

Updated January 2019



#Grow37

GROWING OPPORTUNITIES

ATLANTA
BERTRAND
FUNK
HOLDREGE
LOOMIS

STRATEGIC DEVELOPMENT PLAN

Prepared for Phelps County Development Corporation as part of Prosperity Project 2, investor campaign, in June 2016 and updated in January 2019.

GROWING OPPORTUNITIES

Phelps County is located in the center of the world's richest agricultural production area. We're Growing our own Opportunities.

Ag commodities, value-added Ag products and Ag services already account for significant economic activity within our area. And we're confident that we can build on that strength to expand and also diversify our economy.

A recently completed Targeted Industry Analysis helps guide our economic development efforts to efficiently target sectors that are compatible with Phelps County's resource base and labor force. Utilizing this and other tools, PCDC will help our region reach its true growth potential.



PROGRESS



PHELPS COUNTY STRATEGIC DEVELOPMENT PLAN

GROWING OPPORTUNITIES

PCDC ACTIVITY 2011 - 2015

- \$830k To Acquire Iron Horse Bus. & Ind. Park (Properly development underway)
- \$2 Million Low Interest Loans for New and Expanding Businesses
- 25 Assisted Projects
- \$465,000 Business Incentives
- 86 Total Company Contacts/Assists
 - (Referrals, connections, consulting)
- \$160,000 Downtown Revitalization Grants
- \$79,000 High Demand Jobs Scholarships
- \$58,500 Workforce Training Grants
 - 11 Welders Trained
 - 24 CDL Drivers Trained

MILESTONES 2016 - 2018

- BD Medical Plant Expansion - \$100 million
- Washington Square Apartments - \$2.25 million
- Allmand Expansion - \$8 million, 60 jobs
- Cobblestone Hotel, Announced - \$4.25m, 22 jobs
- 263 Jobs Created or Preserved
- 54 Businesses Contacted RE: Internship Project
- Awarded \$568.5k thru NDED & NIFA - RWFH
- Attended FABTECH, IPPE, WDE & RECON
- 28 High-Demand Job Scholarships Awarded
- Completed Target Industry Study, 2016
- Completed Countywide Housing Study, 2017
- Launched a Totally New Website
- Launched a Market Retail Vitality Program
- Launched a Comprehensive Communications Program to Inform the Entire County About Economic Development Activity
- Awarded First Place, Small Community, MAEDC Marketing Programs, 2018

Phelps County Development Corporation (PCDC) acts as a catalyst for economic development in South Central Nebraska. But real growth happens when momentum takes over - one project stimulates another.

For example: PCDC assisted Ag West Commodities to relocate to Holdrege and then later helped the company expand into its new HQ building. The project stimulated additional investments by Orscheln's and Landmark Implement not to mention the growth of direct employment generated.

Teamwork and the spirit of partnerships fuels PCDC to achieve the county's aspirational goals, and build momentum.



Phelps County enjoys tremendously attractive economic and lifestyle advantages but like other communities it also faces challenges. In Phelps County we share a can-do attitude; instead of shying away from difficulty we work together to find solutions.

GROWTH CHALLENGES



Reliable, low-cost utilities have helped attract a strong manufacturing base anchored by medical devices, metal fabrication and assembly, among others.

Through a variety of communication channels and formal engagement Phelps County business and civic leaders have identified areas where the PCDC team will direct its energy:

- Address the need for "shovel ready" industrial property by completing development of Iron Horse Business & Industry Park
- Address labor force weaknesses which include:
 - ✓ Very low unemployment
 - ✓ Lack of skilled workers
 - ✓ Inadequate training programs and career education options
- Address inadequate workforce housing
- Elevate market visibility.
- Improve retail vitality and the overall appeal of the downtown core
- Enhance the overall quality of life

"In the middle of every difficulty lies opportunity."

Albert Einstein

“The secret of change is to focus all of your energy not on fighting the old, but on building the new.”

Socrates

GROWTH SOLUTIONS

PCDC's regional strategy is organized in four major initiatives:

- 1) Help Employers Invest and Grow in Phelps County,
- 2) Aggressively Recruit Targeted Industries,
- 3) Improve Community Preparedness and Quality of Life
- 4) Build a Strong Community Brand & Build Consensus.

The 4-part strategy is funded by a mix of private sector investments (PROSPERITY PROJECT II) and public funding through LB840.

Each funding stream serves a unique and essential purpose: Private investments fuel the PCDC team and the action steps they take; funds supplied through LB840 support programming, loans and incentive programs, marketing and community improvement programs.

The combination of private Action funding with public Program funding provides a complete and competitive platform to launch PCDC's comprehensive economic development strategy.



GO! STRATEGY 1

Help Employers Invest & Grow in Phelps County

RETENTION & EXPANSION TACTICS SUMMARY

- Business Services & Retention Program with dedicated outreach to local employers to build strong personal relationships, identify challenges, solutions and expansion opportunities.
- Build strong partnerships and foster collaboration with other local organizations.
- Establish a local incentive program that assists existing employers to invest and / or expand in Phelps County and achieve 100% business retention.
- Establish a comprehensive outreach program with corporate HQ of businesses owned by non-local companies. Strengthen parent company connection to Phelps County.
- Inform and collaborate with elected officials, education and civic leaders to pursue solutions that improve our market's viability.
- Advocate for existing businesses to local, state and federal governments with a special emphasis on infrastructure and transportation improvements.
- Champion development of a well-trained, first-class workforce that's responsive to employers' needs, and in partnership with area high schools and Central Community College promote the concept of Career Pathways programs.
- Promote and support internship programs, special worker training programs and entrepreneurial efforts that will inspire talent to stay or return to Phelps County.

PRIVATE ACTION FUNDS SUPPORTING PCDC's GO! STRATEGY 1

Annual Budget: \$ 55,000

Five-Year Budget: \$ 275,000



GO! STRATEGY 2

Aggressively Recruit Targeted Industry Prospects

Phelps County Development Corporation will vigorously market and recruit businesses to our region. We will identify industry segments offering the best fit for Phelps County and PCDC will target its marketing efforts to specific businesses within those segments.

RECRUITMENT TACTICS SUMMARY:

- Establish a responsive economic development culture that clearly conveys that Phelps County is open and ready for business.
- Complete development of Iron Horse Business & Industry Park to make it virtually 'shovel ready" including utilities and infrastructure.
- Improve www.PhelpsCountyNE.com adding content that is driven by information requirements of site selectors and other industry professionals.
- Create first-class collateral marketing materials aimed at site selection pros.
- Conduct research and other information gathering activities that provide decision makers necessary materials that support selection of Phelps County for investment.
- Generate customized presentation products quickly and efficiently.
- Develop a financial assistance model that works effectively in tandem with State of Nebraska business incentive programs.
- Cultivate contacts and build positive relationships with site selection professionals and whenever possible host them for visits to Phelps County.
- Generate leads by engaging with local and regional businesses based on their supply chain or personal relationships.

PRIVATE ACTION FUNDS SUPPORTING PCDC's GO! STRATEGY 2

Annual Budget: \$ 85,000

Five-Year Budget: \$425,000

IRON HORSE Business & Industry Park

- Mock Layout for Demonstration Purposes Only
- 134 Acres Available
- All Utilities Available
- Short Line Rail Contiguous
- U.S. Highways 6/34 and 183
- Owned by PCDC
- Immediately Available



GO! STRATEGY 3

Improve Community Preparedness & Quality of Life

Growth of primary jobs in Phelps County also requires corresponding growth in community infrastructure including workforce housing, services, amenities and other things that enhance quality of life. PCDC will develop programs to recruit talent and partner with education and training providers to respond to employer needs for skilled workers.

COMMUNITY PREPAREDNESS TACTICS SUMMARY:

- Lead Talent Recruitment that targets, commuters, military separations and alumni utilizing a multi-media campaign in unison with existing employers.
- Develop a Young Professionals Network in support of talent recruitment, personal development and retention.
- Lead Community Enhancement Projects such as Ball Field development that Improves our family-friendly appeal in support of our market as an attractive business location.
- Upgrade community aesthetics through programs that build on the successful Downtown Facade Improvements and add vibrancy to the downtown core.
- Vigorously pursue workforce Housing Solutions through partnerships and by encouraging market rate projects that are affordable and that appeal to new or existing employees.
- Promote Holdrege as a place of residence to workforce commuters from other counties.

PRIVATE ACTION FUNDS SUPPORTING PCDC's GO! STRATEGY 3

Annual Budget: \$ 55,000

Five-Year Budget: \$275,000



GO! STRATEGY 4



Create a Strong Brand & Build Community Consensus

A brand is a promise we make regarding our community. It has to be true. It has to resonate. PCDC will raise awareness of our market to site selectors, consultants, businesses, and regional communities. We will inform local stakeholders and investors about our progress as well as development news. Regularly.

We place a high value on one-on-one interaction and will prioritize the creation of strong personal relationships. In short, team building.

BUILD OUR BRAND TACTICS

- Aggressively advertise and promote amenities and advantages of Phelps County to external audiences
- Report regularly and often to the governing board, our investors and stakeholders
- Establish a vibrant social media presence
- Engage and inform residents in all Phelps County communities
- Communicate economic development activities and success to the public, investors and stakeholders.
- Make regular presentations to community groups to share strategy, progress and receive input.

PRIVATE ACTION FUNDS FOR STRATEGY 3

Annual Budget: \$ 25,000

Five-Year Budget: \$125,000

GO! FUNDING

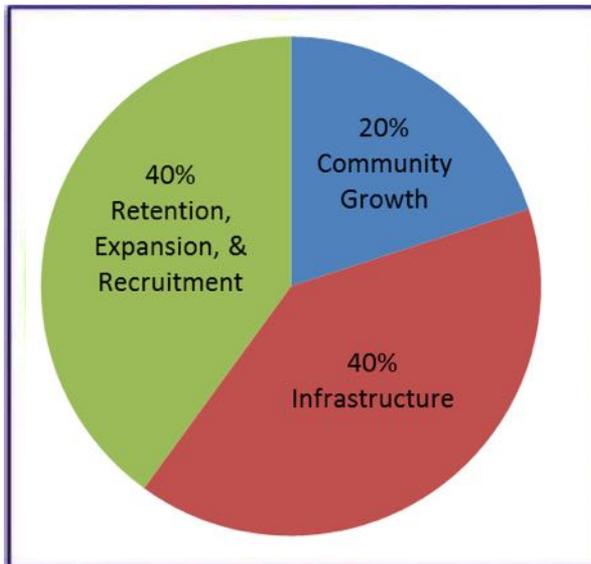
TWO FUNDING STREAMS. ONE COORDINATED STRATEGY.

PRIVATE FUNDS FROM INVESTORS SUPPORT THE TEAM THAT MAKES THINGS HAPPEN

PCDC's capability is strengthened significantly by combining private ACTION investments that support the PCDC team with Programming Funds from LB840. Both funding streams are essential to deliver results described in the four-part strategic plan.

PROJECTED ACTION FUND ALLOCATION ACTION \$ 1-Yr BGT		ACTION \$ 5-Yr BGT	
25%	Help Local Employers Invest & Grow	\$ 55,000	\$ 275,000
39%	Aggressively Recruit Targeted Industries	\$ 85,000	\$ 425,000
25%	Improve Community Preparedness & QOL	\$ 55,000	\$ 275,000
11%	Build a Strong Brand & Build Consensus	\$ 25,000	\$ 125,000
TOTAL INVESTMENT		\$220,000	\$1,100,000

LB840 FUNDS MAINLY SUPPORT PROGRAMMING ACTIVITIES



APPROXIMATE ALLOCATION OF LB840 INVESTMENTS

40% for Business Retention, Expansion, and Recruitment Retention & Expansion Resources, Financial Tools, Workforce Development & Education, Retail & Restaurant Sector Assistance, Entrepreneur Support

40% Infrastructure Development. Workforce Housing, Iron Horse Business & Industry Park

20% Community Growth. Downtown Improvements, Quality of Life Enhancements. Community Preparedness

COMBINED FUNDING STREAMS SUMMARY

TOTAL 5-YEAR LB840 PROCEEDS (projection)	\$2,375,000	Funding for programs
TOTAL 5-YEAR PRIVATE ACTION FUNDS	\$1,100,000	Funding for the team
TOTAL 5-YEAR COMBINED GO BUDGET	\$3,475,000	Total

GO! OUTCOMES

Essentially, in today's economic environment, two metrics matter more than any other: High Paying Jobs and New Investment.

In Holdrege, commuters account for a very high percentage of the current workforce at major employers so PCDC will concentrate efforts to convert commuters to full time residents. Each converted commuter potentially captures a spouse and children that could increase the size of our workforce while also adding to the retail vitality of the community.

A professionally prepared Return On Investment Report projects dramatic and positive ripple effects caused by growth in jobs, investment and commuter captures.

ACCOUNTABILITY MEASURES FOR THE 5-YEAR PLAN:

- Create or preserve at least 275 jobs
 - ✓ Measured by our specific involvement with projects we assist
- \$75 million or more in new capital investment
 - ✓ Measured by our specific involvement with projects we assist
- Convert 30 commuter families to fulltime residents
 - ✓ Measured by our specific involvement



Phelps County is truly one-of-a-kind. It's people, businesses, facilities and services provide a quality of life that is unmatched. Thanks to the work of the Phelps County Development Corporation the entire county enjoys more opportunities to grow and expand. PCDC's Prosperity Project II, Growing Opportunities will be proactive in developing even more opportunities for our area.

Thank you, PCDC for your leadership and commitment to making Phelps County the best place to invest, work and live.

Sincerely,

Mayor Doug Young

MILESTONES PROJECTED:

- Complete Target Industry Study and Labor Market Analysis
- Design and produce new marketing/branding materials
- Upgrade website to meet expectations of site selectors and business community
- Conduct a minimum of 52 business calls annually
- Generate 12 business leads annually
- Assist 12 existing businesses annually
- Make progress to fill Iron Horse Business & Industry Park
- Host site selectors and business consultants in our market
- Establish a talent retention and recruitment pipeline
- Work with educators to explore Career Pathways or similar education programs
- Stimulate creation of workforce housing
- Prepare for next 5-year private funding campaign for launch in 2020

GO! OVERSIGHT

The Board of Directors and Executive Committee of Phelps County Development Corporation, with support from key community partners, will guide the five-year Growing Opportunities (GO!) initiative.

PCDC is accountable for program implementation, management, oversight and disbursement of both private and public funds.

Accordingly, investors and other stakeholders will receive regular and timely communications on program activities and progress reports related to the strategic plan.

The PCDC team pledges to:

- Appropriately engage the board, civic leadership and the community.
- Conduct ourselves ethically, with integrity and with professionalism.
- Communicate thoroughly, follow-up faithfully and follow-through on every promise.



Prosperity Project II describes a bold strategy that builds on Phelps County's strengths and the progress made over the last five years.

Although we're far from accomplishing all of our goals today I'm confident that the leadership and experience of Ron Tillery, PCDC's new executive director, will make a difference. It's by working together as a team that real progress is possible.

I commend PCDC on its commitment to improving our quality of life.

Sincerely,

*James Ostgren
Chairman,
Phelps County Commission*

GO! R.O.I.

The Economic Strategy Center in Atlanta, Georgia projects potential economic benefits in Phelps County based on creation of jobs in five industry sectors that conform to the GO! Growing Opportunities goals. PCDC has established a target of 275 new jobs created over the next five years.

Ripple effects from attaining that target flow throughout the economy. The Center's projections should be viewed as examples of potential downstream impacts for multiples of each 100 new primary jobs created in the five representative industry segments:

- Agriculture Services
- Food Processing
- Metal Fabrication / Assembly
- Molded / Injected Plastics
- Logistics / Distribution

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What Do We Get For Our Investment?

"A lot! Phelps County wins when we work together to strengthen our workforce and generate new investment. In the last five years the PCDC team has laid the groundwork to produce exciting results.

Now, with implementation of our new strategic plan, we're confident that we'll see expanding opportunities for businesses and improved quality of life."

*DR. FRED DIEDRICHSEN,
Former President of the Board*

PROJECTED DISTRIBUTION OF NEW TRADE GENERATED BY THE EXAMPLE OF 100 NEW PRIMARY JOBS THAT INDUCES 77 INDIRECT JOBS:

100 Primary Jobs (Avg/Hour)	\$17.92
77 Indirect Jobs (Avg/Hour)	\$11.83
New Direct Payroll	\$3,584,000
New Total Payroll	\$5,477,409
New Housing	\$1,089,975
New Transportation	\$575,265
New Annual Bank Deposits	\$473,296
New Food	\$426,907
New Utilities	\$272,494
New Healthcare	\$254,328
New Personal Insurance/Pensions	\$193,773
New Entertainment	\$127,164
New Apparel	\$96,887
New Alcohol / Tobacco	\$57,527
New Reading / Education	\$36,332
New Cash Contributions / Misc.	\$130,192



PHELPS COUNTY DEVELOPMENT CORPORATION TEAM

2018 BOARD OF DIRECTORS

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Reed McClymont, President elect
Michele High, Treasurer
Fred Diedrichsen, Past President
Janet Boehler
Jared Engelbert
Phil Hinrichs
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Matt Gregg, ex officio, Village of Bertrand
Janice Ludeke, ex officio, Village of Atlanta
Jason Nelson, ex officio, Village of Loomis
Bob Rager, ex officio, City of Holdrege

OUR VALUED PARTNERS INCLUDE:

More than 100 investors
Holdrege Area Chamber
NDED
NPPD
Black Hills Energy
Southern Power District
CNPPID
Central Community College
SCEDD
SPUCC

PCDC Staff

Ron Tillery, Executive Director
Carley Bruning, Director of Business Services
Stacy Pafford, Director of Administrative Services