

# Nebraska Department of Economic Development

## Site and Building Development Fund, LB 388

### Application Guidelines

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The objective of the Site and Building Development Fund (SBDF) is to enhance the economic development of the state and to provide for the general prosperity of all of Nebraska's citizens by creating conditions favorable to improving the industrial readiness of the state. The Nebraska Department of Economic Development (DED) intends to invest in at least four (4) speculative sites or buildings in Nebraska with the Site and Building Development Fund. Prior to the application for SBDF, the local development team will have undergone extensive analysis and planning efforts to identify (1) the targeted industries for the speculative project, (2) physical characteristics including any mitigating measures needed to overcome real or perceived disadvantages of the site and building, and (3) non-SBDF funding available for SBDF match and other resources required to ensure the speculative project will be utilized by a targeted industry within a reasonable period of time.

#### **Eligible Applicants:**

Nebraska Local Governments (City / Village / County) and Nebraska non-profit organizations are eligible to apply for and receive Site and Building Development funds. Nebraska non-profit organizations must document Internal Revenue Service (IRS) designation as a 501(c)(3) or submit verification from an Attorney that the applicant operates as a 501(c)(4) or 501(c)(6) organization. All Nebraska non-profit organization applicants must have a current Certificate of Good Standing from the Secretary of State at the time of application.

#### **Eligible Projects/Activities:**

Local Governments and Nebraska non-profit organizations are eligible to receive Site and Building Development funds. Nebraska non-profit organizations must document Internal Revenue Service (IRS) designation as a 501(c)(3) or submit verification from an Attorney that the applicant operates as a 501(c)(4) or 501(c)(6) organization. All Nebraska non-profit organization applicants must have a current Certificate of Good Standing from the Secretary of State at the time of application.

Projects located in communities with speculative sites and buildings previously awarded funds from the Department and have an open agreement which has not been satisfied **are not eligible** for assistance from this Fund. This restriction does not apply to First Priority Projects and can be waived by the Director on a case-by-case basis.

#### **First Priority Projects:**

First priority will be given to projects that are financially viable and ready to proceed. In cases where the Department has a written agreement with a business indicating the business will locate on a site within ninety days of execution of the agreement, conditioned on the Department providing funding from the Site and Building Fund, those projects will have priority for funding. The Department may designate a project as a "First Priority Project" based on information received directly from the business, an agent of the business such as a site locator, the local government, or the SBDF applicant. As a guideline, the business in a First Priority Project must not have a significant presence in Nebraska at the time of the agreement to locate operations in the state. The decision to designate a First Priority Project and the process for awarding funds to First Priority Projects will be at the sole discretion of the Director. The First Priority Project may not be subject to the Application Process described below.

#### **Funding Amount and Grant Limitations:**

The Department expects to receive \$3,000,000 into the SBDF over a two-year period. This is conditioned on funding levels available from State appropriations and documentary stamp collection receipts. The State Treasurer will transfer \$1,000,000 from the Affordable Housing Trust Fund to the SBDF in January of 2012 and 2013. Other funding will come from documentary stamp collection receipts.

Typical awards are expected to be \$250,000 to \$500,000 and could be in the form of a grant or zero-interest loan. Specific amounts and terms may vary at the Department's discretion.

The Department shall allocate not less than forty percent of the SBDF (estimated at \$1,200,000) to nonmetropolitan areas; this amount represents forty percent of the total estimated amount available. Nonmetropolitan areas are counties with fewer than one hundred thousand inhabitants according to the most recent federal decennial census. For the purposes of the SBDF, all counties in Nebraska excluding Douglas, Lancaster, and Sarpy counties are considered Nonmetropolitan areas.

**Matching Requirements:**

Entities receiving assistance shall provide matching funds of at least an amount equal to one hundred percent of the amount of assistance provided from the SBDF. The matching ratio requirement is a minimum of 1:1. The matching funds must be committed at time of application, and the Department expects that the match be injected into the project as the SBDF are.

**Project Selection Criteria:**

The Department's SBDF committee considers the following criteria when evaluating preliminary proposals, pre-applications and applications for funding

Overall considerations:

- Capacity of the applicant to successfully complete the project
- Capacity of the development team to successfully complete the project
- The project will produce the desired result of locating a company at the Site and Building project that is represented in an industry or industry cluster identified by the Department.

Funding proposals must meet the following thresholds:

Prior to the application for SBDF, the local development team will have undergone extensive analysis and planning efforts to identify (1) the targeted industries for the speculative project, (2) physical characteristics including any mitigating measures needed to overcome real or perceived disadvantages of the site and building, and (3) non-SBDF funding available for SBDF match and other resources required to ensure the speculative project will be utilized by a targeted industry within a reasonable period of time.

Preference will be given for projects that can verify adequate site control by the applicant or a key member of the development team. Adequate site control can include an Option to Purchase if the option does not expire for at least 12 months from the date of application. All costs for obtaining adequate site control are the responsibility of the applicant and the development team.

**Application Timing and Process:**

The Department will accept applications and award funds from the SBDF until available funding is committed. If SBDF funding is not available or all funding has been committed, all application cycles as described below may not happen.

With the exception of First Priority Projects, applications for SBDF will be accepted in closed, competitive cycles. The Department prefers that pre-applications be submitted by the local Economic Development organization in cooperation with the local government and other development team partners. It is important to note that the Department will be evaluating sites and buildings and site control is a priority. If at any time during the review process after the pre-application has been submitted, the Department or the applicant determine that the proposed site or building is no longer available or feasible for the project, the Department will not accept alternative sites and buildings in the same review process. The applicant will need to submit a pre-application for the alternatives at the beginning of an upcoming application cycle. An applicant may submit multiple pre-applications for multiple sites and buildings during any application review cycle. As a guideline the Department will award funds for no more than one application per applicant in any single application cycle.

The Department will establish for each Application Cycle an SBDF committee comprised of representatives of DED Business Recruitment, DED program administration, and other staff deemed appropriate by the Director. The Department will send a formal Notice of Approval letter or Non-selection letter to each applicant at the conclusion of the application cycle. The review process by the SBDF committee is based on individual and collective judgments of committee members, in consultation with additional Department staff as necessary using the scoring criteria listed above and other appropriate

objective considerations to determine the appropriateness and feasibility of the project and the capacity of the applicant and development team to produce the desired results. A group/consensus decision is reached evaluating the merits of each application. The final decision for funding recommendation will take into consideration geographic distribution of the SBDF including, but not limited to, the requirement to award a minimum of 40% of the funds to projects located outside of Douglas, Lancaster, and Sarpy counties.

This first SBDF cycle is to be operated on an accelerated schedule of 6 months to accomplish early investments of SBDF. The remaining cycles are to be operated on a 9 month schedule to allow for additional technical assistance and negotiation between the Department and the applicants.

### SBDF Application Cycle 1 (accelerated)

#### Stage 1 October 3, 2011 to December 1, 2011

Tasks to be completed by the Applicant and the local Development Team

- Develop a vision for the project
- Early determination of feasibility
- Determination of financial commitments to the project
- Prepare a regional analysis
- Determine areas of potential
- Complete a planning and target analysis utilizing the Department Site and Building Guidelines (available on the Department web-site by 10/1/2011)
- Review analysis and determine if the project and the result of attracting new business to the site can reasonably accomplished
- Make adjustments in the project vision as needed
- Obtain site control of the site or building
- Prepare and submit the pre-application to the Department, cover letter, and additional items in one PDF document

November 15, 2011 (optional) – pre-application due to the Department if the applicant would like an initial review and feedback

#### **December 1, 2011 – pre-application due to the Department**

#### Stage 2 – December 2, 2011 to January 15, 2012

Tasks to be completed by the Department

- Desk review and comparative analysis of the pre-application
- Notify applicant of questions, advancement to application stage, or denial of the pre-application
- Notify applicant to complete a full planning evaluation at the applicant's expense following approval for advancement to application stage.
- Site visit
- Notify applicant to prepare final application for the SBDF.

#### Stage 3 – January 16, 2012 to February 1, 2012

Tasks to be completed by the applicant

- Prepare planning/targeting study and submit to the Department
- Prepare final application including financial details, commitment of match, site control and marketing plan for the site or building

#### **February 1, 2012 – final application due to the Department**

#### Stage 4 – February 2, 2012 to June 1, 2012

Tasks to be completed by the Department

- **Notification to applicants of award or non-selection – March 1, 2012**
- Public announcement

- Negotiate and finalize award contracts with the applicant

Stage 5 – June 2, 2012 – successful location of a business at the site or building

Tasks to be completed by the Applicant

- Promotion of the project site or building
- Additional investment as needed to ensure success of the project
- Location of business at the project site

## SBDF Application Cycle 2

Stage 1 March 1, 2012 to May 15, 2012

Tasks to be completed by the Applicant and the local Development Team

- Develop a vision for the project
- Early determination of feasibility
- Determination of financial commitments to the project
- Determine areas of potential
- Complete a planning analysis utilizing the Department Site and Building Guidelines (available on the Department web-site)
- Review analysis and determine if the project and the result of attracting new business to the site can reasonably be accomplished
- Make adjustments in the project vision as needed
- Obtain site control of the site or building
- Prepare and submit the pre-application (the final two pages of this document and the appropriate SBDF guidelines in .xls format) to the Department, cover letter, and additional items in one PDF document

April 24, 2012 (optional) – pre-application due to the Department if the applicant would like an initial review and feedback

## **May 15, 2012 – pre-application due to the Department**

### Stage 2 – May 16, 2012 to July 15, 2012

Tasks to be completed by the Department

- Desk review and comparative analysis of the pre-application
- Notify applicant of questions, advancement to application stage, or denial of the pre-application
- Notify applicant to complete a full planning evaluation at the applicant's expense following approval for advancement to application stage.
- Site visit
- Notify applicant to prepare final application for the SBDF.

### Stage 3 – July 16, 2012 to September 1, 2012

Tasks to be completed by the applicant

- Prepare planning/targeting study and submit to the Department
- Prepare final application including financial details, commitment of match, site control and marketing plan for the site or building

## **September 1, 2012 – final application due to the Department**

### Stage 4 – September 2, 2012 to November 1, 2012

Tasks to be completed by the Department

- **Notification to applicants of award or non-selection – October 1, 2012**
- Public announcement
- Negotiate and finalize award contracts with the applicant

### Stage 5 – November 2, 2012 – successful location of a business at the site or building

Tasks to be completed by the Applicant

- Promotion of the project site or building
- Additional investment as needed to ensure success of the project
- Location of business at the project site

Potential Additional SBDF Application Cycles - TBD



## PART II Funding Summary

(Round amounts to the nearest hundred dollars.)

Activity	SBDF	Matching Funds	Total Funds	Sources of Matching
Land and Building Acquisition				
Building Construction or Rehab				
Public Fac. & Improvements				
Site Preparation				
Streets				
Storm Sewers				
Sanitary Sewers				
Natural Gas				
Water Source/Well/Distribution				
Electrical Substation / Distribution				
Telecommunications				
Infrastructure Development - other				
Planning				
Engineering				
Others - describe				
<b>TOTAL</b>				

## PART III Budget

Please include a detailed budget showing sources and uses of funds.

## PART IV Attachments & Exhibits

The following items should be included as exhibits to the application:

- Certificate of Good Standing from Secretary of State if applicant is a Non-profit
- Internal Revenue Service designation or Attorney verification for Non-profit status
- Letter(s) of Commitment for matching funds
- Site map(s)
- SBDF Property Guidelines spreadsheet \_\_\_\_\_
- Applicant must provide assurance the site will be entered on the Location One Information System (LOIS).