



October 1, 2026

Nebraska 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 2025-26 fiscal year.

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

Respectfully,

*Maureen Larsen*

Maureen Larsen, Director  
Department of Economic Development  
State of Nebraska

# **Nebraska Rural Projects Act: 2025-26 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 2025-26 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 2025-26 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, 2026. The Rural Project Act Fund held a cash balance of \$47,024,635.07 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 application period was statutorily reopened and re-extended to December 31, 2025. (LB286 (2025)). No additional applications were received. 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 were 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. The Department has determined that North Platte Area Chamber and Development Corporation and Greater Fremont Development Council’s progress permits contract renewal and intends to enter into a renewed contract with a continuation term of an additional two years.

Two applications remain 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 2025-26 fiscal year.

### 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. As an initial matter, the structural operation of the program provides the foundational protections of the audit and review process. Importantly, this is a matching funds program in which Applicants may only be distributed State funds upon a showing to the Department's satisfaction that the required local investment has been made. Additionally, any disbursed matching funds are required to be held in a separate bank account and are requested to be expensed by the recipient within one year of receipt or returned to the Department. Finally, the Department accounts for all interest earnings made by an Applicant that derives from the corpus of State matching funds and makes an annual adjustment for the same – recognizing interest earned on State money as an additional distribution applied against approved award amounts.

Next, annual investment reports and periodic requests for matching funds disbursements are submitted to the Department through its grants management system. 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 a Department business consultant and/or program manager to verify the reported investment and any previously expensed matching funds comply with the Act requirements. This initial review consists of verification of source documentation, compilation of financial reports, and calculation of program project balances as well as presenting the same to the Program Manager or Incentives Division Administrator, as the case may be. Second, the Program Manager or Incentives Division Administrator examines the business consultant or program manager's review, financial summaries and reports, and program project balances including the amount, if any, of investment approved and the amount of matching funds available to be disbursed. Third, the Incentives Division reviewing team presents its reporting and review to the Director prior to submission of annual reporting. Fourth, the review process outlined above is subject to compliance reviews from the Department's internal Compliance Division. Finally, the Department may conduct site inspections, as appropriate, of approved developments already underway. The Department will continue to undertake site inspections, as appropriate, 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.

| RECIPIENT                                                      | (a) the total amount of matching funds paid by the State of Nebraska | (b) the expected amount of matching funds still to be paid by the State of Nebraska | (c) the total investment made by the applicants. |
|----------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------|
| North Platte Area Chamber & Dev. Corp (Contract No. 23-01-003) | \$ 13,565,968.60                                                     | \$ 16,434,031.40                                                                    | \$ 5,074,532.54                                  |
| Greater Fremont Dev. Council (Contract No. 23-01-004)          | \$ 8,914,826.26                                                      | \$ 21,085,173.74                                                                    | \$ 762,878.35                                    |
| Grand Island Area Economic Dev. Corp (Contract No. 24-09-392)  | \$ -                                                                 | \$ 5,000,000.00                                                                     | \$ -                                             |
| Gateway Dev. Corp (Contract No. 25-09-412)                     | \$ 188,025.48                                                        | \$ 4,216,984.52                                                                     | \$ 2,202,505.00                                  |
| Cozad Dev. Corp                                                | \$ -                                                                 | \$ -                                                                                | \$ -                                             |
| Seward County Chamber & Dev. P'ship                            | \$ -                                                                 | \$ -                                                                                | \$ -                                             |
| TOTALS:                                                        | \$ 22,668,820.34                                                     | \$ 46,736,189.66                                                                    | \$ 8,039,915.89                                  |

An additional chart has been included as Appendix A which provides more detailed and clarifying information regarding each of the Rural Project Applicants.

[CONTINUED TO APPENDIX A]



**APPENDIX A**

| RECIPIENT                                                      | APPROVED AWARD AMOUNT   | LOCAL INVESTMENT FY 2025-26 | TOTAL LOCAL INVESTMENT AS OF JUNE 30, 2026 | TOTAL MATCHING FUNDS EARNED AS OF JUNE 30, 2026 | MATCHING FUNDS DISBURSED FY 2025-26 | TOTAL MATCHING FUNDS DISBURSED AS OF JUNE 30, 2026 (NOT INCLUDING INTEREST) | APPROVED MATCHING FUNDS EXPENDITURES FY 2025-2026 | TOTAL APPROVED MATCHING FUND EXPENDITURES AS OF JUNE 30, 2026 | INTEREST EARNED ON STATE FUNDS HELD BY RECIPIENT FY 2025-26 | TOTAL INTEREST EARNED ON STATE MATCHING FUNDS (TREATED AS ADDITIONAL DISBURSEMENT OF STATE MATCH FUNDS) | DISBURSED MATCHING FUNDS HELD IN RECIPIENT'S SEPARATE STATE MATCHING FUND BANK ACCOUNT | EARNED MATCHING FUNDS AVAILABLE FOR DISTRIBUTION OR (RECAPTURE) | INVESTMENT DEFICIT (Generated through "unwinding" transactions--See Note **) | TOTAL UNPAID OBLIGATED FUNDS |
|----------------------------------------------------------------|-------------------------|-----------------------------|--------------------------------------------|-------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------|
| North Platte Area Chamber & Dev. Corp (Contract No. 23-01-003) | \$ 30,000,000.00        | \$ 21,552.41                | \$ 5,074,532.54                            | \$ 17,872,662.70                                | \$ 3,342,554.63                     | \$ 13,342,554.63                                                            | \$ 9,604,830.26                                   | \$ 13,103,329.22                                              | \$ 146,112.35                                               | \$ 223,413.97                                                                                           | \$ 462,639.38                                                                          | \$ 4,306,694.10                                                 | \$ -                                                                         | \$ 16,434,031.40             |
| Greater Fremont Dev. Council (Contract No. 23-01-004)          | \$ 30,000,000.00        | \$ 687,257.80               | \$ 762,878.35                              | \$ 1,525,756.70                                 | \$ (884,136.85)                     | \$ 8,851,359.65                                                             | \$ 29,328.75                                      | \$ 8,911,976.13                                               | \$ 13,925.39                                                | \$ 63,466.61                                                                                            | \$ 2,850.13                                                                            | \$ (7,389,069.56)                                               | \$ (2,520,086.90)                                                            | \$ 21,085,173.74             |
| 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                            | \$ 4,405,010.00                                 | \$ 186,460.00                       | \$ 186,460.00                                                               | \$ 30,750.00                                      | \$ 30,830.00                                                  | \$ 1,565.48                                                 | \$ 1,565.48                                                                                             | \$ 157,195.48                                                                          | \$ 4,216,984.52                                                 | \$ -                                                                         | \$ 4,216,984.52              |
| Cozad Dev. Corp                                                | \$ -                    | \$ -                        | \$ -                                       | \$ -                                            | \$ -                                | \$ -                                                                        | \$ -                                              | \$ -                                                          | \$ -                                                        | \$ -                                                                                                    | \$ -                                                                                   | \$ -                                                            | \$ -                                                                         | \$ -                         |
| Seward County Chamber & Dev. P'ship                            | \$ -                    | \$ -                        | \$ -                                       | \$ -                                            | \$ -                                | \$ -                                                                        | \$ -                                              | \$ -                                                          | \$ -                                                        | \$ -                                                                                                    | \$ -                                                                                   | \$ -                                                            | \$ -                                                                         | \$ -                         |
| <b>TOTALS:</b>                                                 | <b>\$ 69,405,010.00</b> | <b>\$ 708,810.21</b>        | <b>\$ 8,039,915.89</b>                     | <b>\$ 23,803,429.40</b>                         | <b>\$ 2,644,877.78</b>              | <b>\$ 22,380,374.28</b>                                                     | <b>\$ 9,664,909.01</b>                            | <b>\$ 22,046,135.35</b>                                       | <b>\$ 161,603.22</b>                                        | <b>\$ 288,446.06</b>                                                                                    | <b>\$ 622,684.99</b>                                                                   | <b>\$ 1,134,609.06</b>                                          | <b>\$ (2,520,086.90)</b>                                                     | <b>\$ 46,736,189.66</b>      |



### Appendix A: Explanatory Notes

\*With respect to the amounts disbursed to the North Platte Area Chamber and Development Corporation (“NPACDC”) during FY 2025-26, the Department notes that \$5 million was authorized from State funds in FY 2024-25 but had not yet been posted to the ACH matching account as of June 30, 2025. This disbursement was received by NPACDC July 22, 2025. This was, however, accounted for in the prior fiscal year and an adjustment is made in the current 2025-26 FY report.

\*\*As shown in the above chart, Greater Fremont Development Council (“GFDC”) has an investment deficit of \$2,520,086.90. This amount reflects a decrease from the Applicant’s peak deficit in FY 2024-25 of \$3,381,386.99. The investment deficit for GFDC was generated through investment “unwinding” transactions in which GFDC, pursuant to Neb. Rev. Stat. § 81-12,212(1), used State matching funds received from prior investment to repay loans incurred in achieving its investment and thereby diminishing actual local investment made. Of the \$8,911,976.13 reported as “Total Approved Matching Fund Expenditures as of June 30, 2026” in Appendix A, \$8,256,232.50 is reduced out as “unwinding” transactions—reflecting the amount of State matching funds used to pay loans previously cited as local investment. This was originally and further detailed in this Department’s report of FY 2024-25. The Department, based on the representations of GFDC, anticipates the downward trend of the investment deficit to continue and ultimately to be reversed.

\*\*\*Interest earned on State matching funds held by applicants in their separate ACH 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 applicant.

**[END OF REPORT]**