

## MARKET PROGRESS IN 2022

### Message from the Executive Director

In many respects 2022 has been a rebound year. The COVID hangover influenced the market's activity deep into 2021, but we began moving past the lock-down mindset in 2022. Local retail sales surged during the season of COVID so it's not surprising that things leveled off this year. Growth is occurring steadily as people return to pre-pandemic routines. Through November, LB840 receipts are down slightly – about -1.23% compared to last year at this time.

Nevertheless, PCDC will exceed budgeted revenues since we approached the process conservatively. Likewise, expenditures will end the year below budget and net revenues will be substantially above budget. Excess revenues will be required as PCDC begins another workforce housing development that could involve substantial investment for development and infrastructure costs.

Housing challenges and workforce development are issues that go together. Growth at existing local businesses requires development of more housing to support hiring demands, and to position Phelps County to capture portions of the large commuter workforce.

The State of Nebraska received millions of ARPA funds that have been applied in a variety of new programs. Some could benefit Phelps County. PCDC is assisting the City of Holdrege to apply for grant funds through one of these programs for the purpose of building more rental properties as well as dwellings for homeowners.

PCDC will apply for another program that's like the RWFH project that was used to develop Crew Subdivision where 46 new living units have been built or are in development. A part of that grant application proposes to assist Bertrand to renovate a dozen or more homes that were identified earlier this year.

In last year's year-end review, I said: "Change is not a choice. It's inevitable. So, it's up to us, no one else, to shape the change we want." Today, that's more true than ever so, it's heartening to see so many private citizens and volunteers taking action to drive change across the entire county. After all, they own the cities and towns.

As we prepare to turn the last page on the 2022 calendar, I'm more optimistic than ever. There are more and more people turning their shoulders to the wheel and our county is picking up momentum. We're getting some epic stuff done.



Ron Tillery, Executive Director

### Market priorities outlined by investors during the Grow37 Campaign

- More restaurants
- More clothing or apparel stores and other retail
- More economic diversity
- More vibrant downtown environments
- More affordable housing
- Expanded Central Community College
- More hospitality venues

## **PHELPS COUNTY 2022: A Summary of Projects and Progress**

### **HOUSING**

- County-wide housing study completed
  - 5-Year demand for 159 new owner-occupied dwellings and 127 new rental units in Phelps County
- Crew Subdivision: completed 20 new duplexes, 6 townhouses
- Remaining 19 lots committed to 3 separate developers
  - Planned for 2023:
    - 6 townhouse duplexes break ground in December 2022, weather permitting
    - 6 townhouse duplexes break ground spring 2023
    - 4 single-family detached homes under construction to be completed March 2023
    - 2 single-family detached homes under construction to be completed April 2023
    - 1 duplex rental to break ground spring 2023
- PCDC purchased an 8-acre parcel for additional housing development in 2023-2024
- Apartments + owner occupied – up to 38 new units

### **GO! PROGRAMS – BUSINESS, DOWNTOWN & EMPLOYEE RECRUITMENT**

- GO! DREAM
  - Seven Projects in Bertrand, Funk, Loomis, and Holdrege
  - PCDC's contributions of \$123,532 generated private investment of \$555,255
- EXAMPLES
  - The Dale Residences replaced all windows on floors two through six
  - The Drive Golf Bar renovated interior and exterior
  - The 308 Boutique expansion
  - The Bridal Isle expansion
- 17 Digital Development Grants
- GO! HOME
  - Recruited 48 New Phelps County Homeowners (231 since 2017)
  - Recruited 16 New Phelps County Renters (91 since 2017)
  - \$3,313,500 total value of homes purchased in 2022 by GO! HOME recipients

### **MARKET RESEARCH**

- ◆ Custom studies to inform and assist existing businesses in 2022
  - GSA Whitepaper on Worker Shortages
  - Targeted Counties for Workforce Recruitment
  - Holdrege Local Wage Competitive Data
  - Food Processing Labor Data
  - Updated Local Competitive Wage Data

## MARKET DEVELOPMENT

- Awarded 8 High-Demand Job Scholarships - \$237,000 paid to students since the programs inception
- PCDC hosted a tour of Grand Island's Career Academy and the Kearney CCC campus – both offer innovative programs that offer dual credit training and help grow the workforce
- Completed 22 Business Intelligence calls with local businesses. These calls help identify market trends, individual business challenges and opportunities and to make connections among local companies
- PCDC coordinated the submission of a regional RFP response for a mega food processing project
- PCDC assisted Turner Technology to identify and improve new offices in downtown Holdrege
- PCDC assisted Catrina's Restaurant to identify downtown space for a new restaurant, now in operation
- PCDC assisted Holdrege Market and Goodwill to establish communications with Noddle Companies, the owner of Holdrege Plaza.
- PCDC recruited 5X Group to consider Central Nebraska for its next wave of micro-data centers.
- PCDC assisted The Blue Vine to establish operation in Holdrege, the first of two proposed restaurants. Unfortunately, the business failed. We continue to seek another operation for the vacated space
- PCDC assisted Eric Sweeney to acquire and renovate the former Double D Cleaners building on West Avenue to start a new recreation/bar concept called The Drive
- PCDC assisted Gilberto Diaz to create four new apartments in the Schrock Building
- PCDC assisted Nancy Clark, owner of The Dale Residences, to renovate the exterior of the historic bldg.
- PCDC assisted the Bridal Isle to renovate an adjoining building that allows the company to expand
- PCDC is assisting a company to establish a new convenience store – truck stop in Loomis, Shop EZ 2
- PCDC is assisting a startup company, Southpaw, that will specialize in training and boarding dogs
- BD spin-off embecta has created new opportunities for our market. Renovation is underway by BD at the former Artistic Woven Labels facility, referred to as Building 2.
- PCDC presented a franchise workshop that featured FranNet and Retail Strategies
- PCDC assisted CRA to update its policies and application packet to streamline the process. Going forward, projects can expect a smoother, more expedited process
- PCDC published the quarterly Phelps County Business Journal, which was delivered to every county address and a special list of 400+ elected leaders, decision makers and other interested parties
- PCDC has supported development of The Holdrege Veterans Memorial by hosting its website and Facebook page. Ron Tillery serves as vice-chairman of the committee.
- Grow37 Investment Campaign raised the highest net amount ever – more than \$925,000 – to support PCDC's administrative operations
- Holdrege was selected as Community of the Year by the Nebraska Diplomats. Governor Ricketts presented the award to Phil Hinrichs and Ron Tillery at the state convention this past summer.
- PCDC attended the International Poultry Processing Equipment show in Atlanta for a third time in 2022.
- PCDC opened 16 new project recruitment files this year. We're a finalist for two companies that are considering sites in Iron Horse Business & Industry Park. A third project has made a verbal commitment to reserve 15-acres for a development that could occur in 2024, if not sooner.
- Economic Indicators for 2022 indicate a strong, growing economy – full report on the following page.

COMPILED BY PHELPS COUNTY DEVELOPMENT CORPORATION

For Period Ending September 30, 2022

<u>Population Comparison</u>	<u>2019</u>	<u>2020</u>	<u>Variance</u>
Phelps County Population (estimate)	9,034	8,968	-0.7%
Holdrege Population (estimate)	5,408	5,515	2.0%

<u>Building Permits (select categories)</u>	<u>JAN-OCT 2021</u>		<u>JAN-OCT 2022</u>		<u>Variance</u>
Single Family	6	\$1,510,000	2	\$410,000	3.0%
Multi-Family (permits / units)	0	\$0	1	\$600,000	0.0%
Commercial / Industrial	7	\$960,182	8	\$5,164,881	437.9%
Com/Ind Additions & Remodel	3	\$6,414,000	6	\$16,209,000	114.1%
Permit Total \$ Value		\$8,884,182		\$22,383,881	152.0%

<u>Year-to-Year Comparisons</u>	<u>2020</u>	<u>2021</u>	<u>Variance</u>
Holdrege Taxable Valuation	\$339,631,858	\$348,234,457	2.5%
Phelps County Taxable Valuation	\$2,288,627,460	\$2,272,528,150	-0.7%

<u>Year-to-Year Comparisons</u>	<u>SEPT 2021</u>	<u>SEPT 2022</u>	<u>Variance</u>
Labor Force - Phelps County (Avg)	4,909	4,935	0.5%
Employed - Phelps County (Avg)	4,836	4,850	0.3%
Unemployed - Phelps County (Avg) (Open Positions: 500+)	73	85	16.4%
Unemployment Rate - Phelps County (Avg)	1.5%	1.7%	13.3%

<u>Taxable Retail Sales</u>	<u>JAN-AUG 2021</u>	<u>AUG 2021</u>	<u>JAN-AUG 2022</u>	<u>AUG 2022</u>	<u>Variance</u>
Phelps County	\$54,020,395	\$7,049,917	\$58,083,538	\$8,034,871	14.0%
Holdrege	\$49,764,712	\$6,563,092	\$54,290,183	\$7,536,704	14.8%
Nebraska	\$25,222,497,334	\$3,287,144,199	\$27,790,761,449	\$3,831,892,034	16.6%
Non-resident	\$6,738,109,391	\$788,195,127	\$7,658,196,019	\$1,082,073,399	37.3%
Motor Vehicle Sales - Phelps County	\$25,835,036	\$3,477,812	\$26,724,327	\$3,288,338	-5.4%

<u>Lodging &amp; Occupation Sales</u>	<u>JAN-AUG 2021</u>	<u>JAN-AUG 2022</u>	<u>Variance</u>
County Lodging Tax	\$38,415	\$44,376	15.5%
City Occupation Tax (NEW: Sep 2020)	\$41,153	\$52,928	28.6%

<u>Real Estate Transactions - Phelps County</u>	<u>JAN-SEPT 2020</u>	<u>JAN-SEPT 2021</u>	<u>Variance</u>
Total Home Sales (#)	117	97	-17.1%
Average Adjusted Sale Price	\$131,823	\$137,862	4.6%

<b>QUICK FACTS</b>	<b>Holdrege</b>	<b>Nebraska</b>
Population, Census, April 1, 2020	5,515	1,961,504
Population, Census, April 1, 2010	5,495	1,826,341
Population, percent change - April 1, 2010 to July 1, 2018	0.004%	5.6%
Median value of owner-occupied housing units, 2015-2019	\$127,200	\$155,800
High school graduate or higher, % of persons age 25+, 2015-2019	93.8%	91.4%
Bachelor's degree or higher, % of persons age 25+, 2015-2019	22.9%	31.9%
Total retail sales per capita, 2012	\$19,600	\$16,422
Median household income (in 2019 dollars), 2015-2019	\$54,167	\$61,439
Per capita income in past 12 months (in 2019 dollars), 2015-2019	\$29,711	\$32,302
Total market (1 hour drive time) population	33,570	
Total market (1 hour drive time) retail sales demand	\$583.6m	
Total online / electronic shopping / mail order shopping	\$86.4m	