



Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

Jim Pillen, Governor



October 1, 2025

109th Legislature
c/o Brandon Metzler, Clerk
State Capitol, Room 2018
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 2024-25 fiscal year.

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

Respectfully,

Maureen Larsen
Interim Director
Department of Economic Development
State of Nebraska

Nebraska Rural Projects Act: 2024-25 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 (“Department”) submits the following annual report covering the 2024-25 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. Through the close of the 2024-25 fiscal year, \$70 million had been appropriated in support of the Rural Projects Fund. Of this amount, general fund appropriation for administration of the program continued but general fund appropriation for grant awards was exhausted as of June 30, 2025. The Rural Project Act Fund held a cash balance of \$52,093,799.85 obligated to grant awards for the same period end.

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, the Department received five applications. During the 2022-23 fiscal year, the Department 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, and the fourth requested \$8 million. These applications were approved (the final application was partially approved for the remaining \$4,405,010 appropriated budget) and are currently under contract—encumbering the entirety of funds then held in the Rural Projects Fund. Each Applicant has proceeded in their respective projects to varying degrees through their initial agreement term. Project benchmark evaluations and consideration for agreement renewals are presently scheduled at the close of the fiscal year 2025-26 for North Platte Area Chamber and Development Corporation and Greater Fremont Development Council and the close of the fiscal year 2027-28 for Gateway Development Corporation (Blair) and Grand Island Area Economic Development Corporation.

Two applications are currently waitlisted pending additional funding for the Rural Projects Fund and Department approval. The two waitlisted applicants have combined requests for \$40 million in matching funds. The Department is currently not aware of any planned additional appropriation beyond the 2024-25 fiscal year.

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Audit and Review Processes

Pursuant to § 81-12,216(3) of the Act, the Department has a robust and layered audit and review process to best ensure the proper administration of the fund and optimizing state resources to achieve the stated purposes of the Legislature. Annual investment reports and periodic requests for matching funds disbursements are submitted to the Department through its grants management system, AmpliFund. The reports and requests submitted by the applicants require submission of verifiable documentation, including but not limited to bank statements and detailed invoices, for all local investment for which credit is requested and accounting of State matching funds disbursed. 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 the Department's Incentives Division business consultant and program manager to ensure the reported investment and any previously expensed matching funds comply with the Act requirements. Second, a review committee convenes to examine the program 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 or returned to the Department. 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 the Department. The Department will continue to undertake annual site inspections to supplement its audit and review process for the four 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.

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DEPT. OF ECONOMIC DEVELOPMENT

RECIPIENT	REQUESTED PROGRAM FUNDS (conditioned on local investment and sufficient appropriation)	LOCAL INVESTMENT FY 2024-25	TOTAL LOCAL INVESTMENT	MATCHING FUNDS EARNED THROUGH FY 2024-25	MATCHING FUNDS DISBURSED AS OF JUNE 30, 2025	INTEREST/ INVESTMENT EARNED ON DISTRIBUTED STATE MATCHING FUNDS	DISBURSED MATCHING FUNDS REMAINING TO BE ACCOUNTED FOR	EARNED MATCHING FUNDS AVAILABLE FOR DISTRIBUTION OR (RECAPTURE)	TOTAL APPROVED MATCHING FUNDS TO BE DISTRIBUTED AUTHORIZED PER CONTRACT	INVESTMENT DEFICIT
North Platte Area Chamber & Dev. Corp (Contract No. 23-01-003)	\$ 30,000,000.00	\$ 5,435.17	\$ 5,052,980.13	\$ 17,764,900.65	\$ 10,000,000.00	\$ 77,301.62	\$ 6,578,802.66	\$ 7,687,599.03	\$ 19,922,698.38	\$ -
Greater Fremont Council (Contract No. 23-01-004)	\$ 30,000,000.00	\$ (4,876,886.25)	\$ 75,620.55	\$ 151,241.10	\$ 9,735,496.50	\$ 49,541.22	\$ 902,390.34	\$ (9,633,796.62)	\$ 20,214,962.28	\$ (3,381,386.99)
Grand Island Area Economic Dev. Corp (Contract No. 24-09-392)	\$ 5,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000.00	\$ -
Gateway Dev. Corp (Contract No. 25-09-412)	\$ 4,405,010.00	\$ 2,202,505.00	\$ 2,202,505.00	\$ 4,405,010.00	\$ -	\$ -	\$ -	\$ 4,405,010.00	\$ 4,405,010.00	\$ -
Cozad Dev. Corp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seward County Chamber & Dev. P'ship	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS:	\$ 69,405,010.00	\$ (2,668,946.08)	\$ 7,331,105.68	\$ 22,321,151.75	\$ 19,735,496.50	\$ 126,842.84	\$ 7,481,193.00	\$ 2,458,812.41	\$ 49,542,670.66	\$ (3,381,386.99)



Chart: Explanatory Notes

*As shown in the above chart, Greater Fremont Development Council ("GFDC") has an investment deficit of \$3,381,386.99. This is the result of a reduction in previously allowed investment of \$4,876,886.25 comprised of reductions for \$4,876,820.00 of matching funds used to pay loans previously reported to the Department as investment by GFDC and \$66.25 of matching funds internal audit adjustment for expenses paid prior to application date.

**GFDC's investment deficit balance at the close of fiscal year 2024-25 may be mitigated. The Department has approved a \$2 million application from the Fremont Municipal Inland Port Authority under the Nebraska Site and Building Development Fund which is anticipated to be used towards eligible investment expenditures at GFDC's business park project. This amount when expended and properly used would be credited as local investment on behalf of GFDC pursuant to Neb. Rev. Stat. § 81-12,201. Further, pursuant to the Rural Project Act and agreement between the Department and GFDC, the Department has made demand for the return to the Department of the remaining balance (\$902,390.34 as of June 30, 2025) of unspent, distributed State matching funds. Taking into consideration the closing balances of fiscal year 2024-25 and assuming the completion of the aforementioned transactions, the total amount of State matching funds for recapture would be \$4,731,406.28, or alternatively the investment deficit remaining to be made to properly earn the matching funds would be \$1,200,908.93.

*** Of the \$6,578,802.66 reported as disbursed matching funds for North Platte Area Chamber and Development Corporation, \$5 million was authorized from State funds but had not yet been posted to the ACH matching account as of the June 30, 2025, bank statements.

****Interest earned on State matching funds held by awardees in their separate matching funds accounts was totaled and treated as an additional disbursement of State match funds. It is accounted for in outstanding funds totals remaining to be verified and/or returned to the State. Further, it is offset against the State match funds remaining available for draw down by the respective awardee.

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