

NEBRASKA

DEVELOPMENT NEWS

Nebraska Department of Economic Development
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A Year in Review — 2005 Economic Development Highlights

2005 may well be remembered in Nebraska for its changing of the guard as a new, more user friendly Nebraska Advantage Economic Development program replaced or expanded on previous legislation, which for many years, stood sentinel over the state's economic development efforts.

Creating just the right kind of economic development package that convinced new and expanding businesses to move to, or expand in Nebraska was a top priority of legislators during the 2005 legislative session. It also was a top priority for DED, which markets and administers all related programs and services.

Following signing of the Nebraska Advantage bills in May, DED staff worked with economic development partners to develop and execute a marketing campaign that focused on clients in Nebraska and throughout the world. The initial campaign phase involved contacting hundreds of Nebraska business leaders through personal visits, direct mail, email, industry briefings, community forums, and other ways to learn how Nebraska Advantage would affect their future business expansion decisions.

Since launch of the campaign, DED staff and partners have contacted business prospects from around the globe. The Nebraska Diplomats hosted 29 companies from 13 states and four foreign countries during the Annual Diplomats Passport to Nebraska weekend in September. Governor Dave Heineman and DED Director Richard Baier hosted an invitation-only breakfast for more than 25 CEOs from Japan during the Midwest U.S.-Japan Trade Association meeting in Cincinnati in October. Since then, several Japanese companies have paid official trade visits to Nebraska.

Many businesses have expressed interest in expanding in Nebraska. The major parts of the Nebraska Advantage package take effect January 1, 2006. These include expanded incentives for five "tiers" of investment and/or job creation; Small Business Advantage; Research and Development Advantage; Microenterprise Tax Credit Advantage; Rural Development Advantage; Customized Job Training Advantage; and state and local sales tax exemptions of manufacturing machinery, equipment and related services.

However, during the past few months, several companies made it clear that the Nebraska Advantage programs are factoring significantly into their future expansion plans. These companies include PayPal, which announced plans to expand in LaVista; Smeal Fire Apparatus, which announced plans to expand in Neligh; BPI, which announced a \$50 million expansion in South Sioux City; and Kaufman Trailers, which finalized plans to expand to Beaver City.

DED also has been working with more than 50 companies that have made formal expansion or relocation visits to the state, in addition to more than 150 prospects that are considering expanding in Nebraska.

Several legislative bills tied to the Nebraska Advantage program were enacted on July 1.

Two grant programs that fall under the umbrella of the Nebraska Agriculture Innovation Act (LB 90), the Agriculture Opportunities and Value-Added Partnership Act and Building Entrepreneurial Communities Act, were enacted July 1.

The Nebraska Customized Job Training Advantage received a \$15 million appropriation over the next 2 years. As of December 5, 2005, training contracts had been signed with eight companies for a total \$3.248 million, providing 1,765 new jobs at an average starting wage of \$14.60 per hour.

Annual appropriations for the Microenterprise Development Fund Advantage were increased from \$250,000 to \$497,500. Since July 1, 12 grantee agencies have been awarded funds to provide microlending and related self-employment training services.

The Nebraska Tourism Advantage received \$350,000 for FY'05-06, and \$500,000 for FY'06-07. July 1 kicked off the first application cycle. In November, 22 grantees were awarded the \$350,000 in matching grants to promote tourism in communities statewide.

In separate legislation, funding was increased from \$250,000 to \$350,000 effective July 1, for the Community Development Assistance Act (CDAA), and individuals are now eligible contributors. Since then, \$104,500 in CDAA tax credits were approved for five projects. Created in 1985, CDAA encourages businesses to financially support community betterment organizations in their efforts to implement community service and development projects in chronic economically distressed areas. DED distributes a 40 percent state tax credit to businesses, corporations, insurance firms, financial institutions, or individuals that make eligible contributions of cash, services, or materials to approved community betterment projects.

While these were a few highlights in 2005, DED celebrated wide-ranging success department-wide. Here's a recap:

Business Development Division

In addition to the Nebraska Advantage package being passed by the Unicameral in 2005, DED provided technical assistance, consulting, and/or funding assistance in the form of Community Development Block Grant (CDBG) and job training monies for 73 projects involving business expansions or developments.



and ranch equipment and supplies, and more.

In all, 43 communities statewide were impacted by these new or expanding businesses: Alliance, Atkinson, Aurora, Beatrice, Beaver City, Bellevue, Blair, Broken Bow, Central City, Columbus, Cozad, Fremont, Grand Island, Hartington, Hastings, Hebron, Henderson, Holdrege, Imperial, Kimball, LaVista, Lexington, Lincoln, Lyman, McCook, Nebraska City, Neligh, Norfolk, North Platte, Ogallala, Omaha, Palisade, Pawnee City, Paxton, Phillips, Scottsbluff, Sidney, South Sioux City, Stanton, Valley, Waverly, Wayne and York.

As part of the Nebraska Advantage efforts, the division published a four-color brochure touting the benefits of doing business in Nebraska, and is running a structured advertising campaign in local and national publications.



For one of Nebraska's targeted industries – transportation, logistics, warehousing and distribution – the state, along with numerous partners and businesses ran a 23-page advertorial in March 2005 *Inbound Logistics* magazine: *Nebraska, America's Emerging Logistics Center*, and helped form the Nebraska Logistics Council within the Nebraska Trucking Association to facilitate transportation and logistics-related commerce as a significant economic development tool.

DED's business recruitment and marketing efforts included participation in several trade shows in Canada and one in California. Additionally, DED staff led recruitment trips to Canada, Illinois, Georgia, North Carolina, Ohio, Minnesota, and New York.

With a focus on Nebraska as an ideal distribution point, a DED representative traveled to Brazil in April 2005 to introduce Nebraska investment advantages and opportunities to more than 1,000 business leaders residing in eight of the country's fastest-growing communities. These efforts resulted in a Brazilian company locating its U.S. headquarters in Nebraska.

From the other side of the world, 40 students from Hong Kong Baptist University (HKBU) arrived in Nebraska in June and underwent seven-week internships with companies scattered throughout Omaha, Lincoln, and other Nebraska communities. HKBU successfully pioneered a summer internship program in Omaha in 2004 with 27 students. As a result, Nebraska was the only state designated in 2005 to provide summer internships to a consortium of Hong Kong universities.

In mid-December, the U.S.-Japan beef import ban was partially lifted and Nebraska beef was the first U.S. beef to clear Japanese customs and enter the market. A Nebraska delegation hosted a reception in Tokyo for more than 40 beef importers, restaurateurs, chefs, Japanese business leaders and government officials, serving ribeye steaks and beef tenderloin produced in Nebraska.

DED also aided in the re-development of a functional Foreign Trade Zone (FTZ) in Omaha that created 10 new jobs and has several international companies considering developing distribution centers there. One company has signed a contract with the FTZ, resulting in \$250,000 revenue and 2-3 new jobs.

A new tool to effect greater economic development readiness was unveiled in May by Governor Dave Heineman, the Nebraska Diplomats, and DED. The Economic Development Certified Community program—one of about 12 programs in the nation—publicly recognizes and actively markets and promotes Nebraska communities that are prepared for economic growth to site consultants, business leaders, and others who may be interested in locations for future business expansions and development. Communities are judged against standards including organization, local industry target identification and workforce issues, infrastructure, local financing and business assistance, and providing information on building and site availability, zoning, opportunities for tourism, and the availability of child care. In December, Ord (pop. 2,481) was named the state's first

Economic Development Certified Community.

The Nebraska Film Office updated a production guide—online and in printed form—and undertook several mailings to inform producers about available services and equipment statewide. Recent projects included Scenes for "Elizabethtown", "Out of Omaha", "Imitation Life", commercials, and scenes for two reality shows.

Community and Rural Development Division

Ninety-seven projects were awarded CDBG funds in planning, public works, water and wastewater, housing, comprehensive revitalization, and the previously mentioned economic development categories, and through the Tourism Development Initiative, which will be discussed under Travel and Tourism.

Seventy-five local municipalities and counties were awarded \$17,105,718 in CDBG funds, which leveraged \$42,303,610 in public and private funds.



Twelve public infrastructure and community facility projects were awarded \$3,042,800 in CDBG funding which leveraged \$2,965,400.

Seventeen projects were awarded \$3,902,238 in CDBG funds and leveraged an additional \$9,570,006 in private and public funding to help Nebraska communities make water and sewer system improvements.

Seven communities with populations between 20,000 and 49,999 received \$56,000 to conduct needs assessments prior to undertaking future comprehensive revitalization projects.

Twenty-eight projects received \$512,980 CDBG funding in the form of planning grants, which support studies that include storm sewer collection, neighborhood redevelopment, feasibility, comprehensive plans, homeless and housing needs, drainage, master recreational and historical site plans, preliminary engineering water system reports and more.

In 2005, the Nebraska Affordable Housing Program awarded \$15,996,181 to housing and development associations, corporations and agencies, resulting in 719 housing units for low-income individuals, couples and families. Of the amount awarded, \$2,322,200 was CDBG, \$4,820,981 was HOME, and \$8,853,000 was Nebraska Affordable Housing Trust Funds.

A breakdown by region reveals that the Western Zone received \$2,713,700 that went toward 126 housing units; the Southeast Zone received \$4,959,000 that went toward 161 housing units; the Central Zone received \$3,256,000 for 181 housing units; the Northeast Zone received \$4,676,481 for 221 housing units; and Statewide projects received \$400,000 for 30 housing units.



The Nebraska Community Improvement Program (NCIP) got underway with receipt of 74 communities' intent to enter forms in May. This group included veteran and novice communities alike. In all, there were 103 Special Awards, 25 Blueprint for Success, 13 Youth Leadership Awards for Outstanding Community Service, and five Marilyn Ristine Leadership Award nominations submitted.

The program capped off another great year on November 4 at the NCIP Community Quest Awards Banquet in Gering attended by more than 250 people. Governor Dave Heineman presented 46 different communities with various awards. This year, the Governor and other dignitaries sat

alongside the nominees, and when it came time to present the awards, the Governor personally delivered the awards to each respective winning community.

The following received:

The Founders Award—City of Kimball Water Project

Marilyn Ristine Leadership Award—Rosa Lee Hoff from Alliance

Otto Hoiberg Award—Nebraska City

Youth Awards—

Class I—Alex Dodson of Goehner

Class II—Katherine 'Katie' Madsen of Stuart

Class IV—Eric Basnett of Ravenna

Class V—Clayton Wurtele of Nebraska City

NCIP Special Awards also were presented in the categories of Community Development, Volunteer and Leadership Development, Youth Involvement and Leadership Development, Business Assistance and Development, Tourism Promotion and Development, Public Works, Facilities, Services and Planning, Environmental Projects and Awareness, Parks, Recreation and Forestry, Arts and Humanities, and Community Services.

Travel and Tourism Division

In addition to the influx of new Nebraska Tourism Advantage funding, the Travel and Tourism Division helped promote the industry through several methods targeting new and expanding markets, as well as traditional markets.

The division supported development of a website that helps bird enthusiasts pinpoint the state's more than 440 documented species of birds at sites throughout the state, making it one of the top birding spots in North America.

The Nebraska Birding Trail website, www.nebraskabirdingtrails.com, not only supports conservation of the state's birds and bird habitats, but serves to generate economic development by drawing thousands of birdwatchers to the state's birding trails, who in turn spend money on lodging, transportation, restaurants, and other travel-related items. Thus far, 16 Important Bird Areas (IBA) have been identified in Nebraska, with a list of more than 50 potential IBAs.

For the first time, the division has a 100-page handbook for developing agri-tourism and eco-tourism businesses. *Nebraska's Guide to Agri-Tourism & Eco-Tourism Development* outlines the necessary steps for individuals who may be interested in expanding their ag operations, or rural residences as a way to generate additional income.

In March, Tourism awarded \$136,301 in tourism marketing grants for general marketing purposes, including the promotion of special events or regions statewide.

In June, the Division touted nine new attractions.

In August, the Division awarded \$339,500 CDBG Tourism Development Initiative funding to:

Cherry County—\$63,500 to help construct the Niobrara River Interpretive Center and Museum Complex in Sparks, in northeast Cherry County. Columbus—\$145,000 to help build the national freedom Center Museum. Red Willow County—\$131,000 to renovate an existing 4,480 sq. ft. building, and re-develop the surrounding property and an additional 180 acres of native mixed-grass prairie as part of the Hilton Farm Eco-Retreat.

The Division celebrated along with industry partners at the 30th Annual Nebraska Travel Conference in Grand Island in late October. Among the various awards presented by Governor Heineman, the Henry Fonda Award—the state's highest tourism award for leadership, vision, and dedication to Nebraska tourism—was presented to Roger Welsch.

Nebraska Lewis and Clark Bicentennial Commission

Events continued in 2005 celebrating the Bicentennial of the Lewis and Clark Expedition.

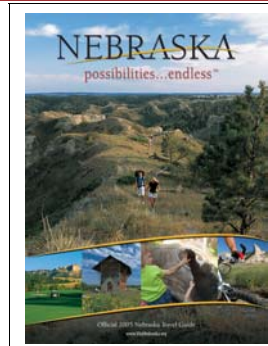


In April, a group of re-enactors recreated history by traveling back down the Missouri River, carrying a prairie dog and plants, artifacts and specimens similar to those brought back on the original voyage. At various keelboat stops in South Sioux City, Dakota City, Decatur, Ft. Calhoun, Omaha, Plattsmouth, Nebraska City and Brownville, scholars presented lectures about the history of the Lewis and Clark expedition and the Otoe-Missouria tribe, and demonstrated skills, such as blacksmithing, coppersmithing, boat building, hunting, firelocks and cooking over an open fire.

In September, the Nebraska Lewis and Clark Bicentennial Commission hosted one of seven Midwest Trail States Native American Symposiums, earning high praise from a national representative of the Council of Tribal Advisers in the process. Chris Howell said that the Symposium in Nebraska was the best attended and most well organized of the six prior meetings held in other states. More than 100 people attended the event at the Fort Omaha Campus of Metro Community College. Attendees included 25 high school students from Umonhon Nation Public School in Macy. One of the Symposium goals was to broaden the circle of interest beyond Corps of Discovery enthusiasts and give voice to important, but under-represented Native American perspectives. The Symposium offered a forum for examining and comparing the diplomatic cultural practices of the U.S. and the Indian Nations met by the Corps of Discovery.

Nebraska Rural Development Commission

The Nebraska Rural Development Commission and DED named Linda Fettig as the new RDC Director. The RDC is a voice for rural Nebraska communities in the creation of laws, policies and other initiatives that affect their economic, civic, and social conditions and foster cooperation and understanding among all agencies and organizations, public and private.



Nebraska Economic Development Commission

The Nebraska ED Commission, a nine-member commission which advises and helps DED find new ways to develop the state's economy, welcomed three new commissioners in 2005. Craig Madson, Marilyn Sims, and Timothy White were appointed to serve six-year terms.

Madson is senior vice president of Business Banking for US Bank in Lincoln. Sims is director of Operations for Clark Connection Group in Omaha. White is president of Rinder Printing Company in Grand Island.

Two former ED Commissioners, A.F. "Tony" Raimondo of Columbus and Bill Harris of Lincoln were recognized for their many outstanding contributions to the state's economy during a combined 24 years of service to the Commission.

ED Commissioners

N.P. "Sandy" Dodge, Jr., Omaha
Phyllis Gardner, Max
Don Groesser, Ralston
Richard Jeffries, Omaha
Craig Madson, Lincoln
Janet Palmtag, Nebraska City
Marilyn Sims, Omaha
Bob Unzicker, Scottsbluff
Tim White, Grand Island

DED 2005 New Positions and Promotions

New staff joined DED and other DED employees were promoted into new positions.

Scott Stockwell accepted a position as financial packager for western Nebraska, and maintains an office in Scottsbluff.

Jennifer Long became an accounting clerk with DED's Operations group.

Christa Kinsley joined DED as administrative assistant to DED Director Richard Baier.

Bob Doty became a financial packager, working primarily with DED's business development projects.

Tim O'Brien transitioned from intern into a full-time position as infrastructure support analyst.

Don Fertig expanded his duties as DED's legal counsel to become the department's deputy director for Administrative Services.

Linda Fettig was named director of the Nebraska Rural Development Commission.

Kathy McKillip was named executive director of the Nebraska Innovation Zone Commission.

Peter Morris joined DED as a graphics artist and web designer.

Dan Curran was named director of DED's business development division, and also will continue to fill the duties as the tourism director position until that position is filled.

Nebraska and DED has had a successful year. A special thank you to all of you who continue to work and support Nebraskans and DED.

Best wishes to you for a happy, healthy and prosperous new year from all the staff at DED!

Administration

Richard Baier, Director
 Stu Miller
 Gary Hamer
 Don Fertig
 Christa Kinsley
 Peter Morris
 Sue Sitzmann
 Patty Wood

Operations

Joyce Bjorklund
 Norland Ferguson
 Jon Frank
 Adrienne Holland
 Jennifer Long
 Tim O'Brien
 Neoma Parks
 Sheppard Perkins
 Anissa Rasmussen

Business Development

Dan Curran
 Jack Ruff
 Cheryl Brandenburg
 Joe Chapuran
 Courtney Dunbar
 Linda Fettig
 Dave Gilfillan
 Sheryl Hiatt
 Tara Hosick
 Stew Jobes
 Pat Langan
 Starr Lehl
 Michael Lundeen
 Terry McAuliffe
 Phil Michel
 Jenne Rodriguez
 Susan Rouch
 Zach Schroeder
 Lori Shaal

Community & Rural Development

Jason Sokolewicz
 Rich Stites
 Scott Stockwell
 Darrell Ullman
 Steve Williams
 Dave Wright
 Steve Charleston
 Jennifer Bolen
 Greg Cecil
 Pat Compton
 Bob Doty
 Steve Duvall
 Pamela Forster
 Dave Honz
 Lara Huskey
 Kristi McClung
 Kathy McKillip
 Dave Miller

Paula Rhian
 Jason Seamann
 Rick Zubrod
 Kevin Anderson, intern
 Rosa Bustamante, intern
 Ali Corbett, intern
 Tim Cramer, intern
 Jerod Trouba, intern

Travel & Tourism

Kim Bastemeyer
 Paula Bohaty
 Michael Collins
 Tom Doering
 Mary Ethel Emanuel
 Todd Kirshenbaum
 Karen Kollars
 Heather Sinsel-Hogue
 Tom Tabor
 Twyla Witt
 Walker Zulkoski, intern