning any loan requested.
- 3) Once the Loan Review Board has completed its review, it shall make a recommendation that (a) the application be approved, (b) the application be disapproved, or (c) the Board is unable to make a recommendation due to lack of information or other factors to be cited by the Board.
- 4) The type and level of financial assistance approved by the Loan Review Board will not unduly enrich the business or be disproportionate to the public's benefit.
- 5) Recommendations for approval by the Loan Review Board shall be submitted to the City Council for final consideration. In making its determination as to funding, the City Council shall generally not be presented with information which has been determined to be confidential.
- 6) An eligible business receiving Plan funding may make application for additional Plan funding. Each application shall be accepted for review until all Plan funds have been committed.

F. Information Required Of Applicant

The Plan Administrator will process application requests for direct financial assistance (loans) in the order of their receipt. Once all required information has been received, verified and eligibility for funds confirmed by the PA, an evaluation of the request will be made by the Loan Review Board. PA (Plan Administrator) may direct the Economic Development Coordinator to secure applicant information.

Applications for direct financial assistance may include the following information:

- 1) SBA Form 4 (most current Edition) – “Application For Business Loan”; other approved business loan applications
- 2) Business plan that includes financial projections for the next three years;
- 3) Signed copies of the most recent two years’ federal tax returns or all years where the business applicant has been in existence for less than two years;
- 4) Signed copies of financial statements of the applicant for the two most recent fiscal years or all fiscal years where the applicant has been in existence for less than two years;
- 5) Where the applicant is a closely held entity, signed balance sheets from the holders of more than 25% of the ownership interests in the entity;
- 6) Other information as requested by the Plan Administrator, Economic Development Coordinator or the Loan Review Board.

The Plan Administrator and / or the Economic Development Coordinator may use any or all of the following sources to verify the information provided by the applicant: Credit Bureau Reports (CBR), Dun & Bradstreet reports, examination of applicant’s internal business records, audit reports, and any other documents not listed but deemed necessary and appropriate.

G. Application Review

The Loan Review Board will evaluate each application according to the following criteria:

- 1) eligibility under the **Schuyler Economic Development Plan**
- 2) soundness and credibility of the business proposal
- 3) the business fits one of the priority categories for assistance as established by the Plan
- 4) track record, credibility, and credit worthiness of applicant
- 5) ability to leverage significant private financing
- 6) favorable probability the funds will be repaid by the business
- 7) other criteria the Loan Review Board may establish for evaluating applications for direct financial assistance

VIII. CONFIDENTIALITY OF INFORMATION

In the process of gathering information about a business applicant, information may be received which is confidential and, if released, could cause harm to the applicant or give unfair advantage to business competitors. State law authorizes municipalities and other public entities to maintain the confidentiality of business information.

To protect business applicants and to encourage them to make full and candid disclosure of business information relevant to their application, the City may take the following steps to ensure the confidentiality of the information it receives:

- 1) adoption of an ordinance which makes such information confidential and prohibits unauthorized disclosure
- 2) restricting access to information on a 'need-to-know' basis
- 3) requiring personnel involved in the administration of the Plan to sign statements of confidentiality regarding all inquiries and Plan applications

IX. IDENTIFICATION OF REAL ESTATE

Existing locations, currently available in the Schuyler area for future development, may become utilized before the expiration of the **Schuyler Economic Development Plan**. Therefore, the City, with the assistance from the Schuyler Development Company, should plan for the identification and acquisition of additional industrial, commercial and residential lands and the supporting infrastructure.

The recruitment of a new business or industry may require an incentive to ensure its location in Schuyler. Any investment in land and infrastructure can provide that incentive while at the same time provide a benefit that will remain in the community. Developed industrial sites, buildings, real estate and its infrastructure will be of long-term benefit to the community regardless of future ownership.

Eligible real estate for purchase includes commercial or industrial site(s) and obtaining options for the purchase of such real estate, and, real estate for housing development programs. Land to be purchased or optioned may be within or outside the corporate limits of the City of Schuyler. These properties will be identified through local analysis by the Plan Administrator and/or the Economic Development Coordinator. These identified sites may then be considered for option or purchase and further development.

In addition, Plan funds may be used to provide the infrastructure to these sites or other sites to make them attractive to new or expanding businesses. Eligible infrastructure improvements will include, but not be limited to; street, storm drainage, water, sewer, gas, electric and railroad extension. Infrastructure improvements and costs may extend to sites within two miles of the corporate limits of the City of Schuyler.

Plan funds may also be used for site preparations including excavation and demolition, to construct facilities, structures, and/or appurtenances for new or proposed development or to attract new business or industry. These facilities, structures and appurtenances are required to be within the City or within two miles of the corporate limits of Schuyler, Nebraska.

These sites and facilities will improve Schuyler's attractiveness as a location for new business and industry and may be used as an incentive to aid in the location, relocation or expansion of a business. These sites and facilities may be sold or leased at a price at or below current market value. The proceeds from the sale or lease of land purchased and developed with funds generated by the **Schuyler Economic Development Plan** may be used for the purchase and development of additional land and may also be used for all other eligible Plan activities.

X. SCHUYLER COMMUNITY DEVELOPMENT, Inc. (SCD)

In accordance with the Nebraska Nonprofit Corporation Act, Articles Of Incorporation for the Schuyler Community Development, Inc. (SCD) were filed with the Nebraska Secretary of State on October 15, 2012.

The SCD is a 501(c)(3) nonprofit organization.

The **Schuyler Economic Development Plan (SEDPlan)** establishes the following contractual relationship between the City of Schuyler and the Schuyler Community Development, Inc.:

- 1) SCD will employ a full-time Economic Development Coordinator (EDC) and a full-time Community Housing Specialist (CHS). EDC shall assist the PA in the implementation and administration of the **SEDPlan**.
- 2) In matters pertaining to the **Schuyler Economic Development Plan**, both community and economic development, the SCD will function in an advisory and recommending role to the City Council.
- 3) The City Council shall be provided the 'approved' Minutes from all regular and special SCD Board Meetings.
- 4) Once every six months the SCD President will appear before the City Council to provide pertinent information as requested.
- 5) EDC required to provide a quarterly accounting to the City Council of all Plan expenditures.
- 6) For the purpose of implementing and administering the **SEDPlan**, each year the SCD shall submit by July 1st to the City of Schuyler a **Proposed Annual Budget** for the upcoming fiscal year (October 1 - September 30). City Council approval required. Acceptable Plan budget expenditures: EDC and CHS salaries and incurred expenses. The SCD shall provide oversight of the EDC and CHS including payment of monthly salary and reimbursement of expenses.
- 7) The approved SCD operating budget shall be funded by LB 840 revenue from the Economic Development Investment Fund account. At the end of each fiscal year (September 30th), unused Plan funds shall be returned to the City of Schuyler and deposited into the Economic Development Investment Fund account by December 1st of the current fiscal year.
- 8) The intent of this contractual agreement is not to alter or amend the Schuyler Community Development's ability to function as an independent entity according to its Bylaws.

XI. PLAN FUND

The City shall establish a separate Economic Development Investment Fund account in accordance with the Act.

- 1) Annually, minimum of \$150,000 for fiscal year 2017-2018 with an annual 2% increase each year after the first year derived from the ½ percent local sales tax shall be deposited into the Economic Development Investment Fund account. Any earnings from the investment of such funds, loan repayments, and any other funds received by the City in conjunction with the Plan shall be deposited into the Economic Development Investment Fund account.
- 2) The City shall not transfer or remove funds from the Economic Development Investment Fund other than for expenditures on Eligible Activities as prescribed in the Act and this Plan.
- 3) The Economic Development Investment Fund shall not be commingled with any other City funds.
- 4) Funds in the Economic Development Investment Fund account shall be invested in accordance with Section 77-2341 of the Nebraska Statutes.
- 5) In the event that the Plan is terminated, any funds remaining in the Economic Development Investment Fund shall be transferred as provided by the Act to the General Fund of the City of Schuyler.

XII. RIGHT TO AMEND PLAN

- 1) Local Option Municipal Economic Development Act (LB 840) has been changed in several Legislative sessions since it was signed into law on June 3, 1991. To stay current with Nebraska statutes, the City of Schuyler retains the right to amend the **Schuyler Economic Development Plan** when such amendment pertains to changes made to the Local Option Municipal Economic Development Act or to other statutes that affect the Plan. Such amendments can only be made after a public hearing on the proposed changes and with approval by a two-thirds majority vote of Schuyler's City Council.
- 2) The **Schuyler Economic Development Plan** may be amended by the voters.
- 3) A new vote of the registered voters of the City is not required for the following types amendments to the **SEDPlan**:
 - adding a qualifying business to Eligible Businesses
 - removing a qualifying business from Eligible Businesses
 - corrective changes for compliance with NE State Statues

SCHUYLER ECONOMIC DEVELOPMENT PLAN

SUMMARY

Many communities have identified development, job creation and increased economic opportunity as their highest priority for the future. However, a variety of constitutional and legislative prohibitions kept communities from investing local public funds in development programs. Nebraska's voters enacted a constitutional amendment in 1990 granting cities the power to use local sources of revenue for economic programs. In 1991, the Unicameral implemented this constitutional amendment with the passage of Legislative Bill 840. Local voter approval of an Economic Development Plan (LB 840) removes these prohibitions or legal barriers and affords municipalities greater latitude in shifting spending priorities toward implementing local solutions for economic growth and community development.

*If approved by the voters, the City of Schuyler intends to implement the **Schuyler Economic Development Plan**, the purpose and goals of which will be: to generate additional employment opportunities; to recruit new businesses; to broaden the tax base; to retain jobs; to recruit and retain residents; to grow existing businesses; to revitalize downtown; and to create sufficient housing thru development programs to support the attainment of these stated goals.*

*The **Schuyler Economic Development Plan** forms the foundation for the collection and expenditure of local tax revenues for economic development. Sources of funds for the Economic Development Plan will be a one-half (1/2) percent local option sales tax (currently, prescriptions and groceries excluded from sales tax). This sales tax will remain in force for a period of eleven years, beginning on October 1, 2017. The sales tax will go out of existence on September 30, 2028. Annual revenue for investing in economic growth and community development estimated to be \$150,000 for the first year with an annual 2% increase after the first year. The City Council shall have final authority on the expenditure of funds.*

*Responsibility for the **Schuyler Economic Development Plan** rests with the City Council. The City will strive to utilize all municipal resources in conjunction with available federal, state and private resources.*

*The **Schuyler Economic Development Plan** may be amended by the voters. Unless extended by the voters, this Plan shall end on September 30, 2028.*