



SEMI-ANNUAL PUBLIC REVIEW
LOCAL OPTION MUNICIPAL SALES TAX (LB840)
August 11, 2021, Published Meeting
Holdrege City Hall Meeting Room - 8:00 a.m.

This report documents the functioning and progress of Holdrege's economic development program, which is administered by Phelps County Development Corporation (PCDC) for the six months from January 1–June 30, 2021. Compiled by PCDC, the report is presented to The Citizen's Advisory Review Committee at the published meeting. Subsequently, the Citizens' Advisory Committee reports its findings and suggestions concerning the program to the Holdrege City Council.

LB840 PROGRAM OVERVIEW

Since July 2002 the Phelps County Development Corporation (PCDC) has served as the Economic Development Program Administrator for the City of Holdrege. The plan was renewed and approved by voters in 2015. This report serves as a summary of PCDC's economic development activities during the first six months of 2021.

ACTIVITY SUMMARY

One of the most impactful developments in early 2021 is the announcement that Holdrege received a **\$3.8 million Economic Development Administration grant** to build water and sewer infrastructure and pave roads at the Iron Horse Industrial Park. PCDC partnered with the City of Holdrege and SCEDD and has worked since last August to bring this grant to reality. The grant requires a 20% local match, \$763,682, and is expected to initially generate more than **\$40 million** in private investment and create **73 jobs**. Having infrastructure completed at Iron Horse will make the site much more marketable to potential businesses and will assist in recruitment efforts already underway for a medical-glove manufacturer that wants to establish its domestic manufacturing in Holdrege. PCDC hopes to have infrastructure at the site complete by the end of 2022. PCDC has also generated additional activity at Iron Horse Park and more announcements could occur over the coming weeks.

PCDC assisted two existing manufacturers with hiring efforts as they expand local manufacturing. Allmand is seeking at least **50 employees**, while BD will be hiring **70 or more employees** through the end of 2021. PCDC commissioned a multi-state labor analysis and then created a social media marketing campaign based on those results. The campaign was intended to promote Holdrege as a great place to live and work. PCDC is committed to helping these existing manufacturers in their employee recruitment efforts. Additional expansion of existing companies is anticipated throughout this and next year.

PCDC continues to stimulate growth in our community through the **GO HOME! Program** and through spurring the development of more **workforce housing**. During the first half of 2021, the GO HOME! program attracted 22 new residents to the county by offering matching grants to employers who give down-payment grants to new or existing employees to purchase homes in the county. Work has continued in the CREW Subdivision where nine duplexes are complete (18 living units) and occupied. A tenth duplex is available for purchase. Three townhomes (six living units) are nearing completion and at least one has been sold. All should be completed this construction year. This project is the result of a collaborative effort to secure a workforce housing grant led by PCDC. McElhinny Builders has committed to construct single-family homes in CREW on 19 lots owned by PCDC; construction is expected to begin soon. Inquiries from other contractors have been received and are currently under consideration and PCDC invites additional inquiries from interested parties.

In addition to the medical-glove manufacturing project mentioned above, PCDC has **five other potential businesses it has been actively recruiting** during the first half of the year. These projects encompass a broad range of business types that fit with our target industry strategy, including agriculture.

PCDC hosted a site visit for one of the projects and have subsequently gathered additional information required by the site selection professionals with whom we're working. In total, the past six months have been
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very active. Our market is experiencing a surge in new investment by existing businesses and heightened attention from outside the market. Phelps County is poised to see meaningful growth in the coming months. Growth at existing companies and increased interest by new companies underscores the importance of workforce development, housing to serve that growing workforce and services that support a growing community.

Retail sales for Phelps County and Holdrege is robust, tracking well ahead of the same period last year. Despite COVID, retail sales for our county and the surrounding region ended 2020 on a high note, up 2% in Holdrege. Through the first four reporting months of 2021 Phelps County is tracking 14.6% ahead and Holdrege is tracking 11.5% ahead. Auto sales are also tracking well ahead of the prior year.

As a result of this activity, Phelps County has received additional visibility in the media. In June, we learned that **Site Selection Magazine has named Phelps County as the No. 2 most robust rural economic development region in the nation.** Site Selection Magazine awarded the State of Nebraska the Governor’s Cup in three of four prior years as a result of Nebraska’s strong economy. PCDC and Phelps County were prominently featured in a July digital article, which will bring more positive attention to the area. The article can be found here: <https://siteselection.com/issues/2021/jul/rural-advantage-which-way-for-rural-america.cfm>

PCDC launched an investor campaign to support the organization’s work over the next five years. The **GROW 37 Partnership** has a goal of raising \$1.2 million over five years. These funds help support the administrative work of PCDC so that the greatest possible amount of LB840 funds go directly to economic development activities. We are currently securing investments from some of our largest partners and hope to complete this campaign by early fall.

SIGNIFICANT TRANSACTIONS OVERVIEW

RECEIPTS	JAN-JUNE	EXPENSES AND INVESTMENTS	JAN-JUNE	NOTES
PCCF Scholarship Match	\$10,000	Administrative Transfers	\$69,969	
City Sales Tax Receipts	\$345,625	Retail Strategies Contract	\$40,000	
		Iron Horse Loan Payments	\$79,299	Regular Pmt
			\$37,835	Loan Payoff
		Iron Horse Property Taxes	\$11,515	
		Crew Subdivision Loan Payments	\$69,615	Regular Pmt
			\$62,165	Principal Pmt
		GO! Program Distributions	\$81,908	

In addition to the impressive list of accomplishments listed above, PCDC has also been working on the following projects during the first half of 2021:

STRATEGIC PLANNING

- As part of the **GROW 37 Partnership**, PCDC secured a leadership cabinet and interviewed 30 investors to get their input on the recent and future work of PCDC. We contracted with DBD Group to help with this assessment process and gleaned some valuable feedback on the future direction of the organization. Of those interviewed, 99% said PCDC’s image is good or very good, and 100% rated the local economic condition as good or very good.
- Communicated with state senators to **monitor legislation** and advocated for bills that improve the county’s appeal as a business destination.
- Secured a purchase option agreement for development of a property on **North Hwy. 183.**
- The PCDC executive committee met several times to discuss the potential for **additional property acquisitions** that would be intended to address several areas of need in the community including housing. PCDC is also discussing these strategies with other partners.
- Accepted an **updated Economic & Demographic Trends Report** for Phelps County and the surrounding area.

TARGETED RECRUITMENT

- Continued a partnership with Retail Strategies, **a nationwide statistics and marketing firm**, to support local retailers to capture sales revenues now leaking to neighboring markets and to recruit new retailers and restaurants to the county.
- Utilizing the research provided through Retail Strategies and local resources, PCDC has completed development of a comprehensive presentation directed to a **major national retailer** to the community, which will be delivered in late August.
- PCDC assisted a new restaurant, **The Blue Vine Bistro**, to fill the space vacated by El Agave in The Dale. Blue Vine owners said they chose Holdrege for their first location based on the positive support, incentives and encouragement from PCDC.
- Assisted a **national brand restaurant chain** to select Holdrege for expansion. The new company intends to break ground this fall on a new facility.
- Traveled to Minnesota to meet with **leaders of the medical-glove manufacturing business** that PCDC has recruited to establish operation in Holdrege. While in Minneapolis, we also met with a site selector who reported that Holdrege is in the top tier of **finalists for a second major manufacturing project** that could announce a decision in Q3 this year.

BUSINESS RETENTION & EXPANSION

- At the end of June, PCDC had opened **17 economic development projects** for the current year. Two projects have committed and will open this fall, three have been delayed by the companies, three are performing market due-diligence, two have eliminated Holdrege as a potential site and seven remain as open, active prospects. The open prospects are in various stages of development with two of them having Holdrege as a top contender.
- Commissioned a regional salary comparison for **AgWest** to help the company recruit and retain key personnel.
- Revised the franchise grant program into the **Business & Franchise Development Grant** to be inclusive to all start-up businesses to help with remodeling, initial rent payments and inventory, employee training and site selection services.
- Forwarded several **bidding opportunities** to our local Builder's Bureau, including projects such as Pinnacle Bank in Kearney and projects in Columbus, McCook and Cambridge.
- Arranged a meeting with the **Department of Labor** to help area manufacturers with employee recruitment strategies.
- Provided a customized **labor market analysis** across a four-state region for BD and Allmand. The analysis identifies counties where there are sufficient numbers of similarly skilled workers with a favorable pay differential.
- Hosted a four-week Instagram training via ZOOM for key retailers and service providers in the county. The workshop taught participants how to **grow their businesses using Instagram** and was instructed by Liz Friesen, a prominent consultant/influencer.
- In the first half of 2021, PCDC awarded **GO! DREAM** grants to:
 - A GO! DREAM grant Trent Fuecker for a building façade improvement in Funk
 - A Building Exterior Impact Grant and a Sign grant also to Trent Fuecker
 - Business & Franchise Development grants to The Blue Vine Bistro
- In the first half of 2021, PCDC awarded **Digital Development** grants to:
 - Brandon Smith, Holdrege Physical Therapy & Sports Rehab
 - Jocelyn Blythe, Studio 3:4
 - Deb Stindt, Stindt Insurance Co.
 - Erin Sandy, 308 Boutique
 - Shawn & Trisha Young, Youngs Mad Batter & More
 - Shawn & Trisha Young, Youngs Portable Building Inc.
 - Jan Lemburg and Trisha Young, On the Go Express

COMMUNITY PREPAREDNESS & QUALITY OF LIFE

- GO! Home Initiatives (first half of 2021):
 - Provided 12 Down Payment Assistance grants resulting in **22 new residents** and **\$1.7 million in home sales**.

- Provided 1 Renter Relocation grant resulting in 1 **new resident**.
- Provided 1 **residential exterior improvement** grant.
- Continued participation in and support of the **Holdrege Veterans' Memorial** committee in building the new Veterans Memorial in Holdrege. Our work included creating a social media campaign to boost attendance at the Veterans Memorial fundraiser in May.
- Met with a landowner in Omaha about a **possible housing project** in east Holdrege.
- Worked with PCCF to identify sites for **a potential library/learning center project**.
- **Assisted SCEDD** in evaluating the potential to acquire and move the brick home north of the museum to create another workforce housing project. SCEDD would provide funding.
- Awarded **8 High-Demand Jobs Scholarships** totaling \$24,000 to students who plan to return to Phelps County to work in high-demand careers.

BRANDING, MARKETING AND COMMUNITY CONSENSUS

- In partnership with KRJPR, PCDC continued communications with the public and investors through monthly e-newsletters and the quarterly Phelps County Business Journal (winter and spring editions). The business journal is distributed to all households and businesses in the county and several hundred out-of-county stakeholders, such as the governor's office, site selection consultants, business targets, business leaders and other elected officials. **PCDC has expanded the distribution** of the newsletter to Phelps County alumni in certain age groups to encourage an interest in moving back to the area and is featuring stories that would appeal to those alumni.
- With Golden Shovel Agency, PCDC continued to update www.PhelpsCountyNE.com with new content to keep it fresh and relevant for site selectors, business owners and the general public.
- Since COVID-19 was still affecting events this spring, we switched gears and created a **virtual annual meeting video** that was emailed to investors and posted on the PCDC website. The video highlighted PCDC's recent accomplishments and introduced the new board president, Phil Hinrichs, and new board member, Jeff Moon. If you haven't had a chance to watch the video, it can be found in the [Video Gallery on the website](#). PCDC will host its Business Hall of Fame Banquet and community celebration this fall.
- Created marketing materials to **promote Holdrege as a great place to live and work** to assist local businesses in employee recruitment efforts.
- Worked with the Holdrege Area Chamber and the Phelps County Visitor's Committee to **establish a new hospitality program** to promote Phelps County to visitors coming to town for the Nebraska Passport Program at Gifts & Things.


FUND REPORT

All LB840 funds are maintained in restricted accounts that are separate from its general fund accounts. No funds are co-mingled. Income includes tax revenues, interest earned on the investments (certificates of deposit and money market accounts), and loan repayment interest. The following financials are attached to this document:

Mid-Year 2021 LB840 Financials
Statement of Assets, Liabilities and Net Assets
Financial Variance Report
Statement of Revenues & Expenses Compared to Budget

PCDC's ACKNOWLEDGEMENT

The Phelps County Development Corporation provided this document and the financial documents reference within. The financial review of loan and grant applications were conducted according to credit review standards established for the economic development program by the Phelps County Development Corporation and conducted independently of participation from any member of the Citizen's Advisory Review Committee.



 PCDC Executive Director

7/30/2021

 Date

Phelps County Development Corporation LB840
LB840 Assets, Liabilities and Net Assets
As of June 30, 2021

	Jun 30, 21
ASSETS	
Current Assets	
Checking/Savings	
Checking-Great Western	1,415.98
Money Mkt. LB840-Great Western	159,873.54
Scholarship Funds - PCCF	102,776.99
Total Checking/Savings	264,066.51
Accounts Receivable	
Accounts Receivable	2,632.04
Notes Receivable	364,351.72
Total Accounts Receivable	366,983.76
Other Current Assets	
RLF-Great Western	14,317.22
FSBH - RLF Loan Repayments	24,214.67
Bruning Bank	2,523.09
FirsTier Bank - TIF Bond	781.03
Home Federal	6,692.35
Certificates of Deposit	261,716.45
Total Other Current Assets	310,244.81
Total Current Assets	941,295.08
Fixed Assets	
Net Property and Equipment	476.64
Total Fixed Assets	476.64
Other Assets	
Property	1,660,954.43
Total Other Assets	1,660,954.43
TOTAL ASSETS	2,602,726.15
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	19,389.68
Total Accounts Payable	19,389.68
Other Current Liabilities	
Prepaid BD Down Pmt Match	40,000.00
Total Other Current Liabilities	40,000.00
Total Current Liabilities	59,389.68
Long Term Liabilities	
Crew Subdivision Loan	192,310.82
Total Long Term Liabilities	192,310.82
Total Liabilities	251,700.50
Equity	
Unrestricted Net Assets	2,231,689.83
Net Income	119,335.82
Total Equity	2,351,025.65
TOTAL LIABILITIES & EQUITY	2,602,726.15



LB840 Financial Variance Report

As of June 30, 2021

ACCOUNT	NOTE
RETENTION/EXPANSION/RECRUITMENT	
GO! BUSINESS Flex Fund	Digital Marketing Support Grants, Blue Vine Loan Docs & Inventory Grant, Instagram Training
Permitting Asst & Proj Advocacy	Project Clean Sweep: Engineering / EDA Grant Work; Walmart: Legal Fees
Mktg, Comm, Website, Research	Retail Strategies Renewal. This is not a variance, but percentages make it appear out of alignment.
Iron Horse B&I Park Taxes & Ins	Property taxes were paid. This is not a variance, but percentages make it appear out of alignment.
Property Expenses	Interest on Crew Subdivision Loan Payment was not included in the budget.
INFRASTRUCTURE/HOUSING/PLANNING	
GO! Newcomers Down Pmt Match	Program has been very popular. Staff sees value in continuing the program despite budget overage. Funds will be reallocated from underutilized programs as needed.
GO! Newcomers Renter Relocation	Restarted this program based on input from employers. This was not anticipated when the budget was written.
GO! HOME Loan Forgiveness	Client sold their home and repaid the remaining balance. Last portion of forgiveness was recorded at payoff.
COMMUNITY GROWTH & PREPAREDNESS	
GO! DREAM FIG / Ext Rem	Fye Properties and ruralMED DREAM Grants. Fye Properties was approved in 2019 and ruralMED was approved in 2020. Both projects were completed and paid out in 2021.
Other Costs	Service Fees at FirstTier Bank. Balance fell below limit. This account is designated for the TIF Bond, so these service fees will continue until the proceeds from the bond start flowing in.

NOTES:

ACCOUNT	NOTE
INCOME	
Interest on Loans Extended	New loan issued this year. This interest income was not anticipated when the budget was written.
Miscellaneous Revenue	Refund of overpayment on Our Town marketing that occurred in 2020.
OTHER INCOME / EXPENSE	
Transfer from General	PCCF Scholarship Match
Transfer to General	Administrative Support per 2021 Budget

Phelps County Development Corporation LB840
Statement of Revenues & Expenses Compared to Budget
January through June 2021

	Jan - Jun 21	Budget	% of Budget
Ordinary Income/Expense			
Income			
City Sales Tax Receipts	345,624.73	525,000.00	65.8%
Iron Horse Lease Income	12,840.00	17,520.00	73.3%
Builders Bureau Membership	800.00	500.00	160.0%
Sale of Certified Water Rights	0.00	0.00	0.0%
Property Sales	0.00	0.00	0.0%
Investments			
Interest-Savings, Short-term CD	148.33	7,500.00	2.0%
Interest on Loans Extended	2,232.61	2,200.00	101.5%
Total Investments	2,380.94	9,700.00	24.5%
Miscellaneous Revenue	107.00	0.00	100.0%
Total Income	361,752.67	552,720.00	65.4%
Expense			
Retention/Expansion/Recruitment			
GO! BUSINESS Flex Fund	4,656.00	5,000.00	93.1%
GO! Scholarships & Training	600.00	35,000.00	1.7%
Job Creation Incentives	0.00	30,000.00	0.0%
Career Ed - Workforce Rec / Dev	151.92	15,000.00	1.0%
Permitting Asst & Proj Advocacy	14,505.09	10,000.00	145.1%
Tradeshows, Consultants, etc.	5,615.00	12,000.00	46.8%
Mktg, Comm, Website, Research	50,195.90	70,000.00	71.7%
Iron Horse B&I Park Taxes & Ins	18,053.93	20,000.00	90.3%
Property Expenses	10,861.26	5,000.00	217.2%
Total Retention/Expansion/Recruitment	104,639.10	202,000.00	51.8%
Infrastructure/Housing/Planning			
GO! Newcomers Down Pmt Match	22,500.00	30,000.00	75.0%
GO! Newcomers Renter Relocation	500.00	0.00	100.0%
GO! HOME Contractor Incentives	0.00	20,000.00	0.0%
GO! HOME Homeowner Incentives	0.00	20,000.00	0.0%
GO! Home Loan Forgiveness	1,000.00	0.00	100.0%
GO! DREAM Code Compliance Grant	10,000.00	75,000.00	13.3%
Committee Support	109.35	1,200.00	9.1%
Engineer, Planning, Const, Dev	1,163.40	25,000.00	4.7%
Total Infrastructure/Housing/Planning	35,272.75	171,200.00	20.6%
Community Growth & Preparedness			
GO!DREAM Target Bldg Loan/Grant	0.00	0.00	0.0%
GO! BIZ First Impression Grants	0.00	5,000.00	0.0%
GO! DREAM FIG / Ext Rem	42,500.00	25,000.00	170.0%
Ballfield Complex	0.00	75,000.00	0.0%
COVID-19 Recovery Stimulus Prog	0.00	10,000.00	0.0%
Total Community Growth & Preparedness	42,500.00	115,000.00	37.0%
Depreciation Expense	0.00	191.00	0.0%
Other Costs	36.00	0.00	100.0%
Total Expense	182,447.85	488,391.00	37.4%
Net Ordinary Income	179,304.82	64,329.00	278.7%
Other Income/Expense			
Other Income			
Transfer from General	10,000.00	10,000.00	100.0%
Total Other Income	10,000.00	10,000.00	100.0%
Other Expense			
Transfer to General	69,969.00	69,969.00	100.0%
Total Other Expense	69,969.00	69,969.00	100.0%
Net Other Income	-59,969.00	-59,969.00	100.0%
Net Income	119,335.82	4,360.00	2,737.1%

CITIZENS' REVIEW REPORT

The Citizens' Advisory Review Committee has reviewed the information presented by the Phelps County Development Corporation as required in the Economic Development Plan. The committee was provided with the following:

- Written report: "Semi-Annual Public Review for Local Option Municipal Sales Tax (LB840)"
- 2021 LB840 Financial Statements for the period January 1 – June 30, 2021:
 - Statement of Assets, Liabilities and Net Assets
 - Financial Variance Report
 - Statement of Revenues & Expenses Compared to Budget
- Verbal presentation by a representative of PCDC


This program review certifies the application process was conducted properly and any funds expended or projects approved meet with the LB840 eligibility guidelines as written in our community's plan and approved by the citizens on March 12, 2001.

- No discrepancies were noted in the program review
- No discrepancies were noted in the program review, but the Citizens Review Advisory Committee makes a recommendation (see Notes below)
- Discrepancies have been identified (see Notes below)


Notes:

By signing below, members of the Citizens Advisory Review Committee acknowledge attendance at the meeting on August 11, 2021 and agree with the committee's findings above.

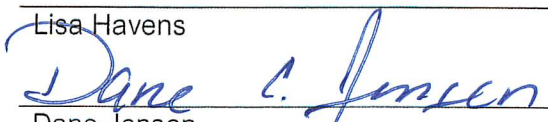
Michaela Nielsen will be making the presentation to the City of Holdrege at a regularly scheduled meeting of the Council.



Gregg Ericksen




Meredith Pierce

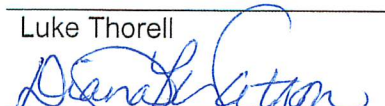
Lisa Havens


Dane Jensen

Karen Stute



Michaela Nielsen

Luke Thorell


Diana Watson