



**SEMI-ANNUAL PUBLIC REVIEW
LOCAL OPTION MUNICIPAL SALES TAX (LB840)**

Feb. 9, 2022, 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, 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.

In the report, you will see references to GO! Programs, which is actually 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, etc.

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 last six months (July through December) of 2021.

ACTIVITY SUMMARY

PCDC worked throughout 2021 on an investor campaign to support the organization's work over the next five years. Investors have pledged nearly \$1 million to date in the **GROW 37 Partnership** campaign, which supports the administrative and operational work of PCDC. These funds help offset PCDC's administrative expenses so that the greatest possible amount of LB840 funds go directly to economic development activities. This also enhances and facilitates direct communication between PCDC and the business community.

PCDC staff, engineering partners and volunteers have been working to design plans for infrastructure development at **Iron Horse Business & Industry Park**. The team has met regularly with engineers at Olsson, a professional engineering company, to finalize concepts and design specifications. PCDC had secured a federal grant from the Economic Development Administration (EDA) to help fund infrastructure construction, which would make the site shovel-ready for any businesses to expand or relocate there. Unfortunately, the lead qualifying recruitment project will not meet the time constraints of the original grant and PCDC will be required to seek funding elsewhere. Work is underway to identify alternate sources of support for the project.

Support for entrepreneurs is a top priority for PCDC, which played an important role in helping **launch at least six new small businesses** in the last half of 2021. GO! BUSINESS, GO! DREAM and Digital Development grants helped start two new dance studios (Studio 3:4 and MomenTum Dance Academy), Edgren Automotive, the 607 Yoga Studio in Bertrand, The Guest List and The Blue Vine Bistro.

PCDC continues to stimulate population growth through the **GO! HOME program** and by supporting **workforce housing development**. In 2021, the GO! HOME program attracted 59 new residents to the county by offering matching grants to employers that give down payment grants to new or existing employees who relocate to and purchase homes in Phelps County. Throughout the full calendar year, GO! HOME generated \$4.6 million in home sales. The GO! HOME program also awarded renter assistance, which attracted 7 new county residents.

In addition, 20 new duplexes and two new townhomes are now occupied in the new **Crew Subdivision**. Four additional townhomes are under construction and single family homes will begin construction next spring. Crew Subdivision was made possible by an \$800,000 infrastructure project that was financed by PCDC and grants from NDED and NIFA. The total projected investment exceeds \$4.7 million so far. The City of Holdrege will pave two blocks of East Street in 2022, which improves the subdivision's appeal. Supply chain issues have slowed construction but PCDC is optimistic that the pace will pick up in 2022.

SIGNIFICANT TRANSACTIONS OVERVIEW

RECEIPTS	Jan-June	July-Dec	TOTAL	EXPENSES & INVESTMENTS	Jan-June	July-Dec	TOTAL
PCCF Scholarship Match	\$10,000	\$0	\$10,000	Administrative Transfers	\$69,969	\$0	\$69,969
City Sales Tax Receipts	\$345,625	\$320,121	\$665,746	Retail Strategies Contract	\$40,000	\$0	\$40,000
				Iron Horse Loan Payment	\$117,133	\$0	\$117,133
				Iron Horse Property Taxes	\$11,515	\$0	\$11,515
				Crew Subdivision Loan Payments	\$131,781	\$0	\$131,781
				GO! Program Distributions	\$81,908	\$145,345	\$227,253
				Ballfield Complex	\$0	\$75,000	\$75,000

Below are summary highlights of PCDC's work during the last half of 2021:

STRATEGIC PLANNING

- As part of the **GROW 37 Partnership**, PCDC secured investment pledges nearing \$1 million from more than 100 investors to fund the administrative work of PCDC for the next five years.
- PCDC staff attended the **Governor's Ag & Economic Summit** in August in Kearney to renew connections and make new contacts in the ag industry.
- **The PCDC Strategic Plan** was updated to reflect current conditions and projections of opportunities and threats. A 2021 Year-End Report was prepared and distributed to investors and served as a foundation for the 2022 Workplan to be approved by the PCDC board of directors in January.
- PCDC staff and volunteers continued regular meetings with the development team working on infrastructure plans for the **Iron Horse Business & Industry Park**. The plan is being created as one part of the process to receive a federal grant to complete infrastructure on the property. Infrastructure is a critical component to successfully attracting new businesses to Phelps County that will diversify and strengthen the economy.

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.
- Using research provided through Retail Strategies and local resources, PCDC mailed a recruitment presentation to a **major national retailer** to encourage its expansion into Phelps County. We are continuing communication with this retailer as this recruitment effort will likely require patience and continued relationship building.
- PCDC Executive Director Ron Tillery traveled to Minneapolis in August to meet with officials from **two open project files** and to make new connections with businesses that have been identified through PCDC's CVN (Community Venture Network) partnership.
- Volunteers and staff from PCDC traveled to Las Vegas in early December to attend the **ICSC trade show** that featured about 450 exhibitors. They met with more than 20 companies and national name-brand retailers, some of whom expressed interest in the Phelps County market. Follow up communications continue with those companies that have been identified as good fits.
- PCDC has enjoyed one of its most active business recruitment years on record. In 2021 we opened **17 new project files on potential new companies**. We're pleased to report that Phelps County is a finalist on two large commodity processing projects that fit our target industry criteria. The pace of activity is not a predictor of success but it is an indicator of our county's appeal to businesses in general and also the overall health of the economy.

BUSINESS RETENTION & EXPANSION

- PCDC hosted a delegation from the **Nebraska Department of Economic Development** in July for a market Familiarity Tour. The delegation gave positive feedback saying it was the "best community tour of all regions".
- Ron Tillery met the **Labor Commissioner** in the new Kearney office to encourage the department to design workforce development programs for our market, particularly for BD and Allmand Bros.
- With the help of NPPD, PCDC created a **Local Competitive Wage Data** report to provide wage compensation information in the region. This report helps companies determine competitive wage rates for Phelps County.
- PCDC assisted BD in identifying an additional 12,000 square feet of warehouse space in which to store and stage equipment for its upcoming expansion. In 2022, BD will divide operations in Holdrege into two companies: BD and Embecta. The traditional diabetes care products will be made by Embecta. BD will produce other injection and medication delivery devices including COVID syringes.
- In the second half of 2021, PCDC awarded **GO! DREAM** grants to:
 - 6th Avenue Flats in Holdrege to renovate the apartments at 6th & Grant
 - 607 Yoga Studio in Bertrand to renovate a downtown building and open a yoga studio
 - The Dale Residences to replace and upgrade 142 windows
 - SCAR (South Central Area Recovery) to replace a leaking roof
 - The Guest List (sign grant)
 - Holdrege Physical Therapy (sign grant)
 - \$106,623 of GO! DREAM grants generated \$400,228 of private investment in downtowns
- In the second half of 2021, PCDC awarded **Digital Development** grants to:
 - The Guest List

- o MomenTum Dance Academy
- PCDC awarded a **GO! BUSINESS** grant to:
 - o Edgren Automotive (a former High-Demand Job scholarship recipient)

COMMUNITY PREPAREDNESS & QUALITY OF LIFE

- GO! Home Initiatives (for entire year of 2021):
 - o Provided 27 Down Payment Assistance grants (\$66,500) resulting in **59 new residents** and **\$4.6 million in home sales**.
 - o Provided 5 Renter Relocation grants (\$2,500) resulting in **7 new residents**.
 - o Provided 2 **residential exterior improvement** grant.
 - o NOTE: Holdrege experienced population growth this census period, a first for several decades.
- When the **Bertrand Housing Authority** had the idea to convert a vacant mobile home property into modern duplex/triplex units, PCDC helped spur the project by approving a forgivable loan. The project is expected to create up to five new rental units once it's completed.
- PCDC continued participation in and support of the **Holdrege Veterans' Memorial**. PCDC's work included helping to plan the ribbon-cutting ceremony with Gov. Pete Ricketts on Veterans Day.
- **Catrina's Mexican Cuisine** (of Aurora) plans to open a new restaurant in downtown Holdrege in 2022, and the owner was assisted by PCDC in finding its new location.
- PCDC paid Central Community College **tuition and fees for 17 high school** students to learn new skills in a dual-credit auto technician class at Janssen Auto Group. The class is a partnership between PCDC, Holdrege Public Schools, Janssen Auto Group, and CCC to increase interest in the high-demand field of auto technology.

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 (summer and fall 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.
- Working 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.
- **Site Selection Magazine**, the premier economic development trade journal, featured Phelps County as the nation's No. 2 most robust rural economic development environment in the country in its July 2021 edition.
- Renewed a social media **market awareness campaign** that targeted workers in certain areas of Kansas and Nebraska to encourage them to consider jobs in Phelps County. Campaigns generated thousands of impressions in at least a dozen Kansas markets. The intent is to create top-of-mind awareness of this market so that employers can potentially recruit skilled employees.
- PCDC Executive Director Ron Tillery presented a summary of PCDC's recent housing activity for SCEDD's **HomeNE Webinar** series. He was also invited to make a presentation on hospitality sector impacts to community economic development at the **Cobblestone Hotel annual conference** in Orlando in October.

- PCDC staff attended the **Nebraska Economic Development Association** annual conference in Sidney, where they learned about the latest in economic development in the state and participated in professional development workshops.
- A sold-out crowd of approximately 125 people attended PCDC's annual community celebration and Business Hall of Fame banquet in late October. At the banquet, two businesses (Glion Scooters and BD) and an individual (Roger Allmand) were inducted into the **Phelps County Business Hall of Fame**. Two keynote speakers gave an insightful presentation - For The Love Of This Place - about the importance of giving everyone a voice in community development.
- For his vision in economic development in the past year, PCDC honored PMHC CEO Mark Harrel with the PCDC **President's Priceless Pick** award.

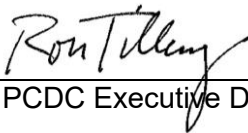
FUND REPORT

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 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

01/19/2022

 Date

Phelps County Development Corporation LB840
LB840 Assets, Liabilities and Net Assets
As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Checking-Great Western	1,041.57
Money Mkt. LB840-Great Western	145,903.47
Scholarship Funds - PCCF	77,670.22
Total Checking/Savings	224,615.26
Accounts Receivable	
Accounts Receivable	1,332.06
Notes Receivable	396,455.83
Total Accounts Receivable	397,787.89
Other Current Assets	
RLF-Great Western	14,317.94
FSBH - RLF Loan Repayments	12,064.88
Bruning Bank	2,523.09
FirsTier Bank - TIF Bond	5,329.91
Home Federal	6,695.71
Certificates of Deposit	261,954.92
Total Other Current Assets	302,886.45
Total Current Assets	925,289.60
Fixed Assets	
Net Property and Equipment	285.99
Total Fixed Assets	285.99
Other Assets	
Property	1,660,954.43
Option to Purchase	20,000.00
Total Other Assets	1,680,954.43
TOTAL ASSETS	2,606,530.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	23,077.82
Grants Payable	525.00
Total Accounts Payable	23,602.82
Other Current Liabilities	
Prepaid BD Down Pmt Match	32,500.00
Total Other Current Liabilities	32,500.00
Total Current Liabilities	56,102.82
Long Term Liabilities	
Crew Subdivision Loan	192,310.82
Total Long Term Liabilities	192,310.82
Total Liabilities	248,413.64
Equity	
Unrestricted Net Assets	2,231,500.30
Net Income	126,616.08
Total Equity	2,358,116.38
TOTAL LIABILITIES & EQUITY	2,606,530.02



LB840 Financial Variance Report

As of December 31, 2021

VARIANCES:

ACCOUNT	NOTE
RETENTION/EXPANSION/RECRUITMENT	
GO! BUSINESS Flex Fund	Expenses that were not anticipated when the budget was written: Instagram Training; Blue Vine Grants & Loan Docs
Permitting Asst & Proj Advocacy	Project Sol Site Visit Project Clean Sweep: Engineering / EDA Grant Work, Site Visit Walmart: Legal Fees, Property Surveys, Presentations
Tradeshows, Consultants, etc.	ICSC Trade Show: the budget only included Ron's attendance and expenses. Phil Hinrichs attended the show as a PCDC representative as well. This increased expenses, but also allowed more opportunities to meet with prospects.
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	Reinstated this program based on input from employers. This was not anticipated when the budget was written.
GO! HOME Loan Forgiveness	2018 Residential Exterior Enhancement Forgivable Loans – 2021 portion of loan forgiveness was not included in the budget.
Engineer, Planning, Const, Dev	Crew Subdivision expenses that were not anticipated when the budget was written: utility poles, tree removal, fence construction.
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	(4) Unpaid Builders Bureau Memberships were written off. Stop payment fee on check that was lost in the mail.

NOTES:

ACCOUNT	NOTE
INCOME	
Iron Horse Lease Income	Budget was based on reduced acreage. Acreage was not reduced, so full rent was collected.
Interest on Loans Extended	New loan issued this year. This interest income was not anticipated when the budget was written.
Miscellaneous Revenue	1) Refund of overpayment on Our Town marketing that occurred in 2020. 2) Remaining RWHF funds transfer from HDC recorded here per auditors.
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 December 2021

	Jan - Dec 21	Budget	% of Budget
Ordinary Income/Expense			
Income			
City Sales Tax Receipts	665,746.15	525,000.00	126.8%
Iron Horse Lease Income	25,680.00	17,520.00	146.6%
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	6,168.72	7,500.00	82.2%
Interest on Loans Extended	5,426.32	2,200.00	246.7%
Total Investments	11,595.04	9,700.00	119.5%
Miscellaneous Revenue	4,607.00	0.00	100.0%
Total Income	708,428.19	552,720.00	128.2%
Expense			
Retention/Expansion/Recruitment			
GO! BUSINESS Flex Fund	28,429.76	5,000.00	568.6%
GO! Scholarships & Training	32,069.14	35,000.00	91.6%
Job Creation Incentives	0.00	30,000.00	0.0%
Career Ed - Workforce Rec / Dev	733.77	15,000.00	4.9%
Permitting Asst & Proj Advocacy	41,869.60	10,000.00	418.7%
Tradeshows, Consultants, etc.	14,105.45	12,000.00	117.5%
Mktg, Comm, Website, Research	68,318.13	70,000.00	97.6%
Iron Horse B&I Park Taxes & Ins	18,053.93	20,000.00	90.3%
Property Expenses	11,567.89	5,000.00	231.4%
Total Retention/Expansion/Recruitment	215,147.67	202,000.00	106.5%
Infrastructure/Housing/Planning			
GO! Newcomers Down Pmt Match	64,500.00	30,000.00	215.0%
GO! Newcomers Renter Relocation	1,833.00	0.00	100.0%
GO! HOME Contractor Incentives	2,500.00	20,000.00	12.5%
GO! HOME Homeowner Incentives	3,000.00	20,000.00	15.0%
GO! Home Loan Forgiveness	14,747.20	0.00	100.0%
GO! DREAM Code Compliance Grant	10,000.00	75,000.00	13.3%
Committee Support	745.10	1,200.00	62.1%
Engineer, Planning, Const, Dev	49,959.61	25,000.00	199.8%
Total Infrastructure/Housing/Planning	147,284.91	171,200.00	86.0%
Community Growth & Preparedness			
GO!DREAM Target Bldg Loan/Grant	0.00	0.00	0.0%
GO! BIZ First Impression Grants	1,000.00	5,000.00	20.0%
GO! DREAM FIG / Ext Rem	83,187.53	25,000.00	332.8%
Ballfield Complex	75,000.00	75,000.00	100.0%
COVID-19 Recovery Stimulus Prog	0.00	10,000.00	0.0%
Total Community Growth & Preparedness	159,187.53	115,000.00	138.4%
Depreciation Expense	0.00	191.00	0.0%
Other Costs	223.00	0.00	100.0%
Total Expense	521,843.11	488,391.00	106.8%
Net Ordinary Income	186,585.08	64,329.00	290.0%
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	126,616.08	4,360.00	2,904.0%

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 – December 31, 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 February 9, 2022 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.

Gregg Ericksen
Gregg Ericksen

Meredith Pierce
Meredith Pierce

Carol Rapstine
Carol Rapstine

Karen Stute

Dane Jensen
Dane Jensen

Luke Thorell

Michaela Nielsen

Diana Watson
Diana Watson