



## SEMI-ANNUAL PUBLIC REVIEW: July-December 2022

### LOCAL OPTION MUNICIPAL SALES TAX (LB840)

February 8, 2023, 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 July 1-December 31, 2022. Compiled by PCDC, the report is presented to The Citizen's Advisory Review Committee at its published meeting. Subsequently, the Citizens' Advisory Review Committee reports its findings and suggestions regarding the program to the Holdrege City Council.

In the report, you will see references to GO! Programs, which is an acronym for Growing Opportunities, a branding tool used by PCDC to underscore that Phelps County is a place of opportunity and momentum. Variations on the theme include #Grow37 #GrowPhelps #GrowingOpportunities, #PhelpsHelps, and others.

### **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 more than 80% of voters in 2015. This report serves as a summary of PCDC's economic development activities during the last months of 2022 (July through December).

### **QUICK-READ SUMMARY**

Through the last half of 2022, PCDC has continued to place a priority on meeting housing and workforce development challenges. The good news is that many local businesses continue to expand and seek more workers, and housing is an important part of workforce recruitment.

PCDC has made great strides on the housing front in the last six months of 2022. Results of a **county-wide housing study** that was commissioned by PCDC were presented in August. The study showed that at least 206 living units will be needed in Holdrege – 286 in Phelps County - over the next five years to meet the demands of our growing market. Since then, PCDC has secured agreements with two contractors to build at least 12 more living units in the CREW Subdivision. By the end of 2023, the CREW Subdivision will add more housing units; six are now under construction and PCDC is negotiating with a developer to add another 12. When complete, CREW Subdivision will feature 46 living units constructed since 2019. PCDC is also partnering with local governments and organizations to apply for grants to purchase land and develop more property for housing.

Recruiting business to the **Iron Horse Business & Industry Park** continues to be a top priority. Many projects won't consider sites that do not have water, sewer and roads already built, so PCDC is working to build the infrastructure needed to attract businesses to the park. PCDC successfully secured ARPA funds through the Phelps County Commissioners to complete final design of the project and has met with state and federal officials to determine the availability of other possible funds.

PCDC continues to have a **high number of active potential projects** with 16 on file at the beginning of November. PCDC has been able to build top-of-mind awareness with site selection consultants, NPPD, and the Nebraska Department of Economic Development as well as building confidence with these key lead generation resources. PCDC remains active at tradeshow and in trade journals where exposure can lead to projects or new relationships.

In addition to time spent recruiting new business, PCDC also prioritizes **service to existing companies and manufacturers**. PCDC is working closely with company leadership at BD, embecta, and Allmand Inc./Briggs & Stratton to address multiple opportunities that will lead to growth including new employees, workforce recruitment, wage and benefits studies, and housing.

### **SIGNIFICANT TRANSACTIONS OVERVIEW**

RECEIPTS	Jan-June	July-Dec	TOTAL	EXPENSES/INVESTMENTS	Jan-June	July-Dec	TOTAL
PCCF Scholarship Match	\$50,000	\$0	\$50,000	Retail Strategies Contract	0	\$40,000	\$40,000
City Sales Tax Receipts	\$321,257	\$356,141	\$677,398	Iron Horse Property Taxes	\$11,261	\$0	\$11,261
Iron Horse Lease Income	\$15,248	\$15,248	\$30,495	Tree & Fence Removal @ Crew	\$0	\$15,700	\$15,700
				Housing Study Fees	\$0	\$15,000	\$15,000
				GO! Program Distributions	\$46,361	\$167,332	\$213,693
				Ballfield Complex	\$0	\$75,000	\$75,000

### **HIGHLIGHTS OF PCDC’S WORK DURING THE LAST HALF OF 2022:**

#### **STRATEGIC PLANNING**

- PCDC staff and board members led efforts to prepare the **Holdrege CRA** to support future housing, commercial and industrial development. Discussions with City Administration have led to agreement on adding new property into an existing Community Redevelopment Area for housing development assistance.
- The results of the **county-wide 5-year housing study** commissioned by PCDC were delivered in August. The report indicated a need for at least 286 new living units (a combination of owner-occupied units and rentals) in the next five years to meet the needs of our growing county.
- PCDC staff are **partnering with other community organizations** to meet the recommendations outlined in the housing study. PCDC has prepared a Land Development Grant on behalf of the City of Holdrege and submitted other workforce housing grants to help fund a new subdivision in Holdrege and housing projects in Bertrand. PCDC staff has also researched vacant lots and vacant homes to identify areas for future infill housing developments. PCDC supports the city’s initiative to create a vacant housing registry to discourage vacant homes and instead encourage renovation or sales. These vacant homes can be renovated or demolished, and lots sold to create much-needed housing. Infill development is an efficient strategy to create more living units.
- PCDC **commissioned several research studies** throughout 2022 designed to give current and potential new business owners the information they need to make informed decisions. Studies included a GSA white paper on worker shortages, a targeted county report for workforce recruitment, Holdrege local wage competitive data, food processing labor data, and updated regional competitive wage data. PCDC is responsive to business requests for timely and accurate information on a wide variety of topics.

## **TARGETED RECRUITMENT**

- Ron Tillery met with representatives of several companies considering Phelps County in Minneapolis in August and again in December at **Community Venture Network** conferences. Tillery is conducting follow-up calls with business presenters from the conferences and a handful of projects remain under consideration.
- PCDC continues its record-setting pace of submitting project proposals for companies interested in locating in Phelps County. As of early November, PCDC had **16 open project files on potential new companies**. Over time, PCDC has improved its status with referring agencies that seek partners that they can trust to provide reliable results and that follow through on commitments. Holdrege is a finalist on a major industrial operation that will process locally grown commodities, which is consistent with our target industry profile.
- PCDC continued its partnership with Retail Strategies, **a national recruitment, development, 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. Filling retail voids strengthens the overall market's attractiveness to consumers and businesses and builds a stronger business foundation.
- The new leasing representative for Noddle Companies, the Omaha owner of **Holdrege Plaza**, has continued to work with tenant options presented to them by PCDC. We're optimistic that new tenants will be added to Holdrege Plaza in 2023.

## **BUSINESS RETENTION & EXPANSION**

- PCDC staff is working closely with **BD and embecta leadership** to provide information and resources as needed to continue to support local growth and expansion at the companies. BD continues work on renovations to the former Artistic Woven Labels building, representing a \$15 million construction investment. Investment in new production equipment will also stretch into millions.
- PCDC staff also continues to support **Allmand/Briggs & Stratton**, specifically with housing needs brought about by the company, which has doubled its workforce in the past two years. Significant investments in plant improvements and new equipment will occur in 2023.
- PCDC staff is assisting a **new dog training business** to secure financing for a new business start-up in Phelps County.
- PCDC staff completed 22 **Business Intelligence** interviews in 2022 with existing companies. These calls help identify market trends, individual business challenges and opportunities, and to make connections among local companies.
- At the request of PCDC staff, the Phelps County Board of Commissioners approved \$135,000 in ARPA funds for design and engineering expenses for **Iron Horse Business & Industry Park**. PCDC also met with the EDA, USDA, and other agencies to determine the availability of federal assistance for Iron Horse infrastructure.
- PCDC staff and board members have assisted the efforts of a Kearney company that will establish a **new retail business in Loomis**.
- PCDC coordinated meetings between the owners of the new business **Wholesale Specialists** and a building owner to secure a long-term lease. This resulted in a new business opening in downtown Holdrege and one less empty building.
- A dozen people attended a **franchise workshop** at the Holdrege Sun Theater & Event Venue organized by PCDC. Blake Martin, CEO of FranNet, and Kam South of Retail Strategies presented statistics and information on the benefits of starting and owning a local franchise.

- In 2022, **PCDC GO! DREAM** grants funded projects in Bertrand, Funk, Loomis and Holdrege, including the new Drive Golf Bar & Lounge and expansions at The 308 Boutique and the Bridal Isle. PCDC also awarded 17 Digital Development grants in 2022 to help businesses update, improve, or launch a digital presence.

### **COMMUNITY PREPAREDNESS & QUALITY OF LIFE**

- PCDC **GO! HOME** grants helped 48 homeowners and 16 renters move to Phelps County in 2022. The total value of homes purchased by GO! HOME recipients in 2022 was \$3,806,000.
- Toward the end of the year, PCDC modified its **GO! HOME renovation grants** to encourage the renovation and repair of existing homes: renovation reimbursement grants up to \$1,500 for existing rental property, site improvement/demolition reimbursement grants up to \$2,500 and home residential code compliance grants up to \$2,500.
- PCDC secured two contractors, Maven Builders and Heritage Homes, to build additional housing in the **CREW Subdivision**. These two companies, along with a local builder, have plans to build enough living units to complete the subdivision.
- PCDC led a tour of Grand Island's **Career Academy** to inspire local educators to borrow ideas for application in Phelps County schools. Attendees included HHS principal Jeremy Ham, Superintendent Todd Hilyard, Axios Director Alex Mahundi and representatives from BD, embecta and IES. Additional investigations will occur in 2023.
- PCDC continues its involvement in the **Holdrege Veterans Memorial** project. Ron Tillery serves as the vice chairman of the committee, and PCDC hosts its website/Facebook page.
- PCDC led efforts in welcoming home six former **high-demand jobs scholarship** recipients who are now working full-time in Phelps County in various jobs such as farming, diesel mechanics, and nursing.

### **BRANDING, MARKETING AND COMMUNITY CONSENSUS**

- PCDC attended the August Nebraska Diplomats banquet where Holdrege was recognized as a **Community of the Year**. Mayor Young and City Administrator Rector joined PCDC to receive the award.
- In partnership with KRJPR, PCDC continued **communications with the public and investors** through monthly e-newsletters and the popular Phelps County Business Journal (fall and winter 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, other elected officials, and HPS alumni.
- Working with **Golden Shovel Agency**, PCDC continued to update [www.PhelpsCountyNE.com](http://www.PhelpsCountyNE.com) with new content to keep it fresh and relevant for site selectors, business owners and the public. The website's 4<sup>th</sup> Quarter performance report is attached.
- More than 130 people attended the **PCDC Hall of Fame Banquet** on Thursday, Oct. 27 at JB's Sports Bar & Grill. Nebraska Department of Economic Development Director Tony Goins gave an energetic and inspirational keynote address. PCDC honored Planter Worx of Funk as the Business of the Year.
- PCDC staff meets with **local political leaders** regularly including the new mayor and new city council members, to brief them on PCDC activities and opportunities and challenges facing the community.

- **GO! HOME** Initiatives 2022:
  - Awarded 20 Down Payment Assistance grants (\$50,000) resulting in 48 new residents and \$3,806,000 in home sales.
  - Awarded 8 Renter Relocation grants (\$4,000) resulting in 19 new residents.
  - Awarded 2 Residential Exterior Improvement grants. (\$2,500)
  - Awarded 2 Residential Site Improvement grants (\$2,910)
  - Awarded 2 Residential Renovation Reimbursement grants (\$3,000)
- Awarded **GO! DREAM** grants to:
  - JB's Sports Bar and Grill – energy efficient HVAC replacement
  - Screen Machine – new storefront windows and doors
  - SCAR – façade renovation
  - Schrock Building – three new downtown apartments
  - Bridal Isle – expansion and building renovation
  - The Drive Golf & Lounge – building integrity assistance, façade improvements, new signage
  - The 308 Boutique – replaced front door and windows as part of a business expansion
- Awarded **Digital Development** grants to:
  - Phelps Harvest
  - Clear View Realty
  - Pretty & Fabulous
  - Holly Olson Agency (State Farm)
  - Kimberly Powers Photography
  - Black Sheep Products
  - Holdrege Dental Arts
  - Studio 607
  - The 308 Boutique
  - The Drive Golf & Lounge
  - Flag Creek Farms
  - Graphic Arts Shop
  - Screen Machine
  - Gray Law Firm
  - Bowden's Bargain Store
  - Ella Rose Designs
  - Liminal Space Lyrics
- Awarded **GO! BUSINESS** Exterior Impact Grants to:
  - CS Storage
  - Nebraska Star Beef
  - Kimberly Powers Photography
  - Melroy Construction

## 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:

- **Year-End 2022 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.

  
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PCDC Executive Director

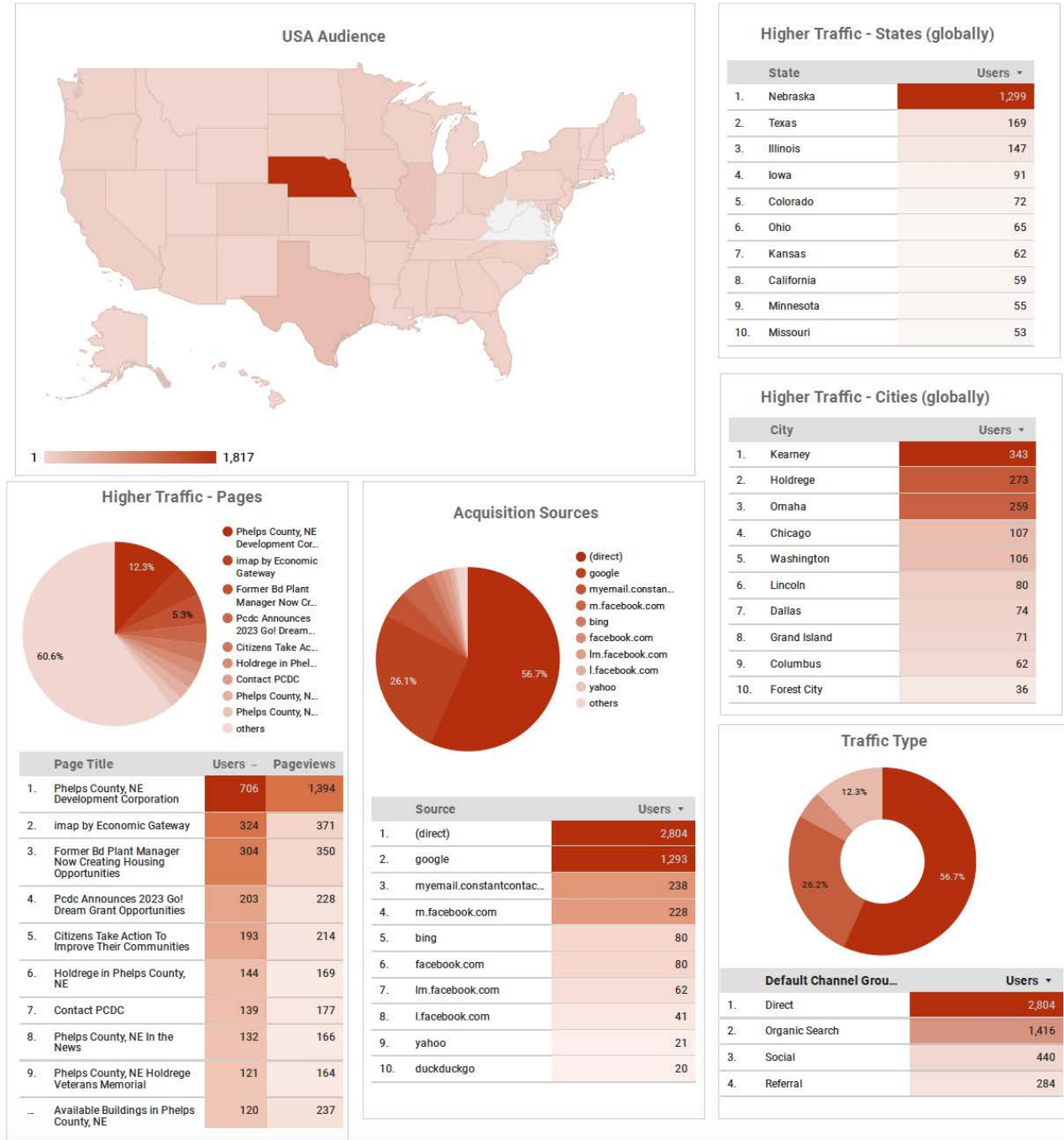
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# 4Q 2022 ONLINE MARKETING PERFORMANCE REPORT FOR [www.phelpscountyne.com](http://www.phelpscountyne.com)

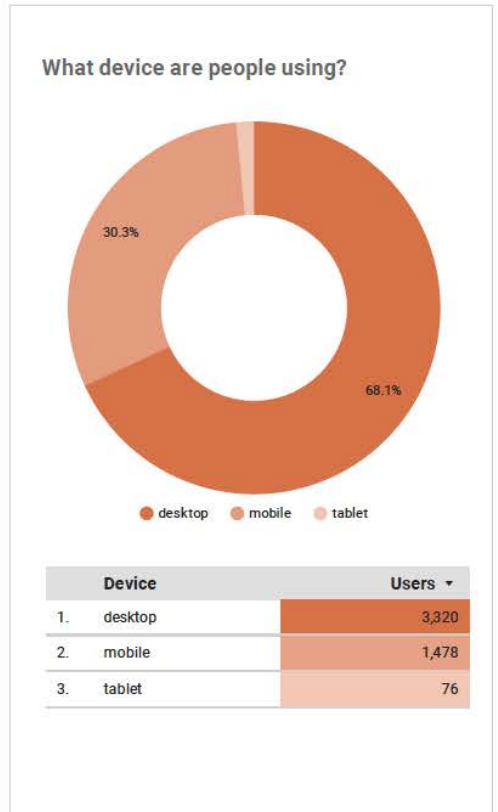
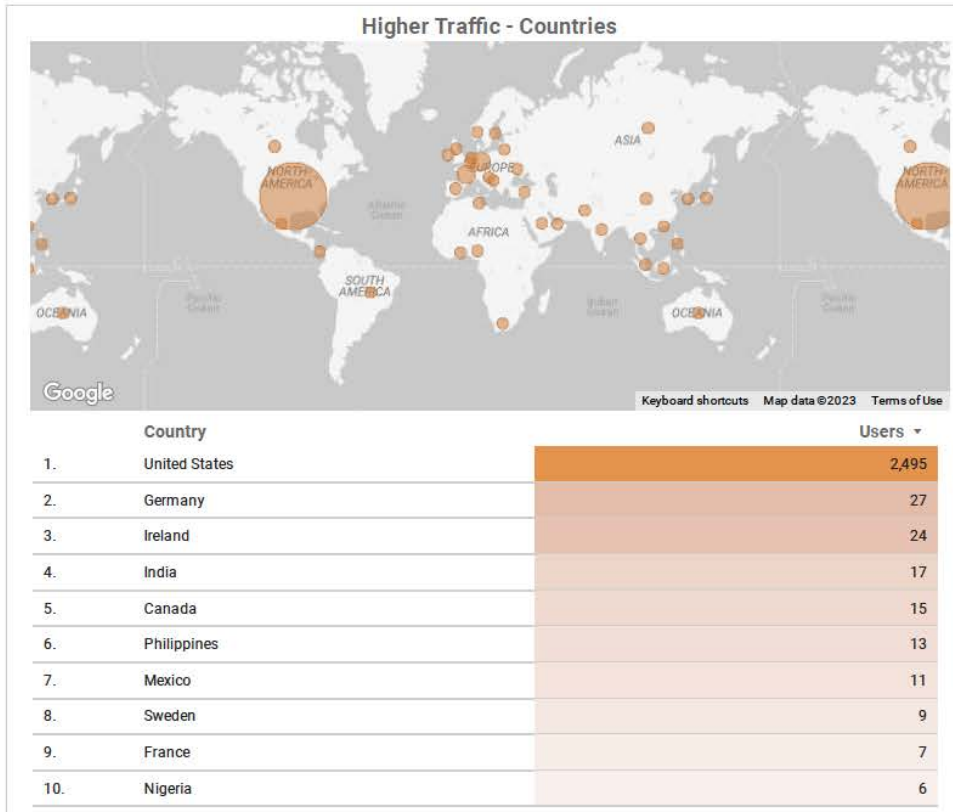
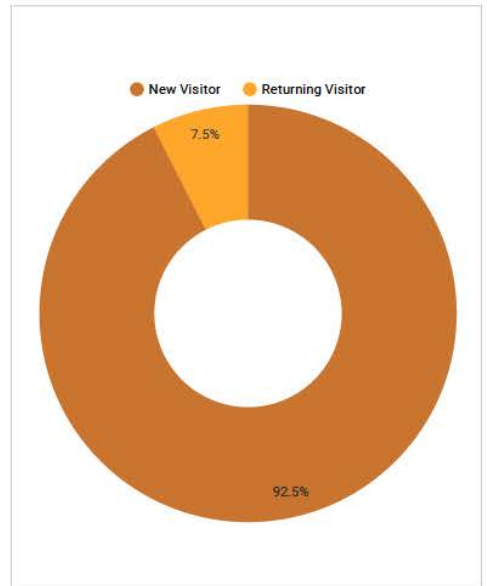
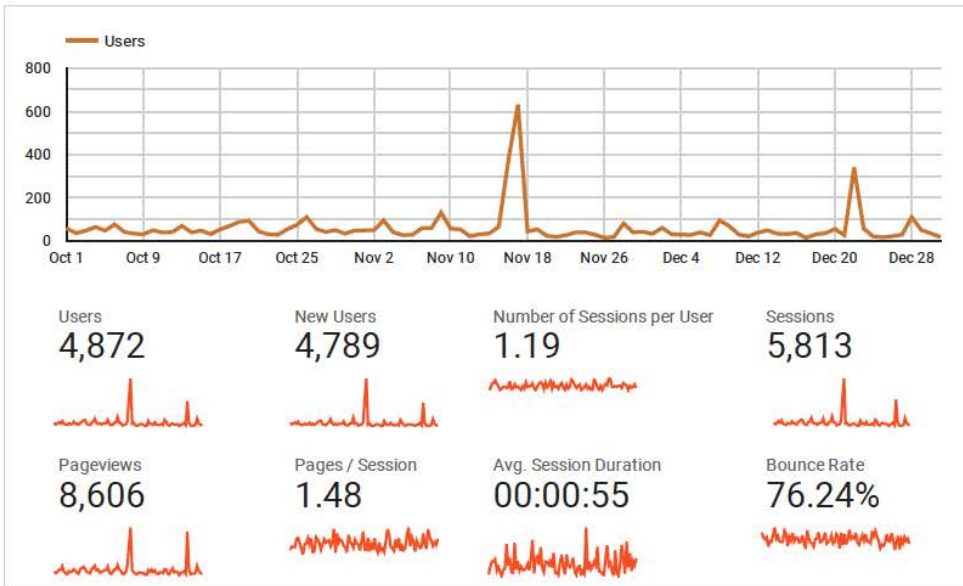
COMPARABLE MARKET COMPARISON	USERS	SESSIONS	PAGE VIEWS
Phelps County	4,872	5,813	8,606
Iowa Community (non-disclosed)	1,016	1,152	2,718
Minnesota Community (non-disclosed)	3,940	4,382	7,362

## Google Analytics Audience Overview

Let's learn a bit more about your users!



## Your audience at a glance!





**Phelps County Development Corporation LB840**  
**LB840 Assets, Liabilities and Net Assets**  
As of December 31, 2022

	Dec 31, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Checking-First Interstate Bank	31,882.24
Money Mkt-First Interstate Bank	43,067.91
Scholarship Funds - PCCF	110,597.56
<b>Total Checking/Savings</b>	185,547.71
<b>Accounts Receivable</b>	
Accounts Receivable	12,532.00
Notes Receivable	360,626.91
<b>Total Accounts Receivable</b>	373,158.91
<b>Other Current Assets</b>	
RLF-First Interstate Bank	14,309.40
FSBH - RLF Loan Repayments	50,777.79
Bruning Bank	2,523.09
FirsTier Bank - TIF Bond	5,332.55
Home Federal	6,710.31
Certificates of Deposit	263,146.34
<b>Total Other Current Assets</b>	342,799.48
<b>Total Current Assets</b>	901,506.10
<b>Fixed Assets</b>	
Net Property and Equipment	95.34
<b>Total Fixed Assets</b>	95.34
<b>Other Assets</b>	
Property	1,547,724.24
Crew Subdivision Lots	353,614.08
Option to Purchase	20,000.00
<b>Total Other Assets</b>	1,921,338.32
<b>TOTAL ASSETS</b>	<b>2,822,939.76</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	50,216.79
<b>Total Accounts Payable</b>	50,216.79
<b>Other Current Liabilities</b>	
Prepaid DP Match - BD	7,500.00
Prepaid DP Match - embecta	30,000.00
<b>Total Other Current Liabilities</b>	37,500.00
<b>Total Current Liabilities</b>	87,716.79
<b>Long Term Liabilities</b>	
Crew Subdivision Loan	129,907.07
<b>Total Long Term Liabilities</b>	129,907.07
<b>Total Liabilities</b>	217,623.86
<b>Equity</b>	
Unrestricted Net Assets	2,311,874.67
Net Income	293,441.23
<b>Total Equity</b>	2,605,315.90
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,822,939.76</b>



# LB840 Financial Variance Report

As of December 31, 2022

ACCOUNT	NOTE
<b>INCOME</b>	
Iron Horse Lease Income	Budget was based on reduced acres in anticipation of property sales. Since no property was sold, full rent was collected.
Interest-Savings, Short-term CD	\$14,550.47 Unrealized Loss recorded on PCCF HDJ Scholarship account per statement.
<b>RETENTION/EXPANSION/RECRUITMENT</b>	
HDJ Scholarships	Awarded more scholarships this year than in previous years due to excess of funds in the Scholarship account. We believe that two of the scholarships were not accepted, which may reduce this overage.
Mktg, Comm, Website, Research	Unexpected expenses in this category: 1) CoStar Suite \$4,610.32 2) Blueprint Nebraska Sponsorship \$1,000 3) Site Selection Magazine Ads \$5,000 4) Bludot Subscription \$1,480 5) Franchise Workshop \$827.69
Property Expenses	Mowing at Crew Subdivision was not included in the budget (\$1,200 for initial mowing, \$300 per subsequent mowing as needed).
Professional Fees	Legal fees associated with Blue Vine collection action.
<b>INFRASTRUCTURE/HOUSING/PLANNING</b>	
Committee Support	Lots of projects in the queue resulted in more committee meetings than typical.
Engineer, Planning, Const, Dev	Additional tree removal and fence removal at Crew Subdivision were not expected when the budget was written. These expenses total \$15,700.
<b>COMMUNITY GROWTH &amp; PREPAREDNESS</b>	
GO! DREAM FIG / BIG / Signage	Four of the seven projects that have been paid out were approved in 2021. These projects totaled \$32,500.

**NOTES:**

ACCOUNT	NOTE
<b>INCOME</b>	
Miscellaneous Revenue	Housing Study Sponsorships: Bruning Bank, Central Valley Irrigation, Becton Dickinson, Allmand (\$500 each)
<b>OTHER INCOME/EXPENSE</b>	
Transfer from General	PCCF Scholarship Match. PCCF allocated their entire 5-year pledge in 2022 rather than splitting it into 5 annual installments.
Transfer to General	Administrative Support per 2022 Budget. During the audit process, it was found that the 2022 check that was dated 01/01/22 cleared the bank on 12/31/21. Because of this, an adjusting journal entry was made to account for the transfer in 2021 rather than 2022.

**Phelps County Development Corporation LB840**  
**Statement of Revenues & Expenses Compared to Budget**  
**January through December 2022**

	Jan - Dec 22	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
City Sales Tax Receipts	677,397.74	625,000.00	108.4%
Iron Horse Lease Income	30,495.00	22,080.00	138.1%
Builders Bureau Membership	850.00	600.00	141.7%
Sale of Certified Water Rights	0.00	0.00	0.0%
Other Property Sales	0.00	0.00	0.0%
<b>Investments</b>			
Interest-Savings, Short-term CD	-11,562.96	9,000.00	-128.5%
Interest on Loans Extended	6,343.73	5,885.00	107.8%
<b>Total Investments</b>	-5,219.23	14,885.00	-35.1%
<b>Miscellaneous Revenue</b>	2,000.00	0.00	100.0%
<b>Total Income</b>	705,523.51	662,565.00	106.5%
<b>Expense</b>			
<b>Retention/Expansion/Recruitment</b>			
GO! BUSINESS Digital Marketing	10,531.99	25,000.00	42.1%
HDJ Scholarships	38,320.50	35,000.00	109.5%
Job Creation Incentives	0.00	0.00	0.0%
Career Ed - Workforce Rec / Dev	4,395.29	15,000.00	29.3%
Permitting Asst & Proj Advocacy	4,645.65	25,000.00	18.6%
Tradeshows, Consultants, etc.	9,354.96	15,000.00	62.4%
Mktg, Comm, Website, Research	80,931.01	70,000.00	115.6%
Iron Horse B&I Park Taxes & Ins	13,173.30	20,000.00	65.9%
Property Expenses	13,405.12	12,000.00	111.7%
Professional Fees	1,868.34	0.00	100.0%
<b>Total Retention/Expansion/Recruitment</b>	176,626.16	217,000.00	81.4%
<b>Infrastructure/Housing/Planning</b>			
GO! Newcomers Down Pmt Match	50,000.00	50,000.00	100.0%
GO! Newcomers Renter Relocation	4,000.00	5,000.00	80.0%
GO! HOME Risk Mitigation Incent	30,558.55	50,000.00	61.1%
<b>GO! HOME Homeowner Incentives</b>	2,500.00	15,000.00	16.7%
<b>GO! Home Loan Forgiveness</b>	1,000.00	16,000.00	6.3%
<b>GO! HOME Code Compliance Grant</b>	0.00	25,000.00	0.0%
<b>Committee Support</b>	852.94	500.00	170.6%
<b>Engineer, Planning, Const, Dev</b>	44,526.58	30,000.00	148.4%
<b>Total Infrastructure/Housing/Planning</b>	133,438.07	191,500.00	69.7%
<b>Community Growth &amp; Preparedness</b>			
GO!DREAM Target Bldg Loan/Grant	0.00	30,000.00	0.0%
GO! BIZ Building Ext Imp Grants	1,000.00	5,000.00	20.0%
GO! DREAM FIG / BIG / Signage	73,282.05	30,000.00	244.3%
<b>Ballfield Complex</b>	75,000.00	75,000.00	100.0%
<b>COVID-19 Recovery Stimulus Prog</b>	0.00	0.00	0.0%
<b>Total Community Growth &amp; Preparedness</b>	149,282.05	140,000.00	106.6%
<b>Option to Purchase Expired</b>	0.00	0.00	0.0%
<b>Depreciation Expense</b>	0.00	200.00	0.0%
<b>Gain / Loss on Sale of Assets</b>	0.00	0.00	0.0%
<b>Other Costs</b>	236.00	6,250.00	3.8%
<b>Total Expense</b>	459,582.28	554,950.00	82.8%
<b>Net Ordinary Income</b>	245,941.23	107,615.00	228.5%
<b>Other Income/Expense</b>			
<b>Other Income</b>			
Transfer from General	50,000.00	10,000.00	500.0%
<b>Total Other Income</b>	50,000.00	10,000.00	500.0%
<b>Other Expense</b>			
Transfer to General	0.00	73,371.00	0.0%
<b>Total Other Expense</b>	0.00	73,371.00	0.0%
<b>Net Other Income</b>	50,000.00	-63,371.00	-78.9%
<b>Net Income</b>	<b>295,941.23</b>	<b>44,244.00</b>	<b>668.9%</b>

**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)"
- 2022 LB840 Financial Statements for the period January 1 – December 31, 2022:
  - 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 November 10, 2015.

- 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 April 5, 2023 and agree with the committee's findings above.

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


  
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Gregg Ericksen


  
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Zachary Gray

\_\_\_\_\_  
Kim Klein

  
\_\_\_\_\_  
Michaela Nielsen

  
\_\_\_\_\_  
Meredith Pierce

  
\_\_\_\_\_  
Karen Stute

  
\_\_\_\_\_  
Diana Watson

  
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Dane Jensen (ex-officio)