

EXHIBIT "A"

FREMONT, NEBRASKA

ECONOMIC DEVELOPMENT PLAN

1999-2009

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GENERAL COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY

Economic Development in Fremont and Dodge County has truly been a cooperative effort between the public and private sectors. The City of Fremont, Dodge County, the Fremont Department of Utilities, and over 100 local businesses have provided financial resources to the Greater Fremont Development Council (GFDC), a non-profit membership organization, to carry out the day-to-day operations of economic development.

The Greater Fremont Development Council has been directed by its membership to “practice the art of economic development by doing those things necessary to retain and create jobs, attract capital investment and thus improve the economic well-being and quality of life for our citizens”. The objectives of the major financial partners dovetail this mission statement.

The Fremont Department of Utilities provides gas, water, sewer and electricity to the citizens of Fremont and outlying areas and benefits from increasing revenues by selling additional utilities. Currently the Fremont Department of Utilities is utilizing seventy percent of production capacity. Dodge County is benefits from increasing valuation and growth, the major revenue source of funding for county governments. The City of Fremont also benefits from valuation growth and the growth of net taxable sales, since a significant percentage of City funding is derived from sales tax revenue generated by the current one percent city sales tax.

Additional utility sales, valuation growth and net taxable sales increases are a direct result of job creation and capital investment the two key elements in the mission statement of the Greater Fremont Development Council. The creation of jobs and the attraction of capital investment historically has been accomplished through the recruitment of new business and industry and assistance to existing business and industry. In addition, a small percentage of job creation and capital investment attraction has been accomplished through the development of entrepreneurial start-up businesses.

The Greater Fremont Development Council will continue to follow its mission statement by broadening the regions tax base through the recruitment of new business and industry and by assisting existing business and industry with their expansion plans. GFDC realizes that it must replace those jobs lost through the closing of business and industries like Pendleton Woolen Mills (1999), Hinky Dinky (1998), Golden Sun Feeds (1996), K-Mart (1994), Campbell Soup (1990) and others. In addition to replacing actual jobs lost through plant and business closings the community needs to prepare for future business failures caused by national and regional economies like what we experienced in the 1980's. The Midwest has fortunately experienced very strong growth since the 1988-1989 agricultural crisis.

Taking into consideration the very low unemployment rates that Dodge County has experienced in the 1990's GFDC's focus will be on attracting capital intensive instead of labor intensive businesses. Businesses that hire skilled-laborers to compliment million dollar production equipment and machinery. In addition, GFDC will be targeting businesses that will provide employment opportunities for those whose are underemployed in Dodge County and those seeking professional positions.

Business recruitment should also be oriented toward diversification of our existing business and industry base with the overall goal of increasing per capita and median household incomes throughout Fremont and Dodge County.

Because of national, state and local employment trends there is an intense competition for new job creation present today between communities. This forces states and municipalities, in order to remain competitive, to provide incentives for new business expansion or location. Restrictions of the Nebraska Constitution which were eliminated by the voter's passage of a constitutional amendment in 1990, and the passage of enabling legislation LB840 in 1991 allows Nebraska communities the opportunity to determine their own destiny by identifying shortcomings and being able to provide, through self-determination, those aspects considered necessary to new businesses considering the community or existing businesses looking to

expand. The Local Option Municipal Economic Development Act allows communities to invest local taxes for economic development purposes to create new jobs in the area.

The general strategy for this Economic Development Program and the effort to be undertaken under the Local Option Municipal Economic Development (LB840, 1991), is to attempt to continue and improve upon a proven program which has had significant economic benefit for the City, County and surrounding region and significantly enhance existing efforts with a stronger city involvement and leadership role in future development efforts.

INTENT AND GOALS

It is the intent of the City of Fremont, Nebraska to implement an economic development program, the purpose and goals of which will be: to create jobs/generate employment opportunities within the labor market of Fremont and Dodge County; to attract new capital investment to the community; to broaden the tax-base and provide economic diversification to ensure economic stability and vitality for the community of Fremont and the surrounding area.

It is important in the preparation of an economic development plan, that in addition to soliciting specific input for the plan, an effort be made to ensure consistency with other plans and goals of the city.

The City of Fremont has recently completed The Fremont Plan . A Comprehensive Development Plan For The City of Fremont. The objective of the Plan is to help Fremont identify the policies and make the investments necessary to encourage growth while maintaining its unique community character. The Comprehensive Plan was the culmination of a planning process that involved the City of Fremont Administration and Public Works Staff, the City of Fremont Planning Commission, the Northeast Nebraska Economic Development District and Fremont citizens.

The Comprehensive Plan has three fundamental purposes: 1) Providing an essential legal basis for land regulation such as zoning and subdivision control 2) Presenting a unified and compelling vision for a community, derived from the aspirations of its citizens and 3) Defining the specific actions necessary to fulfill that vision. This community vision is particularly crucial at this time in Fremont's history, when regional land use, economic, and transportation changes presents forces that will affect the city in critical ways.

The Comprehensive Plan states that Fremont should provide attractive sites for future industrial and business park development. It further illustrates that the character of industrial development has changed significantly in contemporary land development practice. Increasingly, industrial development takes place within the context of a business park, combining office, warehousing and light industrial development within planned developments. In contrast to traditional heavy industries, business parks involve careful design controls, including good landscaping, controlled signage and building facade design standards.

The plan estimates the need of 235 acres of industrial properties. The development of a business/industrial park is the cornerstone of carrying out Fremont's Economic Development Strategy. Currently, Fremont does not offer such a real estate development and has been eliminated from consideration because other communities such as Beatrice, Columbus, Hastings, Lincoln and Omaha have designed and developed business/industrial parks. Specifically capital intensive companies like Accuma Corporation (Beatrice), Reliance Electric Corporation (Columbus) and Coleman Powermate (Hastings) choose other Nebraska communities to locate because of the nonexistence of a business/industrial park in Fremont. These companies would have provided highly-skilled employment opportunities with significantly above average wages in Fremont.

A second goal of the Economic Development Plan is to construct a speculative industrial building in the proposed business/industrial park. The speculative building would not only act as a catalyst for the development of the park but would satisfy a requirement of over eighty percent

of the industrial/warehouse prospects considering Fremont as a location. Hastings, Nebraska during the 1980's advertised the availability of a 100,000 square foot building and therefore located three companies who eventually did not locate in the initial building but built three separate 100,000 square foot buildings.

Another goal of the Economic Development Plan is to provide competitive sites to attract top prospects to Fremont. As indicated earlier in this document it was stated that economic development is extremely competitive for communities. Many times major expansion or relocation projects will consider more than 100 locations before finally announcing a location. Fremont because of its proximity to Omaha and Lincoln has been invited to compete for several very large projects including a regional Wal-Mart warehouse/distribution facility; a large paper production plant; an international manufacturing facility and a Coleman Powermate Manufacturing plant among others. All of these projects would have stretched the resources of both the private and public sectors to finance the development of the site, but the Fremont community would have been the ultimate beneficiary. One just has to look at the results of ConAgra's Corporate Campus in Omaha to appreciate the efforts in attracting major projects.

The Economic Development Plan would not be complete without the inclusion of assisting existing businesses expansions. Major expansions in the last five years have occurred at Aero-Tec, ADM, Christensen Lumber, Fremont Beef, Fremont Machine & Tool, Hammond & Stephens, Hormel Foods Corp., Kelly Klosure Systems, Oilgear, Overland Products, Pallenton of Fremont, R.K. Manufacturing, Shade Pasta and Transit Mills. Many of these manufacturing companies are landlocked and will need additional land or alternative sites to expand.

ELIGIBLE ACTIVITIES

Eligible activities include the purchase directly or indirectly through the City of Fremont or the Greater Fremont Development Council of commercial or industrial site(s) and obtaining

options for the purchase of such real estate. Land purchased may be within or outside the corporate limits of the City of Fremont and will be identified through local analysis by the City of Fremont, the Greater Fremont Development Council, and other appropriate entities such as the Nebraska Department of Economic Development, the Northeast Nebraska Economic Development District, The Fremont Board of Realtors and architecture/engineering consulting firms. These identified sites may then be considered for option or purchase and further development.

The Funds may also be used to provide the infrastructure to these sites or other sites to make them attractive to new or existing business and industry. Eligible infrastructure improvements will include, but not limited to street, storm drainage, water, sewer, gas, electric or railroad extensions. In addition, the funds may also be used for site improvements to include, but not limited to demolition, clearance, soil treatment and preparation.

The Funds may also be used to construct facilities, structures and/or appurtenances for new or proposed developments or on a speculative basis to attract new business and industry or the expansion of existing business and industry. These facilities, structures and appurtenances are not required to be within the corporate limits of Fremont, Nebraska.

These sites and facilities will improve the attractiveness of Fremont, 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 new or existing business or industry. The proceeds from the sale or lease of land purchased and developed with funds generated by LB840 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 its location in Fremont, any investment of the type mentioned above can provide that incentive while at the same time provide a benefit that will remain in the community. Developed industrial

sites, buildings and infrastructure will be of long term benefit to the community regardless of future ownership.

Any entity selected to implement the Economic Development Plan will be bound by legal agreement with the City of Fremont to follow and adhere to the eligible activities described in this section and all applicable laws, regulations and requirements of the Local Option Municipal Economic Development Act.

ELIGIBLE TYPES OF BUSINESSES

A qualifying business shall mean any corporation, partnership, sole proprietorship which derives its principal source of income from the manufacture of articles of commerce; the conduct of research and development; the processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce; the sale of services in interstate commerce; headquarters facilities relating to eligible activities as listed in this section; telecommunications activities; or tourism-related activities.

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 its application for participation in an economic development program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two years of its participation in the economic development program at a level not less than its average employment in such city over the twelve-month period preceding participation.

Any other businesses deemed as a qualifying business through future action of the Nebraska Legislature.

LOCAL SOURCE COLLECTIONS

The City of Fremont Economic Development Plan will be funded by 50% of the proceeds from a 1/2 cent city sales and use tax for Fremont with a maximum amount to be appropriated in each year for the Economic Development Plan of \$1,000,000 according to state statute. It is anticipated that the annual revenue collected for a 1/2 cent city sales and use tax based upon the projected net taxable sales of 1998 will be \$1,250,000 per year. The remaining portion of the funds collected from the additional 1/2 cent sales tax will be used for street and street related improvements.

LENGTH OF PROGRAM

The 1/2 cent city sales and use tax will be collected for a five-year period from October 1, 1999 through September 30, 2004. The Economic Development Plan will be in effect for a ten-year period.

PRELIMINARY BUDGET

Economic Development	\$3,125,000	50%
Site Acquisition, Infrastructure Development and Building Construction		

The City shall establish an Economic Development Fund and 50 % of all revenue derived from the 1/2 cent city sales and use tax will be collected and placed in this fund. Any revenue from investments will be placed in this fund. Any proceeds from the issuance of bonds to provide funds to carry out the Economic Development Plan shall be deposited in this fund. Any proceeds from land or building sales will be placed in the Economic Development Fund and will be used to carry out the Economic Development Plan. The City shall not transfer or remove funds from this fund other than the purposes in this plan.

ADMINISTRATIVE SYSTEM

The Economic Development Plan will be administered by a Citizen Advisory Review Committee pursuant to Section 18-2715. The committee shall consist of (5 to 10) registered voters of the city who shall be appointed to the committee by the Mayor subject to approval by the City Council. At least one member of the committee shall have expertise or experience in the field of business finance or accounting. The Mayor, subject to the approval of the City Council, will also designate an appropriate city official or employee with responsibility for the administration of the economic development program to serve as an ex officio member of the committee with responsibility for assisting the committee and providing it with necessary information and advice on the economic development program.

No member of the citizen advisory review committee shall be an elected or appointed city official, an employee of the city, a participant in a decisionmaking position regarding expenditures of program funds, or an official or employee of any qualifying business receiving financial assistance under the economic development program or of any financial institution participating directly in the economic development program.

The City may contract with the Greater Fremont Development Council, or another persons or entities to provide staffing and other support services to assist the Committee in the administration of the Plan.

The Committee will meet regularly to review the functioning and progress of the economic development program and to advise the City Council with regard to the program. At least once in every six-month period after the effective date of the ordinance, the committee shall report to the governing body on its findings and suggestions at a public hearing called for that purpose.

The City Council may assign additional responsibilities, necessary to carry out the program or program changes as dictated by changing project needs and economic conditions.

APPLICATION PROCESS

The Committee will generally manage and administer the Economic Development Plan, and will receive and review applications for assistance. The Committee will review information concerning such applications, and may request such additional information as it deems necessary. After reviewing such applications, the Committee will recommend approval or disapproval to the City Council. The Committee will develop procedures to insure the confidentiality of business information received from applicants for financial assistance. Such policies will include a restriction on the number of people with access to the files with the contractor responsible for their safekeeping. The procedures will be subject to approval by the Fremont City Council.

To be considered for direct or indirect financial assistance under the Fremont Economic Development Plan an applicant must provide financial business information to the Committee as necessary to determine the economic viability of the proposed project(s).

The Committee will review applications and requests for direct or indirect financial assistance in the order in which they are received. The recommendation of the Committee to approve, or disapprove the application by the Committee will be based on project feasibility and the potential future economic benefit to the community of Fremont.

Members of the Committee, in their capacity as members and consistent with their responsibilities as members, may be permitted access to business information received by the city in the course of its administration of the economic development program, which information would otherwise be confidential (a) under section 84-712.05, (b) by agreement with a qualifying business participating in the economic development program, or (c) under any ordinance of the

city providing access to such records to members of the committee and guaranteeing the confidentiality of business information received by reason of its administration of the economic development program.

The Committee is required to verify information in the applications of eligible projects prior to forwarding a recommendation to the City Council. The City Council will consider recommendations of the Committee, and such other relevant information as may be available. The final determination of the application or on the purchase or sale of land will be made by the City Council.

PROCESS TO MEET LAWS AND REGULATIONS

The Committee will establish procedures to insure that all applicable laws, regulations and requirements are met by the municipality and the qualifying business which receive assistance. Such procedures will be subject to review and approval by the Fremont City Council.

The Committee may, in the absence of a conflict of interest utilize the services of the City Attorney to review contracts, official documents, land transactions procedures and other official actions related to the economic development program to ensure compliance with existing law and to monitor changes in the law to ensure future compliance. The Committee may retain separate counsel with the permission of the City Council.

PURCHASE OR OPTION TO PURCHASE LAND

If the purchase or option to purchase real property is proposed the following criteria will be applied::

1 The property should be properly zoned with no excessive easements, covenants, or other encumbrances, and

2 The property should conform to the City's or County's comprehensive plan.

3 Selection of Sites should be based upon sound economic development locational criteria or specifications for special projects. The utilization of the Kirham Michel Industrial Park Study and the review of the Nebraska Site Evaluation Team visit should also be considered.

The proceeds from the sale of real property purchased pursuant to the Economic development Plan shall be returned to the City's Economic Development Fund for the purchase of additional real property or expenses related to the purchase and/or development of real property.