



**SEMI-ANNUAL PUBLIC REVIEW**  
**LOCAL OPTION MUNICIPAL SALES TAX (LB840)**  
February 6, 2019, 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 month period from: July 1- December 31, 2018. 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 REVIEW**

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:

**SUMMARY**

Momentum continued to build during 2018 across all sectors of PCDC’s strategic plan of work as we seek to establish economic gravity for Phelps County. We’re pleased with the level of activity and our market is poised to enjoy a very busy year of construction in 2019, but we’re not satisfied.

Our market’s main challenges constricting its growth potential are a result of a robust economy. At 2.2% unemployment, many employers report difficulty finding qualified workers. Consequently, more and more of PCDC’s efforts are concentrated in talent development initiatives, commuter recruitment and assisting existing employers to grow.

Concerted efforts have been made to address the need for more “workforce housing,” the lack of which constrains our ability to attract and retain employees. Addressing this issue, PCDC recruited a developer to construct the 18-unit Washington Square townhomes, which were completed earlier this year. Three new homes were constructed in Loomis, two lots were cleared of dilapidated homes – one in Holdrege and one in Bertrand – and grants were awarded to contractors/developers who are renovating homes. Two new subdivisions are on the horizon for development in 2019.

PCDC continues to promote Phelps County as a site for new industrial development and take necessary steps to prepare Iron Horse Business & Industry Park as a potential home for new industries. In fact, portions of the property will be utilized in the new Allmand Inc. expansion.

PCDC has worked to recruit numerous new businesses and assisted existing local business owners as well as provided support to potential new business owners to continue to grow the economy and increase jobs and population.

The PCDC staff is excited about momentum building in our communities and look forward to an even more exciting 2019 with several new housing and business projects on the horizon.

**Groundbreaking ceremonies scheduled for 2019, are the end product of work accomplished in 2018:**

- Allmand/Briggs & Stratton expansion, \$8 million, 60 jobs (April)
- Cobblestone Hotel, \$4.25 million, 22 jobs (May-June)
- Veterans Administration Clinic (August)

- Rural Workforce Housing subdivision, \$8 million, 40 living units (Low Income Housing Tax Credit and market rate projects) (April)
- Southern Power District Division Service Center, Funk (Spring)
- New workforce housing home at 11<sup>th</sup> Avenue and Logan Street, in partnership with SCEDD (April-May)
- Heritage Apartments expansion, 4 new units (Spring)
- Iron Horse Flats renovation and rebranding, 18 total units, \$1 million+ (1<sup>st</sup> Quarter 2019)
- Project announcement: New housing subdivision, 80 new units (2<sup>nd</sup> Quarter 2019)
- Gustin Street paving and related improvements. (Summer-Fall)

### **SIGNIFICANT TRANSACTIONS OVERVIEW**

#### **RECEIPTS:**

PCCF Scholarship Match: \$10,000  
City Sales Tax Proceeds: \$633,603

#### **EXPENSES/INVESTMENTS:**

Administrative Transfers: \$30,000  
Buxton Contract: \$25,000  
Iron Horse Loan Payment: \$89,946  
Iron Horse Property Taxes: \$10,895  
Gap Financing Loans: \$110,000  
LB518 Rural Workforce Housing: \$250,000  
Washington Square Apartments (development): \$35,355  
ESU 11 Portable STEM Laboratory: \$15,000  
Competition Ball Field Project: \$75,000

### **STRATEGIC PLANNING**

- **Secured grants** from NDED (\$200,000) and NDOT (\$350,000) to pave Gustin Street in support of the Allmand Inc./Briggs & Stratton expansion.
- Provided \$250,000 seed funding that led to securing grants amounting to \$568,500 to support construction of a **workforce housing project**. This project, which will result in up to 40 new living units, is scheduled for a spring 2019 groundbreaking.
- **Event Center Feasibility Study completed** by Core Distinction Group finding a need and strong support to construct a new facility; utilized by Steering Committee to advance project planning.
- Completed a **Workforce Availability Report** for use by local employers.

### **TARGETED RECRUITMENT**

- **Iron Horse Business & Industry Park:** Continued to meet with potential manufacturers and business owners regarding opportunities in the business park. PCDC also solidified new Iron Horse Business & Industrial Park **Development Covenants**.
- Secured commitments/investors to build a new 45-room **Cobblestone Hotel**, an investment of \$4.5 million and 22 new jobs. This project is expected to break ground in spring-summer 2019.
- Recruited and assisted a developer to acquire property for a **future housing subdivision** in northeast Holdrege to be announced in the first quarter of 2019.
- Ron attended the **Governor's Midwest U.S. Japan Conference** in September to help establish stronger ties to trading partners and potential commodity processing operations.
- Opened recruitment files in September for **two potential businesses seeking to expand**. One is a large power customer, and an Iron Horse proposal was submitted for its consideration. The other is seeking a building for a plastics manufacturing operation.

- Phelps County was featured in **Trade & Industry**, a monthly site selection magazine.
- At the annual Mid-America Economic Developers Association conference in Chicago, PCDC was awarded **First Place in the small community division** (50,000 population or less) for its online marketing programs.

### **BUSINESS RETENTION & EXPANSION**

- Worked with **Allmand Inc./Briggs & Stratton** to pave the way for the company to select Holdrege as the best location for expanded manufacturing. The expansion project, which will be an \$8 million investment, was announced in December. It includes 70,000 square foot new under-roof; 5 new assembly lines and up to 60 new jobs. Employment is nearing 220 and will increase to 280 or more. Briggs & Stratton selected Holdrege from a group of at least three BASCO plants with excess capacity in other states for this new investment culminating an 18-month process.
- Assisted three developers to evaluate sites and local resources to possibly relocate or **expand the local Veteran's Administration Clinic**. VA officials eventually decided to expand the current clinic.
- PCDC provided more than 40 bidding opportunities in 2018 to local contractors through the **Builder's Bureau**. Bid requests for the new ballfield concessions and restrooms building were sent to the group on Dec. 29.
- Met with potential buyers of the **Hotel Dale** to encourage the rehabilitation and restoration of this historic landmark.
- Planned and implemented a Sept. 25 reception at Allmand Inc. in which **Gov. Pete Ricketts showcased the Governor's Cup** award given to Nebraska by Site Selection Media. The award measures economic development activity per capita across the nation, and Nebraska has won the competition two years in a row. Allmand Inc. and economic development work in Phelps County played a part in winning the award.
- Launched the new **GO! DREAM program** that offers major grants for downtown Holdrege business owners to spruce up their buildings (up to \$10,000 grants for facades and \$2,500 grants for signs and exterior lighting) and to create downtown living units (grants of up to \$10,000 per living unit created in downtown). The program also includes a flex loan option for major renovations. Two GO! DREAM projects (Opera House & Iron Horse Flats) were approved in late 2018. PCDC has formed a Design Committee to review the projects before they go to the Loan Committee for approval.
- Continued to work with a local franchisee on a **new restaurant** that will be built in Holdrege. Official announcement will occur in 2019.
- Provided **\$15,000 in funding for ESU 11's new CSI-STEM mobile laboratory** for use by middle schools to encourage STEM careers and promotion of local job opportunities to students.

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

- Followed up on the study that indicated that a new **event center** is needed and would be viable in Phelps County. PCDC formed a steering committee that explored financing and potential locations. Ron and volunteer leaders toured several small-town event centers in Nebraska to make comparisons. PCDC led efforts to develop schematic designs for the event center and is now meeting with a potential partner organization to bring the project to fruition.
- Consulted with area business owners and provided valuable market data through PCDC's partnership with **Buxton Co., a nationwide statistics and marketing firm**. The goal of this service is to support local retailers to capture sales revenues now leaking to neighboring markets, which

results in keeping more tax dollars in Phelps County or to assist new businesses to qualify the market.

- GO! Home Initiatives:
  - Provided down payment assistance to 13 home buyers, 7 since July adding 28 new residents to Phelps County
  - Provided Rental Relocation grants to encourage commuters to move to Phelps County. In the last half of 2018 six grants were approved helping nine new residents move to the area.
  - Provided 20 exterior improvement loans
  - Approved 11 applications for sales tax holidays
  - Approved 6 grants for contractors to renovate dilapidated home
- Partnered with the Holdrege Area Chamber of Commerce to lead the **Concrete Solutions Highway Team** to promote businesses along the construction route and inform the public about intersection closings and detours. PCDC also helped organize a highway reopening/ribbon cutting celebration in late November. NDOT officials point to Holdrege as the new “blueprint” for managing challenging construction projects.
- Made the first installment payment of \$75,000 for the **new competition ballfield complex** being constructed by the City of Holdrege. PCDC has pledged a portion of LB840 funds to the project.

### **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 (fall and winter editions). The business journal is distributed to all households and businesses in the county and to several hundred out-of-county stakeholders such as the governor’s office, business leaders and other elected officials.
- With Golden Shovel Agency, PCDC continued to update its **website** ([www.PhelpsCountyNE.com](http://www.PhelpsCountyNE.com)) with new content directed at site selection decision makers as well as local consumers.
- PCDC was recognized by the Mid-America Economic Development Council (MAEDC) for its GO! Marketing Program by being awarded **1<sup>st</sup> Place in the Small Community category.**

### **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:

**2018 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 independent of participation from any member of the Citizen’s Advisory Review Committee.

  
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PCDC Executive Director

January 23, 2019  
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Date