



September 20, 2022

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 2021-22 fiscal year.

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

Respectfully,

A handwritten signature in blue ink that reads "Anthony L. Goins".

Anthony L. Goins
Director of Economic Development
State of Nebraska

Nebraska Rural Projects Act: 2021-22 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, the Department of Economic Development submits the following annual report covering the 2021-22 fiscal year.

Overview

Matching funds under the Nebraska Rural Projects Act (“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. On June 30, 2022, at the close of the fiscal year, the Legislature had appropriated \$5 million to the Nebraska Rural Projects Funds. To date, the Legislature has appropriated or transferred \$60 million to the Nebraska Rural Projects Fund with \$59,612,090 total available for State aid.

During the 2021-22 fiscal year, the Department of Economic Development (“DED” or “Department”) received five applications for matching funds under the Act. Pursuant to the Act, applications are reviewed and awarded on a first-come, first-serve, basis. Upon review of the applications, DED issued notices of approval to the first two applicants, both of which applied for \$30 million in matching funds. Contracts for the two approved applicants have been offered, but, as of the date of this report, have not been executed. The three remaining applicants (with combined requests for \$23 million in total matching funds) have been placed on a waitlist for approval or denial of the applications pending additional funding for the Nebraska Rural Projects Fund. Pursuant to the Act, the application period will remain open through June 30, 2023.

Audit and Review Processes

DED deploys a robust and layered audit and review process for the Act. 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 and audit review from the Department's separate and distinct Compliance Division. In the future, as the development of the business parks ramp up, the Department's audit and review processes will include site inspections.

Investment and Matching Funds Amounts

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 2021-22 Investment	FY 2021-22 Matching Funds Paid	Total Investment Expected	Total Matching Funds Requested	Total Project Cost	Matching Funds Still To Be Paid
North Platte Area Chamber & Dev. Corp	Hershey Rail Park	\$149,792.99 reported. Pending approval.	\$0	\$7.5 million	\$30 million	\$37.5 million	\$30 million
Greater Fremont Dev. Council	Fremont Logistics Hub	\$21,389.50 reported. Pending approval.	\$0	\$7.5 million	\$30 million	\$37.5 million	\$30 million
Grand Island Area Economic Dev. Corp	Grand Island Cornhusker Industrial Park	N/A Waitlisted	N/A Waitlisted	\$2.5 million	\$5 million	\$7.5 million	N/A Waitlisted
Gateway Dev. Corp	Blair South	N/A Waitlisted	N/A Waitlisted	\$3.1 million	\$8 million	\$11.1 million	N/A Waitlisted
Cozad Dev. Corp	Cozad Rail Served Business Park	N/A Waitlisted	N/A Waitlisted	\$3.5 million	\$10 million	\$13.5 million	N/A Waitlisted
Totals:		\$171,182.49	\$0	\$24.1 million	\$83 million	\$107.1 million	TBD

END OF REPORT.