Exhibit 'A'

ECONOMIC DEVELOPMENT PROGRAM OF THE CITY OF BEATRICE, NEBRASKA

EFFECTIVE APRIL 1, 1999 THROUGH MARCH 31, 2013

Mayor: John Bartels

Councilmembers: Wayne Bitting
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Phil Cook
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Adopted by Ordinance Number 98-63

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SECTION I.
GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY FOR THE CITY OF BEATRICE

The public and private sector in the City of Beatrice and Gage County have an impressive history of cooperative efforts in economic development and a track record of success in attracting new business to the city and the county and in aiding the expansion of existing business. In November of 1992, the registered voters of the City of Beatrice approved an Economic Development Program for the City of Beatrice pursuant to the Local Option Municipal Economic Development Act, Sections 18-2701 to 18-2738, Nebraska Revised Statutes ("LOMEDA"). This Economic Development Program approved by the voters in 1992 will expire on March 31, 2003. The Mayor and City Council of the City of Beatrice feel that this Economic Development Program has become an integral part of the success of the economic development efforts of the Beatrice community and hereby adopts a new Economic Development Program to be effective from April 1, 1999 until March 31, 2013.

The general community and economic development strategy for the City of Beatrice is (1) to attempt to continue a proven program which has had a significant economic benefit for the City, the County, and the surrounding region, and (2) to continue the existing efforts for development of the community by using strong City involvement and strong leadership by the city government in future development efforts.

The cooperative efforts of the Beatrice City Council and the Gage County Board of Supervisors began over two decades ago with the purchase of a 117-acre industrial park platted as the Gage County Industrial Park (herein referred to as "Industrial Park Number 1") to enhance the competitive position of the City of Beatrice and Gage County to attract new industry and to provide properties for existing industries searching for a place to expand. This $300,000 joint effort was temporarily sidetracked by a 1976 opinion of the Nebraska Supreme Court which held that this purchase of property was a violation of the Nebraska Constitution.

In early February, 1977, Industrial Revenue Bonds were sold on behalf of a local development corporation known as the Gage County Industrial Corporation to purchase Industrial Park Number 1 from the City and County. Most of these bonds were sold to financial institutions in Gage County, small businesses, and individuals. This cooperative effort once again demonstrated the strong support of the private sector in the development effort.

In the fall of 1978, a 33,920 square foot building was constructed within Industrial Park Number 1 as a speculative building and in the winter of 1981, NEAPCO Manufacturing of Pottstown, Pennsylvania began leasing this building and also entered into an option to purchase 10 surrounding acres for future potential expansion. NEAPCO was the first of many industrial and commercial concerns to find a home in Industrial Park Number 1. NEAPCO today employs approximately 221 persons.

Since 1981, a number of businesses have located in Industrial Park Number 1 as follows:

COMPANY	YEAR LOCATED IN INDUSTRIAL PARK	CURRENT SQUARE FOOTAGE	CURRENT EMPLOYMENT
NEAPCO	1981	132,000	221
UPS	1982	5,250	25
Exmark Manuf.	1983	162,000	325
American Tool-Pro-Snip	1988	48,000	
American Tool-Chesco	1991	48,000	252
American Tool-Quick-Grip	1992	30,000	
Encore	1988	61,000	35
J&J Wood & Wire	1990	40,000	75
Goossen	1995	64,000	30

Accuma	1996	56,000	35
Production Creek	1997	9,275	10
TOTAL		655,525	1011

The adoption of the existing Economic Development Program pursuant to LOMEDA in 1992 significantly enhanced the economic development efforts of the Beatrice community. The establishment of manufacturing facilities by Accuma Corporation and Production Creek and the construction of a new larger facility by J&J Wood and Wire all within Industrial Park Number 1 can be attributed directly to financial assistance provided through this Economic Development Program. In addition, a railroad spur has been constructed along a portion of the western border of Industrial Park Number 1 to serve Accuma Corporation and is available for use by other industries.

In addition, in 1994 the City of Beatrice acquired real estate immediately to the west of Industrial Park Number 1 using funds derived from the Economic Development Program adopted in 1992 and platted this property as the Gage County Industrial Park First Subdivision (herein called "Industrial Park Number 2"). One building has been constructed within Industrial Park Number 2 and is occupied by Peak Labs, Inc., a Nebraska corporation, under a 10-year real estate purchase contract between this industry and the City of Beatrice. The Peak Labs building consists of 9200 square feet; and this industry currently employs 5 persons.

In 1997 the City of Beatrice acquired real estate to the north of Industrial Park Number 1 using funds derived from the Economic Development Program adopted in 1992 and plans to plat this property to serve as the City's third industrial park site (herein called "Industrial Park Number 3").

The combined efforts of the Gage County Economic Development, Inc., a local economic development group, the Beatrice Chamber of Commerce, Gage County, and the City of Beatrice have a track record of proven success. As stated previously, the strategy providing the cornerstone of this program is to continue to build on that success.

The competitive economic environment in which communities operate today requires them to do even more to maintain the same level of success. Even with the attraction of new industry and the expansion of existing business in the community and county, the City of Beatrice is still faced with the sobering reality that between 1980 and 1990 Beatrice and Gage County both showed a net decrease in population.

Because of national, state and local employment trends, there is an intense competition for new job creation present today between communities. This fact forces states and municipalities, in order to remain competitive, to provide incentives for new business expansion or location. LOMEDA allows Nebraska communities the opportunity to determine their own destiny by identifying shortcomings and to be able to provide, through self-determination, those aspects necessary to new businesses locating in the community or existing businesses looking to expand. The Local Option Municipal Economic Development Act, Section 18-2701 to 18-2738, Nebraska Revised Statutes, allows communities to invest local tax dollars for economic development purposes to create new jobs in the area.

The passage in 1992 of the existing Economic Development Program has become an integral part of the success of the Beatrice community in its economic development strategy. This new Economic Development Program will be effective for a 14-year period beginning on April 1, 1999 and identifies those items necessary for the City of Beatrice to provide in order to continue to be a solid supporter of, and partner in, the economic development efforts of the region.

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SECTION II.
STATEMENT OF PURPOSE DESCRIBING GENERAL INTENT AND PROPOSED GOALS FOR THE ESTABLISHMENT OF THE ECONOMIC DEVELOPMENT PROGRAM

A new Economic Development Program is hereby implemented to be effective beginning on April 1, 1999 and ending on March 31, 2013, the purpose and goals of which will be: To create jobs/generate employment opportunities within the labor market of Beatrice and Gage County; to attract new capital investments to the community; to broaden the tax-base; and to provide economic diversification to ensure economic stability and vitality for the community of Beatrice and the surrounding area.

It is important in preparation of an economic development program that an effort be made to ensure consistency with other plans and goals of the City.

In 1992 the City of Beatrice adopted a new comprehensive development plan. This comprehensive plan was the culmination of a planning process that involved citizens of the city in defining the community's future. This process was coordinated by a planning coordinating committee representing a wide variety of interests in the community. The first part of the process involved a three-part strategic planning program, designed to assess the City's current position; to establish visions and goals for Beatrice's 20-year future; and to consider an action program necessary to achieve that vision. Members of the community were invited to participate in the strategic planning process through a series of community workshops.

Conclusions drawn from the analysis done for the comprehensive plan include:

- The City and County successfully met the challenges of the 1980's by economic diversification. As a result, a significant economic and employment downturn in the first half of the decade was replaced by significant recovery between 1985 and 1990.

- The Beatrice Area was experiencing very low statistical unemployment.

- Incomes in Beatrice were beginning to catch up with those of comparable Nebraska communities.

- Economic development policy in Beatrice should continue to drive towards increasing economic diversification and to expand the available work force in the community.

The economic plan identifies certain economic development goals as follows:

(a) Maintaining and expanding Beatrice's role as a regional trade and economic center.

(b) Improving Beatrice's ability to attract additional people.

The comprehensive plan also recognized that the Industrial Park Number 1 was a major element of the City's successful economic strategy and that in order to continue to diversify its economy and help the City grow by providing existing and prospective residents with economic opportunities, Beatrice should complete the following policies and actions:

1. Industrial Park Expansion.

Industrial Park Number 1, developed by the Gage County Industrial Corporation, provided 117 acres of quality industrial space and has been a major factor in the City's economic growth. Space within Industrial Park Number 1 has been exhausted. The City has purchased Industrial Park Number 2 and

Industrial Park Number 3. The City should provide for the provision of supporting infrastructure for Industrial Park Number 2 and Industrial Park Number 3 and other sites. In addition, the City should provide for the acquisition of additional industrial park land once space is needed beyond Industrial Park Number 2 and Industrial Park Number 3.

2. Small Business Development Program.

Economic diversification will continue to be a critical priority for the Economic Development Program for the City of Beatrice. Diversification can be accomplished in two ways: Recruitment of new businesses from outside and development of new businesses inside the city. A small business development program can establish the City as a nurturing environment for small business and as a center for economic opportunity. This atmosphere, in turn, can encourage people with skills and ideas to move or return to Beatrice to make a start in business.

3. Marketing Programs.

Business recruitment will continue to be an effective and important part of the economic development strategy for the City of Beatrice. In addition to recruitment, the City can open job opportunities by helping existing businesses in the City to expand their markets and compete more successfully. Finally the successful marketing of the City of Beatrice as a center for opportunity is important to the City's effort to expand its labor force and attract new residents. Programs which accomplish these objectives can be grouped together as "marketing programs," because, in one way or another, they market the City and its businesses. The audiences for these efforts vary. They may be new businesses making site development decisions; potential customers for locally made products; or young families deciding where to establish roots. Together, they represent the backbone of the economic development efforts of the City of Beatrice and the Chamber of Commerce.

SECTION III.
ELIGIBLE ECONOMIC ACTIVITIES/ELIGIBLE TYPES OF BUSINESSES

1. Eligible Economic Activities.

This Economic Development Program for the City of Beatrice provides that the proceeds of funds generated pursuant to the Local Option Municipal Economic Development Act, Sections 18-2701 to 18-2738, Nebraska Revised Statutes, may be used to fund any project or program providing direct or indirect financial assistance to a qualifying business and the payment of related costs and expenses as allowed by Section 18-2705, Nebraska Revised Statutes, except the creation of a loan fund and grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income.

Priority activities include the purchase of commercial or industrial site(s) and obtaining options for the purchase of real estate. Land to be purchased or optioned may be within or outside the corporate limits of the City of Beatrice and will be identified through local analysis by the City of Beatrice and/or industrial site evaluation teams organized by the City of Beatrice or the administrator of the Economic Development Program. These identified sites may then be considered for option or purchase and further development.

In addition, the funds may be used to provide the infrastructure for Industrial Park Number Two, Industrial Park Number Three, and/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 or road extensions. Infrastructure improvements and costs may extend beyond the corporate limits of the City of Beatrice.

The funds may also be used to construct facilities, structures, and/or appurtenances for new or proposed development or on a speculative basis to attract new business or industry. These facilities, structures and appurtenances are not required to be within the corporate limits of the City of Beatrice, Nebraska.

These sites and facilities will improve the attractiveness of the City of Beatrice, Nebraska 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 Local Option Municipal Economic Development Act, Sections 18-2701 to 18-2738, Nebraska Revised Statutes under both the Economic Development Program adopted in 1992 and this Economic Development Program may be used for the purchase and development of additional land and may be used for all other eligible activities.

While the attraction of a new business or industry may require an incentive to ensure the location in the City of Beatrice, any investment of the type mentioned above can provide that incentive while at the same time providing a benefit that will remain in the community. Developed industrial sites, buildings and infrastructure will be a long term benefit to the community regardless of future ownership.

Eligible activities also include the payment of the cost of salaries and support of City staff to implement this Economic Development Program or the cost of contracting with an outside entity to implement this Economic Development Program for the City of Beatrice. Any entity selected to implement this program will be bound by legal agreement with the City to follow and adhere to the eligible economic activities described in this section and all applicable laws, regulations and requirements of the Local Option Municipal Economic Development Act, Sections 18-2701 to 18-2738, Nebraska Revised Statutes.

Further examples of eligible activities include expenses related to business recruitment, promotional activities, and related administrative expenses and could include, but not be limited to, such costs as salaries, travel, office expenses, advertising, legal and related costs.

The City of Beatrice recognizes that the attraction of new business and industry to a community, or the expansion of existing business or industry, takes place within a very competitive marketplace. In order to keep Beatrice, Nebraska as competitive as possible in that marketplace and in the creation/retention of jobs in the Beatrice area, the use of funds for any project or programs for the purpose of providing direct or indirect financial assistance to a qualifying business and the payment of related costs and expenses as allowed by Local Option Municipal Economic Development Act, except the creation of a loan fund and grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income, shall be eligible activities under this Economic Development Program.

2. Eligible Types of Businesses.

(a) The qualifying businesses shall mean any corporation, partnership, limited liability company, or sole proprietorship which derives its principal source of income from any of the following:

1) The manufacture of articles of commerce;
2) The conduct of research and development;
3) The processing, storage, transport or sale of goods or commodities which are sold or traded in interstate commerce;
4) The sale of services in interstate commerce;
5) Headquarters facilities relating to eligible activities as listed in this section;
6) Telecommunications activities; or
7) Tourism-related activities.

(b) 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 an application for participation in the Economic Development 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 as a participant in the Economic Development Program at a level not less than its average employment in such city over the 12-month period preceding participation.

(c) Any other businesses deemed as qualifying businesses through future action of the Nebraska Legislature shall also be qualifying businesses under this Economic Development Program.

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SECTION IV.
FUNDING FOR ECONOMIC DEVELOPMENT PROGRAM

1. Total Amount of Money to be Collected from Local Sources of Revenue/Time Period Within Which Funds from Local Sources of Revenue are to be Collected.

This Economic Development Program for the City of Beatrice will be funded by 50% of the proceeds from one-half of one percent (1/2%) City sales and use tax for Beatrice with a maximum amount to be appropriated in each year for this Economic Development Program of $250,000. The maximum of Two Hundred and Fifty Thousand Dollars ($250,000) will be collected each year for a period of ten years for this Economic Development Program from April 1, 2003 to March 31, 2013. The total amount of money that is proposed to be directly collected from local sources of revenue to finance this Economic Development Program for the City of Beatrice is $2,500,000.

The remaining portion of the funds collected from the one-half of one percent (1/2%) City sales and use tax will continue to be used to aid the city government in providing property tax relief to the citizens of Beatrice.

2. Authority to Issue Bonds to carry out the Economic Development Program.

Under this Economic Development Program of the City of Beatrice, the City of Beatrice desires the authority to issue bonds pursuant to the Local Option Municipal Economic Development Act, as amended, to provide funds to carry out this Economic Development Program of the City of Beatrice. Such bonds shall be in such principal amounts as the City Council of the City of Beatrice deems necessary to provide funds sufficient to carry out any of the purposes of and powers granted pursuant to this Economic Development Program of the City of Beatrice, including the establishment or increase of reserves and the payment of all other costs or expenses of the City of Beatrice incident to and necessary or convenient to carry out this Economic Development Program of the City of Beatrice.

3. Time Period During Which the Economic Development Program will be in Existence.

This Economic Development Program will be in existence for fourteen (14) years beginning on April 1, 1999 and ending on March 31, 2013.

4. Preliminary Proposed Budget for the Economic Development Program.

Total to be collected - $2,500,000

Land Acquisition	$ 250,000
Roads and Streets	900,000
Infrastructure (water, sewer, gas, electricity)	250,000
Building	500,000
Promotional/Recruitment Marketing	400,000
Administration	200,000
	$2,500,000

SECTION V.
PROCESS FOR QUALIFYING BUSINESSES TO SUBMIT APPLICATION FOR FINANCIAL ASSISTANCE

The intent of the City of Beatrice is to contract with Gage County Economic Development, Inc., a Nebraska non-profit corporation ("GCED"), or another outside entity (herein referred to as "Contractor"), to administer this Economic Development Program of the City of Beatrice. The Contractor will be responsible for development of procedures to ensure the confidentiality of business information received from applicants for financial assistance. These will include a restriction on the number of people with access to the files. The Contractor will be responsible for their safekeeping and will require personnel involved in the program review to sign statements of confidentiality regarding all personal and private submittals by applicants. These procedures will be subject to approval by the Beatrice City Council. To be considered for direct or indirect financial assistance under this Economic Development Program of the City of Beatrice, an applicant must provide to the Contractor:

- A detailed description of the proposed project;
- A business plan, including employment and financial projections;
- Current financial statements, financing requirements for the project and total project costs; and
- A completed City of Beatrice Local Option Municipal Development Program Application for Financial Assistance.

Additional information, as necessary to determine the economic viability of the proposed project(s), may be requested by the Contractor prior to recommendation to the City Council and/or by the City Council prior to final action.

The Contractor will review applications and requests for direct or indirect financial assistance in the order in which they are received by the Contractor. The application review and approval, or disapproval, by the City of Beatrice will be based on project feasibility as determined by a review of the applicant's business plan and other requested information and the potential future economic development to the community of Beatrice.

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

A sample application form for prospective projects is included.

In the event of termination of the contractual relationship between the City and GCED, the above-described responsibilities will be carried out by another entity, by existing City staff or by an economic development specialist hired by the City.

SECTION VI.
ADMINISTRATIVE SYSTEM ESTABLISHED TO ADMINISTER THE ECONOMIC DEVELOPMENT PROGRAM

The intent of the City of Beatrice is to contract with Gage County Economic Development, Inc., a Nebraska non-profit corporation, ("GCED"), or another outside entity, (herein referred to as the "Contractor"), for the administration of this Economic Development Program of the City of Beatrice. As administrator of the Economic Development Program, the Contractor will have the responsibility of:

- General administration of the program;
- Providing the Citizen Advisory Review Committee with necessary information and advising the committee on the Economic Development Program;
- Reviewing applications of qualifying businesses for direct or indirect financial assistance and making recommendations to the City Council for their actions;
- Tracking employment figures for participating businesses for two years if the business employs persons in other Nebraska communities; and
- Additional responsibilities, as determined by the City of Beatrice, necessary to carry out the program or program changes as dictated by changing projects needs and economic conditions.

The City of Beatrice will retain the responsibility of industrial site acquisition and development. Final decisions on land sales will be made by the City Council of the City of Beatrice. Additional administrative responsibilities of the Economic Development Program that the City may be required to perform will be carried out by existing staff. In the event of the termination of the contractual relationship between the City and GCED for administration of the Economic Development Program, the City may contract with another outside entity, administer the program with existing City staff or hire an economic development specialist to carry out the administrative and promotional activities currently anticipated to be handled contractually by GCED.

SECTION VII.
PROCESS TO ASSURE ALL APPLICABLE LAWS, REGULATIONS AND REQUIREMENTS ARE MET BY THE CITY AND QUALIFYING BUSINESSES

1. Gage County Economic Development, Inc., a Nebraska non-profit corporation, or other contractor, as administrator, will be responsible for procedures to ensure that all applicable laws, regulations and requirements are met by the City of Beatrice and the qualifying businesses which receive assistance. These procedures will be subject to review and approval by the Beatrice City Council.

2. The City of Beatrice will direct the City Attorney to review all contracts, official documents, land transactions and other official actions relating to the Economic Development Program of the City of Beatrice to ensure compliance with existing laws and to monitor changes in the law to ensure future compliance.

3. A Citizen Advisory Review Committee will be created to:

a. Review the functioning and progress of the Economic Development Program at regular meetings and advise the City Council of the City of Beatrice with regard to the program; and

b. Report to the City Council on its findings and suggestions at a public hearing called for that purpose, at least once in every six month period after the effective date of the ordinance.