

## Inter-Local Agreement David City & Butler County Nebraska

There are two critical realities central to this discussion regarding the possible formation of an inter-local agreement in support of economic development in David City and Butler County.

First, ensuring economic prosperity demands the community leadership to become very proactive in the creation of not only a sound development strategy, but also the necessary organizational infrastructure necessary for success. Communities without aggressive and well-funded development efforts are likely to lose ground to other communities that are more aggressive resulting in deteriorating economic and community conditions over time.

Second, the State of Nebraska has provided local political subdivisions (e.g., municipalities, counties, school districts and special governmental entities) two very important tools in support of economic development -- the Nebraska Inter-local Cooperation Act and the LB 840 Act. The Inter-local Act enables political subdivisions of the State of Nebraska to form a joint organization to do business collaboratively. It is also possible for non-governmental entities such as chambers and development corporations to join this agreement. LB 840 provides authorization through taxes (via a vote of the people) to raise funds for community/economic development. Combined, these two policies provide the tools necessary for communities to build more robust development structures and programs.

### Economic Development

Steve Buttress, the former Director of Economic Development for Buffalo County, the State of Nebraska and Enterprise Florida describes economic development as a choice. It is willed within an economy. It occurs when leaders choose to identify, invest in, and develop their competitive advantages to enable workers, firms, farms, and industries to better compete.

This paper focuses on key issues David City and Butler County should consider in creating an inter-local agreement for community/economic development.

## Key Considerations

### The Inter-local Act

The provisions within the Inter-local Act are as follows:

1. Creation of the Relationship
2. Purposes
3. Organization
4. Duration
5. Contributions
6. Powers
7. Financing and Budgeting
8. Dissolution
9. Tax Considerations
10. Amendment of the Agreement

All of these provisions must be specifically addressed in the proposal to the partnering organizations to create the inter-local agreement. Voter approval is not required with the inter-local agreement.

We believe five key issues must be addressed in order to successfully employ the inter-local tool:

1. Shared Vision
2. Collaboration
3. Major Stakeholders
4. Sound Game Plan
5. Robust Resources

**Shared Vision.** Typically, there is a wide range of community views (some very strong) as to what economic development is and what a community should be doing to support it. Also, typically there is a segment within a community that does not like economic development rooted in anti-change and growth attitudes. It is critically important that a working consensus be realized around a shared vision of economic development. In other words, we need to get enough of the partners on the same page as to what we are trying to accomplish with such an effort.

**Collaboration.** Collaboration is key to successful economic development. This challenge and opportunity does not just fall with one community or another. It is not just the domain of towns. The sole responsibility does not just rest with the chamber or the development corporation. A broadly formed collaboration with as many of the potential key stakeholder groups enables the best results. Unfortunately, collaboration is not an easy or simple organizational form. The Inter-local Act was created specifically to provide a vehicle for effective and sustainable collaborations. A key issue to address now and into the future is the willingness for the potential partners to engage collaboratively (work together as partners).

**Major Stakeholders.** Each landscape has a different set of major stakeholders that can enrich or undermine the collaboration. There is no point creating the inter-local unless folks are willing to come to the table in the shared belief that developing the community (however that is defined and its needs to be defined) comes first and organizational considerations come second. The Inter-local Act provides a proven organizational structure that can ensure accountability and performance to all partners that are part of it. It is not necessary that all potential major stakeholders join initially in the inter-local. What is important is that enough of these organizations join in the cooperative spirit. Others may come on board over time as the value of the collaborative development approach proves itself. We must explore which groups should and can become part of such an agreement in David City and Butler County.

**Sound Game Plan.** Shared vision implies that there is an agreement about the community/economic development game plan. Opportunities for development are changing rapidly. Strategies that made sense just ten years ago are not as promising as new strategies. A key part of creating a shared vision and a working collaboration that can make a difference is to work through what your options for development are and build not only a sound game plan that makes sense for you -- but that enables the right tools to be created as well.

**Robust Resources.** Butler County, Nebraska generates a \$350 million annual economy! For an economy to grow and revive itself over time, a minimum of 10% of this base must be invested (or \$35 million) annually through both private and public investment in schools, streets, new housing, business investment, agricultural investments and the like. Typically, about 1% of this total or \$3.5 million should be invested annually through community/economic development efforts. This is an impressive number, but the numbers do not lie -- these levels of investment generally determine whether an area's economy grows or struggles. This is an optimal number and it takes communities time to reach it. Consideration of an LB 840 effort following the creation of the inter-local agreement should be explored as a way to provide a new and expanded resource base for community/economic development efforts.

## Development Impact

Joe Barker, the American futurist, often says "Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world."

### Possible Next Steps

Consideration should be given to the following possible next steps if there is a basic agreement that exploring this option at this time makes sense. It does not mean that there is a commitment to create an inter-local agreement, only to explore its feasibility and potential.

- Form and empower an exploratory group.
- Secure legal counsel to advise the group.\*
- Secure process assistance.\*\*

\* Bob Stowell of Ord, Nebraska is available to assist us here through the HTC partnership.

\*\* Don Macke and Craig Schroeder are available to assist this role through the HTC partnership.

## INTERLOCAL COOPERATION ACT AGREEMENT

This Agreement is made this \_\_\_\_ day of August, 2005 between the City of Valentine, Nebraska ("City") and the County of Cherry, State of Nebraska ("County").

### **I. CREATION OF RELATIONSHIP**

Pursuant to the Nebraska Interlocal Cooperation Act, the City and County hereby enter into a relationship with each other to seek, find, and hire an Economic Development Director. The County and City expect that the following organizations will annually contribute funds as set forth below toward the budget of an Economic Development Program. In consideration of paid funds, board representation shall be as follows:

<u>ENTITY</u>	<u>CONTRIBUTION</u>	<u>NUMBER OF BOARD MEMBERS</u>
City	\$ _____	2
County	\$ _____	1
Valentine Chamber of Commerce	\$ 1,000.00	1
Sandhills Area Foundation	\$ 1,000.00	1
Cherry County Visitors Promotion Board	\$ 1,000.00	1
Valentine Youth Planning Commission	\$ 1,000.00	1
Minnechaduza Foundation	\$ 1,000.00	1

The governing body and the City and County (the parties hereto) shall have approved this Agreement by resolution, prior to its execution and delivery. This relationship shall officially come into existence upon the execution and delivery of a copy of this Agreement to the parties hereto.

The other above named entities shall have approved participation with the City and County by board resolution prior to taking their positions as board members. Such entities shall make the above described contribution as a condition precedent to becoming board members.

## **II. PURPOSES**

- A. To make efficient use of the powers of the parties hereto by enabling them to cooperate with each other on a basis of mutual advantage and thereby provide services and facilities in a manner that will accommodate economic development and other needs of the public as served by the City and County.
- B. To seek, find and hire an Economic Development Director to serve on a shared basis the members of the public served by the City and County.
- C. To encourage immigration, new industries and investment in the City and County.
- D. To provide public facilities as deemed appropriate.
- E. To form an Economic Development Board to be known as The Cherry County Economic Development Board (CCEDB).

## **III. ORGANIZATION**

- A. The Economic Development Board will consist of 8 members, with the members being appointed as set forth in Article I above..
- B. The Economic Development Board shall have authority to advertise for an Economic Development Director, receive applications, interview applicants and hire an Economic Development Director.
- C. The Economic Development Board shall supervise the activities of the Economic Development Director and shall give directions to said Director as needed from time to time.
- D. In the event that the Economic Development Board determines that the Economic Development Director is not properly performing his or her duties, the Economic Development Board shall have authority to dismiss the Director and to hire a replacement.
- E. The Economic Development Board shall receive the contributions set forth above and shall supervise and administer the Economic Development Program and budget.
- F. The Economic Development Board shall have authority to devise, implement, supervise and administer the Valentine area economic development program.
- G. The Economic Development Board shall have additional authority as may, from time to time, be granted to the parties hereto.

H. The Economic Development Board shall report on its activities and programs to the City and County on a quarterly basis.

I. The Economic Development Board shall submit an annual financial report to the parties hereto, showing all receipts and disbursements.

#### **IV. DURATION**

The relationship created by this Agreement shall have a life of 3 years commencing from the date hereof.

#### **V. CONTRIBUTIONS**

The City, County, and other above named entities shall make financial or in kind contributions toward the total budget package consistent with the Purposes and Organization as stated herein. Failure to make the required contributions shall subject the defaulting entity to loss of membership on the economic development board.

The above contributions shall be made for the Director's compensation package and office budget.

#### **VI. POWERS**

The Economic Development Board shall have such powers as are allowed by the Interlocal Cooperation Act and shall specifically have the powers necessary to carry out the purposes set forth in Article II above.

#### **VII. FINANCING AND BUDGETING**

The Economic Development Board shall prepare a budget on an annual basis and shall submit same to the parties hereto. The financing of operations of the Economic Development Director shall be from financial or in kind contributions as set forth in Article V above.

#### **VIII. DISSOLUTION**

Upon dissolution of the Economic Development Board, all assets shall be distributed proportionately to the City and County based upon overall monetary contributions made by each entity.

**IX. CERTAIN TAX CONSIDERATIONS**

It is not contemplated at this time that the levying authority under Neb. Rev. Stat. §§13-318 to 13-326 and Neb. Rev. Stat. §§13-2813 to 13-2816 will be used for purposes of this agreement.

**X. AMENDMENT OF AGREEMENT**

This Agreement may be amended upon approving resolutions adopted by the governing bodies of the parties hereto.

Executed and delivered by each party hereto on the date set opposite the signature of the authorized person of each party.

City of Valentine

By: \_\_\_\_\_

\_\_\_\_\_ Date

County of Cherry

By: \_\_\_\_\_

\_\_\_\_\_ Date

## Questions & More Information

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