

NEBRASKA

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

Jim Pillen, Governor



September 25, 2024

Nebraska Senators
State Capitol
P.O. Box 94604
1445 K Street
Lincoln, NE 68509

Dear Senators,

In accordance with Neb. Rev. Stat. § 81-12,216 of the Nebraska Rural Projects Act, the Department of Economic Development herein submits the annual report covering the 2023-24 fiscal year.

The Department appreciates the Legislature's continued support for and commitment to Nebraska's people and communities.

Respectfully,

K.C. Belitz
Director of Economic Development
State of Nebraska

Nebraska Rural Projects Act: 2023-24 FY Legislative Report

(Neb. Rev. Stat. §§ 81-12,195 to 81-12,218)

Pursuant to Neb. Rev. Stat. § 81-12,216 of the Nebraska Rural Projects Act (“Act”), the Department of Economic Development (“DED” or “Department”) submits the following annual report covering the 2023-24 fiscal year.

Overview

Matching funds under the Act are made available through the Nebraska Rural Projects Fund. Matching funds are intended to stimulate the economy of rural Nebraska by incentivizing the development of new industrial rail access business parks in counties with less than one hundred thousand inhabitants. Under the Act, nonprofit economic development corporations are eligible to apply for matching funds from the State of Nebraska to aid in their development of industrial rail access business parks. Approved applicants are eligible for two dollars of matching funds for every dollar of investment in the business park up to the first \$2.5 million of investment. Five dollars of matching funds are available for every dollar of investment in excess of \$2.5 million. No one business park project may receive more than sixty percent of the amount appropriated to the Nebraska Rural Projects Fund. At the close of the 2023-24 fiscal year, \$65 million had been appropriated or transferred to the Rural Projects Fund. An additional \$5 million has been appropriated for the 2024-25 fiscal year.

Under the Act, applications are reviewed and, if approved, matching funds are awarded on a first-come, first-serve, basis. During the 2021-22 fiscal year, DED received five applications. During the 2022-23 fiscal year, DED received one additional application. The application period statutorily closed on June 30, 2023. The first two applications each requested \$30 million, the third \$5 million in matching funds. These three applications were approved and are currently under contract—encumbering the entirety of funds then held in the Rural Projects Fund. As reflected in the table below, all approved applicants have commenced development of their respective business parks.

The other three applications are currently waitlisted pending DED approval and sufficient funding for the Rural Projects Fund. The three waitlisted applicants have combined requests for \$48 million in matching funds. With the appropriation of an additional \$5 million for the 2024-25 fiscal year, the Department is in the process of reviewing the first of the three applications currently waitlisted.

Audit and Review Processes

Pursuant to § 81-12,216(3) of the Act, DED has a robust and layered audit and review process. Annual investment reports and periodic requests for matching funds disbursements are submitted to DED through the Department’s grants management system, AmpliFund. Upon receipt, investment reports and matching funds disbursement requests go through several layers of scrutiny. First, the investment reports and matching funds disbursement requests are reviewed by a DED Incentives Division business manager to ensure the reported investment and any previously expensed

matching funds comply with the Act requirements. Second, a DED review committee convenes to examine the business manager's review and to determine the amount, if any, of investment approved and the amount of matching funds available to be disbursed. Third, disbursed matching funds are required to be held in a separate bank account and must be expensed by the recipient within one year of receipt. Fourth, the review process outlined above is subject to an additional compliance review from the Department's internal Compliance Division. Finally, the Department conducts site inspections of approved developments already underway. The site inspections coincided with the applicants' annual reports to DED. The Department will continue to undertake annual site inspections to supplement its audit and review process for the three projects already underway as well as for any additional project applications approved to receive matching funds.

Investment and Matching Funds Amounts

Pursuant to § 81-12,216(2) of the Act, the table below details the total amount of matching funds paid by the State of Nebraska, the expected amount of matching funds still to be paid by the State of Nebraska, and the total investment made by the applicants:



Applicant	Project	FY 2023-24 Investment	FY 2023-24 Matching Funds Paid	Total Project Cost	Total Investment Expected	Total Matching Funds Requested	Total Earned Matching Funds To Date	Total Unearned Matching Funds to Date	Total Earned Matching Funds to Be Dispersed to date
North Platte Area Chamber & Dev. Corp	Hershey Rail Park	\$12,664.31	\$5,000,000.00	\$37.5 million	\$7.5 million	\$30 million	\$17,737,724.80	\$12,262,275.20	\$12,737,724.80
Greater Fremont Dev. Council	Fremont Logistics Hub	\$1,505,407.50	\$9,735,496.50	\$37.5 million	\$7.5 million	\$30 million	\$17,262,534.00	\$12,737,466.00	\$7,527,037.50
Grand Island Area Economic Dev. Corp	Grand Island Cornhusker Industrial Park	\$0 agreement signed on 5/24/2024	\$0 agreement signed on 5/24/2024	\$7.5 million	\$2.5 million	\$5 million	\$0 agreement signed on 5/24/2024	\$5 million agreement signed on 5/24/2024	\$0 agreement signed on 5/24/2024
Gateway Dev. Corp	Blair South	N/A Waitlisted	N/A Waitlisted	\$11.1 million	\$3.1 million	\$8 million	N/A Waitlisted	N/A Waitlisted	N/A Waitlisted
Cozad Dev. Corp	Cozad Rail Served Business Park	N/A Waitlisted	N/A Waitlisted	\$13.5 million	\$3.5 million	\$10 million	N/A Waitlisted	N/A Waitlisted	N/A Waitlisted
Seward County Chamber & Dev. P'ship	Seward/ Lincoln Regional Rail Campus	N/A Waitlisted	N/A Waitlisted	\$37.5 million	\$7.5 million	\$30 million	N/A Waitlisted	N/A Waitlisted	N/A Waitlisted
Totals:		\$1,518,071.81	\$14,735,496.50	\$ 144.60 million	\$ 31.60 million	\$ 113.00 million	\$35,000,258.80	\$24,999,741.20	\$20,264,72.30

END OF REPORT.

Department of Economic Development
245 Fallbrook Blvd, Suite 002
Lincoln, Nebraska 68521 USA
Office 800-426-6505
Statewide Relay 800-833-0920 (voice)

opportunity.nebraska.gov
An Equal Opportunity/Affirmative Action Employer

