

REDEFINE INFRASTRUCTURE

NECHAMBER POLICY BRIEF

Shovel-Ready Nebraska

CHALLENGE

Fulfilling most analysts' predictions, multinational manufacturing, logistics and technology firms are working to shore up domestic supply chains after the havoc wreaked by COVID-19.

Nebraska's **prime location** between coasts and borders, robust **transportation network**, ability to support inland ports, and **talented workforce** are already catching their eyes. These deals not only bring significant investment and GDP growth to Nebraska, but offer new, high-quality, high-paying job opportunities that attract new residents, enhance quality of life and **grow communities**.

However, **three critical infrastructure items** must be in place in order to land these deals:

- Acres reserved for site development
- Upgrades to local water, sewer, and roads to accommodate construction, operation and transportation
- Available talent, plus training and upskilling resources



OPPORTUNITY

U.S. business expansions are picking up in response to supply chain challenges. An additional game-changing investment of American Rescue Plan Act (ARPA) funds into Nebraska's successful site development programs, as well as mega-sites, will help communities land major projects, attract new residents, and enhance quality of life.

2021 U.S. Supply Chain Trends

Identified by Site Selection Consultants



83%

Expect U.S. Foreign Direct Investment to stabilize or grow after years of decline

Top 5 Sectors Seeking Locations to Expand

1. Biotech & Life Sciences (67%)
2. Advanced Manufacturing (48%)
3. Transportation & Logistics (42%)
4. Food & Beverage Processing (40%)
5. Software & IT (23%)

Source: Site Selectors Guild, December 7, 2020 Survey

ACTION PLAN



LEGISLATIVE SOLUTION

Nebraska leaders have long recognized the **importance of infrastructure** in the **growth and resilience of communities**.

By supercharging existing programs and using one-time funding to develop mega-sites, Nebraska will secure its future as a top state open for business and industry expansion.

Strong communities attract strong business, and high-paying jobs attract new families.

POLICY OBJECTIVES

1. Curb COVID-19 supply chain disruptions and inflation impacting quality of life for Nebraskans
2. Boost critical infrastructure capacity to promote economic security
3. Retain and increase high-wage, high-demand jobs for all Nebraskans
4. Attract new families
5. Reduce reliance on foreign-made products
6. Attract new investment in Nebraska's high-growth sectors across all regions



I. Bolster Existing Programs

Infuse existing, results-driven programs with 50 - 60% more in targeted funding from ARPA.

The one-time, shot-in-the-arm investment, would markedly expand and expedite critical infrastructure and site development efforts planned in communities today.

Nebraska Community Site Development Programs Fostering industry-ready sites in communities across Nebraska

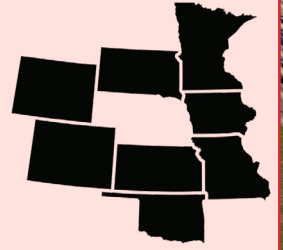
| Site & Building Development Fund (SBDF) NE Dept. of Economic Development | Economic Opportunity Program (EOP) NE Dept. of Transportation | Rural Projects Act (Transloading Facilities) NE Dept. of Economic Development | Good Life Game Changer ARPA Proposal 3 years |
|--|--|---|---|
| Funding: \$2.967 million in 2021 | Funding: \$1.5 million in 2021 | Funding: \$10 million in 2021 (until depleted) | Funding: \$30 million additional to SBDF, EOP and Rural Projects (\$10 million each) |
| Average Awards: \$500,000 per project Competitive process | Average Award: Under \$500,000 per project Competitive process | Average Award: Est. \$500,000 - \$2 million - \$30 million max/project - Top match - 2:1 up to \$2.5 million; 5:1 after | Average Award: More communities served; expedited timeline |
| Eligibility: - Local governments - Nonprofit corporations - At least 1:1 match required | Eligibility: - Local governments - At least 25% match - Must create high-quality jobs - Determining factor in decision to locate / expand in Nebraska | Eligibility: - Nonprofit development corporations - Counties under 100,000 population - Local match required | Eligibility: Fewer denied applications due to limited funds |
| Acceptable Uses: - Acquire land - Construct or acquire buildings - Develop or improve infrastructure - Engineering and design - Planning and technical support | Acceptable Uses: - Road paving, upgrades and repairs - Right of way acquisition - Engineering and design - Construction - Inspection - Rail spurs | Acceptable Uses: Site work for new, industrial rail parks, including: - Site acquisition and preparation - Utility extensions - Rail spur construction | Acceptable Uses: - Unchanged - 20-40 additional SBDF awards - 10-20 additional EOP awards - 10-20 additional Rural Projects Act awards |

No More Missed Opportunities



Compared to neighboring states, Nebraska is lagging in development of 500 - 1,000+ acre sites to locate large employers or regional manufacturing, processing, trade and logistics hubs.

Nebraska does not have a controlled, developed mega-site available or in process.



II. Empower Private Investment

Fully fund the **ImagiNE Nebraska Revolving Loan Fund** by 2024. The program allows employers to borrow from the fund against future tax credits to support **infrastructure upgrades, job training, talent recruitment or even offset childcare or transportation expenses.**

ImagiNE Nebraska Revolving Loan Fund

| Existing - 2 years | Good Life Game Changer ARPA Proposal - 3 years |
|---|---|
| Funding: \$5 million annually through 2023 | Funding: \$15 million in additional one-time funding through 2024 |
| Eligibility: - ImagiNE Nebraska contract in good standing | Eligibility: - ImagiNE Nebraska contract in good standing |
| Acceptable Uses: - Utility or street upgrades - Rail connections - Workforce training - Talent recruitment - Transportation & childcare | Acceptable Uses: - Unchanged |

III. Close the Gap on Mega-Site Development

Nebraska can also **leverage the infusion of ARPA dollars to identify and prepare two mega-sites** for transformational projects (Eastern and Western Nebraska). Such projects could include **large manufacturing facilities, regional inland ports or expansion sites for large employers.**

Nebraska Mega-Site Development

| Existing | Good Life Game Changer ARPA Proposal - 3 years |
|------------------------|---|
| Funding: \$0 | Funding: \$150 million in one-time funding until depleted |
| | Acceptable Uses: - Site control for two, 500 - 1,000+ acre locations (Eastern and Western Nebraska) |

imagine
NEBRASKA

Nebraska has been a contender for at least four, large economic development projects since 2019. Two were lost due to lack of construction-ready sites. Two remain in play.

| Project Silver - Electric Vehicle | | Status |
|---|-------------|----------------|
| Investment | Jobs | LOST |
| \$1.1 billion | 4,000 | |
| Project Darwin – Automotive | | |
| Investment | Jobs | LOST |
| \$3.5 billion | 5,200 | |
| Project Zinc - Automotive Support Manufacturing | | |
| Investment | Jobs | IN PLAY |
| \$1 billion | 690 | |
| Project Grip – Automotive Support Manufacturing | | |
| Investment | Jobs | IN PLAY |
| \$1.2 billion | 1,200 | |

Nebraska's Infrastructure Track Record

A Case for Game-Changing Investment

Nebraska Site and Building Development Fund

| | Before ARPA Funding 5 Years | Projections after ARPA Funding 3 Years |
|--------------------|--------------------------------|--|
| Funding | \$15.1 million | \$34 million |
| Projects Supported | 38 (25 rural; 13 urban) | 100 |
| Jobs Created | 4,028 | 11,000+ |

Nebraska Economic Opportunity Program

| | Before ARPA Funding 5 Years | Projections after ARPA Funding 3 Years |
|-----------------------------------|--------------------------------|--|
| Funding | \$5.8 million | \$13 million |
| Projects Supported | 16 | 15 - 30 (various sizes) |
| Private Capital Invested | \$1.8 billion | \$3 billion + |
| Est. Jobs Created | 917 | 1,500 - 2,000 |
| Projected 6-Year Economic Benefit | \$8.9 billion | \$15 - \$20 billion |

Nebraska Rural Projects Act Estimated Economic Impact

| | Before ARPA Funding 2 Years | Projections after ARPA Funding 3 Years |
|---------------------------|--------------------------------|--|
| Funding | \$10 million until depleted | \$20 million until depleted |
| Projects Expected | 10 - 20 | 20 - 40 |
| Projects Economic Impact* | \$5.2 billion+ | \$10.4 billion+ |
| Projected Jobs* | 10,200+ | 20,400 |

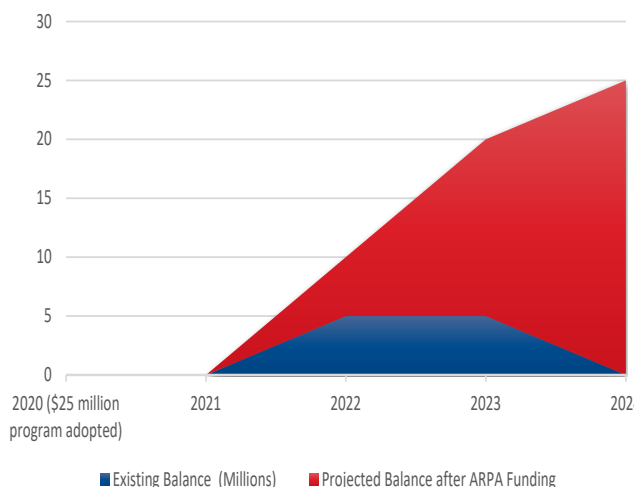
*Based on estimated \$519 million direct economic impact, and 1,020 total jobs per project in preliminary economic impact study, Hershey, NE (Cempe ITC, 2021)

Nebraska ranks

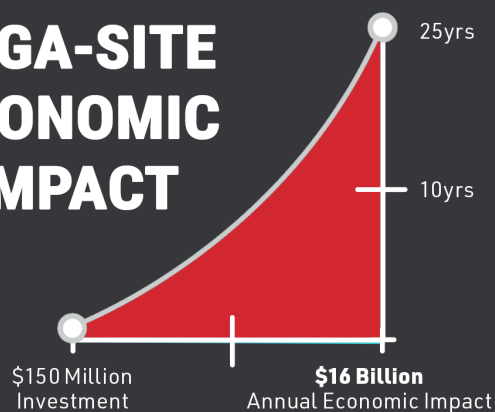
#1

in attracting new residents
due to job opportunities.
(Forbes, 2021)

ImagiNE Nebraska Revolving Loan Fund Funding History & Projections



MEGA-SITE ECONOMIC IMPACT



A BMW facility that considered Nebraska in 1992 has generated more than \$16 billion in economic impact annually and 30,000 jobs in South Carolina.



Good Life Game Changer Proposal Partners

Leaders of chambers and economic development organizations from across the state joined forces on a proposal to quickly ramp up workforce initiatives, talent attraction, innovation and economic infrastructure using American Rescue Plan Act funds. The proposal complements economic development initiatives outlined in the Blueprint Nebraska statewide strategic plan. <https://www.nechamber.com/good-life-game-changer.html>