

nebraska

DEPARTMENT of ECONOMIC DEVELOPMENT

**Nebraska Travel Conference
Funding Your Tourism Ideas...**

October 24, 2012

Kevin Andersen

kevin.s.andersen@nebraska.gov

www.neded.org

nebraska

ECONOMIC DEVELOPMENT OVERVIEW



NEBRASKA
possibilities...endless™

Department of Economic Development

NEBRASKA
Advantage
Department of Economic Development

WHAT IS ECONOMIC DEVELOPMENT?

- Process that leads to creation & growth of businesses, jobs and communities
- Measurable criteria: quantity, quality, sustainability and geographic location
- Focus on businesses and jobs in primary industries
- Local perspective is not always the same as the statewide perspective

DED'S MISSION

To provide quality leadership and services that enable Nebraska communities, businesses, and people to succeed in a global economy. We are here, equipped and ready to assist you and your community in developing and capitalizing on economic development opportunities.

DED'S GOALS

- Strive to create community & economic growth
- Make Nebraska a better place to live, work, raise a family and grow a business
- Accomplished by focusing efforts on:
 - Aggressive community development
 - Business retention & expansion
 - New business attraction
 - New business creation
 - Promoting our Great State
 - Special emphasis on the creation of new primary jobs & wealth creation

MEASURING E.D. IMPACT

- Grow stronger communities by supporting public infrastructure & affordable housing options that stimulate long-term sustainability and future economic growth
- Stimulate creation & retention of primary employment opportunities that improve income and quality of life
- Generate wealth creation potential for Nebraska residents
- Attract human & financial capital from outside State
- Grow a readily available, skilled workforce by retaining best & brightest youth and attracting additional workforce

DED ANNUAL BUDGET

MAJOR AID PROGRAMS

Community Development Block Grant (CDBG)

Affordable Housing Trust Fund (AHTF)

Business Innovation Act

HOME

Site and Building Development Fund (SBDF)

Customized Job Training

Manufacturing Extension Partnership (MEP)

Invest Nebraska

Civic and Community Center Financing Fund

nebraska

COMMUNITY DEVELOPMENT



NEBRASKA
possibilities...endless™

Department of Economic Development

NEBRASKA
Advantage
Department of Economic Development

CDBG – TYPES

- **Planning**
- **Public Facilities**
- **Water/Waste-Water assistance**
- **Tourism Development Initiative**
- **Downtown Revitalization Initiative**
- **Community Revitalization**
- **Housing**

CDBG

Eligible Applicants:

Municipalities under 50,000 and every county.

Cities of Lincoln, Bellevue and Omaha are entitlement communities and receive direct CDBG funding from HUD.

CDBG

National Objectives:

1. Benefiting low- and moderate-income persons; or

- **Primary objective of CDBG, majority of funds must meet this requirement**

2. Aiding in the prevention or elimination of slums or blight

- **More restrictive definition of slums or blight than what is required for Tax Increment Financing**

CDBG PLANNING GRANT

Eligible Activities—Planning:

- 1) Strategic planning**
- 2) Analysis of impediments to fair housing choice**
- 3) Functional/special studies**
- 4) Neighborhood/comprehensive strategic development planning**
- 5) Environmental and historic preservation studies**
- 6) Community development and housing plans**
- 7) Payment of reasonable administrative and audit costs**
- 8) Needs Assessment**
- 9) Infrastructure Plans**
- 10) Central Business District**

ACCESSING FUNDS

- **Eligible Applicants**
 - **Units of Government**
 - **Non-profit Affordable Housing Organizations – 501(c)(3) or 501(c)(4)**
 - **Economic or Community Development Organizations with affordable housing as part of their mission - 501(c)3 or 501(c)4**
 - **Tribally affiliated non-profits**
 - **Public Housing Agencies**

COMMUNITY DEVELOPMENT SERVICES

- ❑ **Community Development Assistance Act (CDAA):** a possible tax opportunity for business contributions to community projects
- ❑ **Civic and Community Center Financing Fund (CCCCFF):** support the development of civic and community centers throughout Nebraska

COMMUNITY DEVELOPMENT ASSISTANCE ACT

- CDAA empowers the Department of Economic Development to distribute a 40 percent state tax credit to businesses, corporations, insurance firms, financial institutions, or individuals that make eligible contributions of cash, services or materials to approved community betterment projects.
- A non-profit community betterment organization (CBO) may apply to the Department to become qualified for CDAA tax credits. Upon approval of a project, the community betterment organization can notify donors they are eligible for tax credits. The donors then submit a tax credit request form to the Department.

COMMUNITY DEVELOPMENT ASSISTANCE ACT

What projects qualify?

- Employment training
- Human and medical services
- Physical facility and neighborhood development services
- Recreational and educational activities
- Crime prevention

State Priorities

- Building the capacity of local residents to address locally defined objectives.
- Essential services to low and moderate income persons
- The development of lasting cooperation and public/private partnership efforts of area organizations and businesses.

COMMUNITY DEVELOPMENT ASSISTANCE ACT

- A CBO may apply for and receive \$25,000 in CDAA credits per year for up to three consecutive years
 - Upon receipt, the CBO may distribute CDAA credits to contributors at a maximum value of 40% of the cash or in-kind contribution

COMMUNITY DEVELOPMENT ASSISTANCE ACT

What it means for the CBO's project

- An incentive to raise donations
- Fully utilized, \$25,000 in credits granted at the 40% rate leverages \$62,500 in contributions

What it means for the Contributor

- At the 40% rate:
 - \$10,000 contribution
 - \$4,000 CDAA credit
 - *\$3,400 federal deduction*
- =\$2,600 net investment**

CIVIC AND COMMUNITY CENTER FINANCING FUND

Created (renamed) in 2011 to support the development of civic and community centers throughout Nebraska and to support projects that foster maintenance or growth of communities

- Expanded the definition of “Civic/Community Center”
 - Libraries
 - Districts

CIVIC AND COMMUNITY CENTER FINANCING FUND

Eligible Communities

- Any Nebraska Municipality that has not received funding from the Convention Center Facility Financing Assistance Act
 - Omaha
 - Lincoln
 - Ralston
- Any Nebraska Municipality that has not previously received CCCFF funds in the past 5 years

Eligible Projects

- Must be owned and operated by the local unit of government
 - May operate the facility under contract
- Counties not eligible

CIVIC AND COMMUNITY CENTER FINANCING FUND

Uses of Funds

The fund may be used for the construction of new civic centers or the renovation or expansion of existing civic or community centers

- Capital Improvements
- Fixed Equipment & Furnishings
- Mechanical (HVAC, Electrical, Plumbing)
- Weatherization

CIVIC AND COMMUNITY CENTER FINANCING FUND

Ineligible Uses of Funds

The fund may not be used for planning, programming, marketing, or advertising

- Acquisition
- Fundraising
- Planning
 - Renderings
 - Engineering
 - Feasibility

CIVIC AND COMMUNITY CENTER FINANCING FUND

Grant Amounts

No grant should amount to more than 50 percent of the total cost of construction, renovation, or expansion. The minimum amount for a grant request is \$10,000. The maximum amount, determined by the population (2010 Census) of a municipality, is:

- Population of 40,000 to 99,999, \$750,000
- Population of 20,000 to 39,999, \$500,000
- Population of 10,000 to 19,999, \$400,000
- Population of 1 to 9,999, \$250,000

CIVIC AND COMMUNITY CENTER FINANCING FUND

Timeline

- February 15, 2013 - Preliminary Applications Due
- February 28, 2013 - Final Application Invitations
- March 29, 2013 - Final Applications Due
- April 30, 2013 - Announcement of Grants

Grants from the Civic and Community Financing Fund

Project and Municipality	Grant Amount	Year Awarded
Heartland Event Center, Grand Island	\$500,000	2004
Event Center, Kimball	97,500	2005
Museum of Natural and Cultural History, Hastings	120,000	2005
Community Center, Arnold	100,000	2005
Community Hall, Miller	25,400	2005
White Horse Museum, Stuart	20,000	2005
Municipal Auditorium, David City	47,000	2005
Community Hall, Maywood	40,765	2005
Civic Center, Gering	200,000	2008
Community Building, Humphrey	100,000	2008
Sumtur Amphitheater at Walnut Park, Papillion	300,000	2008
Scenic Park East Memorial/Interpretive Center, South Sioux City	300,000	2008
Community Center, Atkinson	47,410	2008
Community Center, Creston	40,000	2008
Community Building, Bancroft	35,750	2008
Community Center, Firth	28,000	2008
Municipal Auditorium, Kennard	50,000	2008
Library/Museum, Tobias	40,000	2008
Library, Tekamah	100,000	2008
Opera House, Brownville	37,587	2009
Community Center, Cairo	99,000	2009
Rice Lodge and Conference Center, Odell	88,000	2009
Civic Center, Beaver City	51,500	2009
Community Center, Blue Hill	20,000	2009
Dansk Hall Community Center, Dannebrog	69,438	2009
Community Center, Stapleton	90,000	2009
Carnegie Building Civic and Cultural Center, Beatrice	318,000	2010
Opera House, Clarkson	36,859	2010
Community Building, Crawford	27,600	2010
Christensen Field Main Indoor Arena, Fremont	305,000	2010
Community Theater, West Point	250,000	2010
Czech Cultural Center, Wilber	150,000	2010
Convention and Training Center, Sidney	250,000	2012

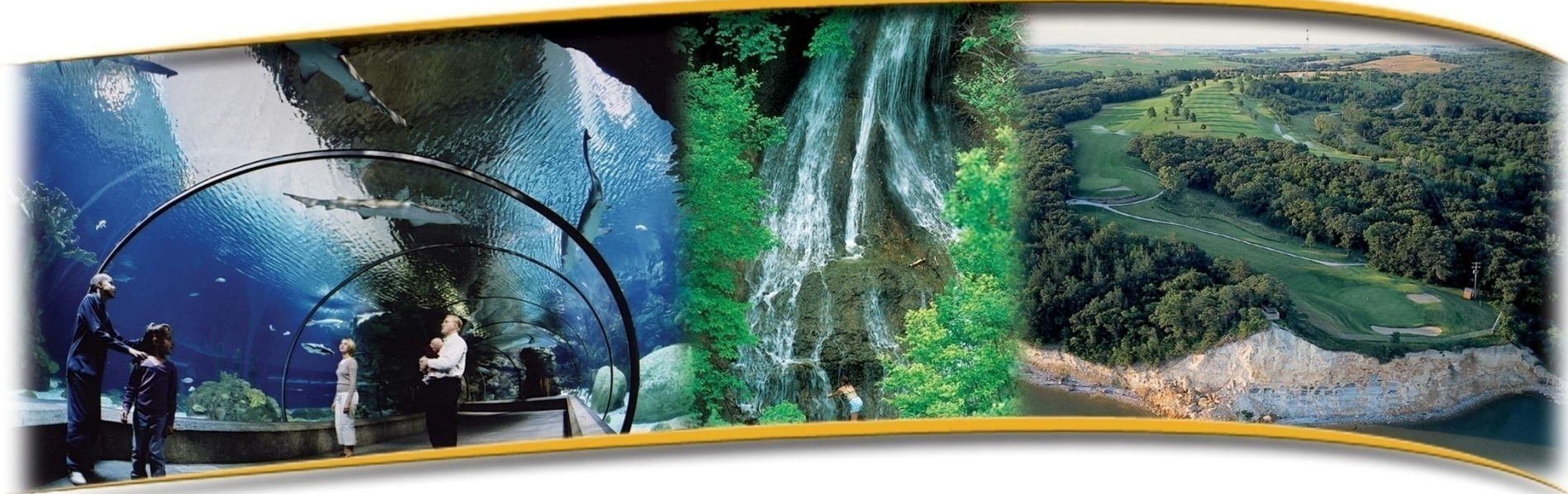
Nebraska Economic Gardening Program

Eligible Businesses Eligible Activities

- 5-50 Employees
- Revenues between;
\$500,000-\$2.5 million
- Technical Assistance
 - Marketing Analysis
 - Industry Trends
 - Demographic Studies
 - Finance and Fundraising

nebraska

TRAVEL AND TOURISM DEVELOPMENT



NEBRASKA
possibilities...endless™

Department of Economic Development

NEBRASKA
Advantage
Department of Economic Development

LODGING TAX

Local source for travel and tourism marketing and development is county lodging tax; counties can have a maximum 4% tax, with 2% of revenues deposited in visitors promotion fund for marketing and 2% deposited in visitors improvement fund for attraction development and improvement

TOURISM IMPACTS

- Travelers spent over \$3.8 billion in Nebraska during 2008 on trips away from home with overnight stays in paid accommodations and on day trips to places 100 miles or more away. Annual spending on these trips has almost doubled since 1990.
- Almost 43,000 jobs are attributable to travel spending in Nebraska.
- Tourism is Nebraska's third largest earner of revenue from outside the state after agriculture and manufacturing.
- Each dollar spent by tourists in Nebraska is re-spent in the state to produce an additional \$1.70, creating an overall economic impact of \$2.70.

nebraska

TD GRANTS

Tourism

Development

Grants

TD GRANTS

- TD funds focus on the physical tourism development or improvement of attractions.
- TD is part of the Community Development Block Grant (CDBG) Program, administered by DED.
- Objective of TD: to assist tourism development projects that already have significant support and are likely to have long-term positive impacts on their local and regional economies.

TD GRANTS

All applicants **MUST** meet the following guidelines:

- Projects must be for physical development. Planning, programming, marketing, advertising, and related activities are ineligible for TD grant funds.
- Projects must attract at least 2,500 visitors annually from origins of at least 100 miles away.
- All project applications must identify a city, village, or county to serve as grant applicant and administrator.
- Projects must include a 50% match of the total project cost.

TD GRANTS

- Minimum amount for grant funding is \$20,000; maximum amount is \$200,000.
- All projects **MUST** meet one of two national objectives:
 - Benefit low-to-moderate income (LMI) persons. This objective could be met by creating jobs, of which at least 51 percent are filled by LMI persons, and/or focusing the project on the removal of architectural barriers to the elderly and disabled.
 - Address activities that eliminate specific conditions, such as slum and blight.
- Projects must be completed by the grantees within 24 months (two years) of the grant award.

TD GRANTS

- Prior to beginning a TD application, communities are encouraged to discuss their projects with TD staff at DED. They could assess whether a community's project is eligible for a TD grant and if it would meet the required national objective.

➤ **CONTACT:** Steve Charleston: 402.471.3757;
steve.charleston@nebraska.gov

nebraska

SUCCESS STORIES

World Theatre, Kearney

- \$300,000 TDI grant

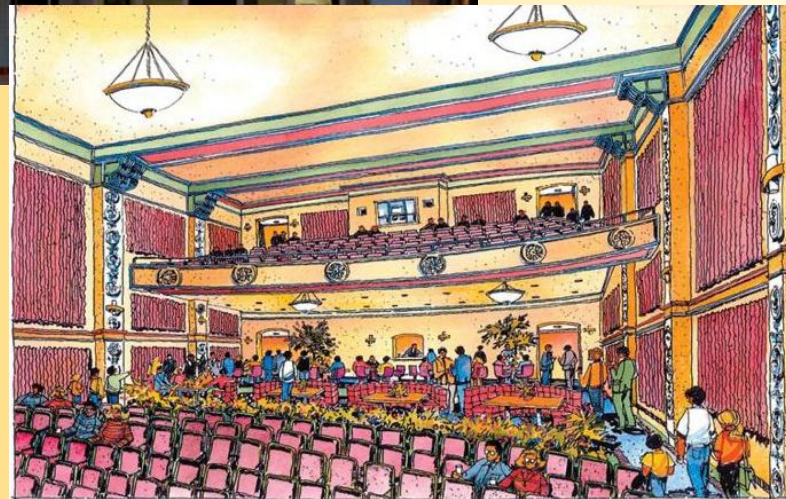
- ADA Accessibility

- \$75,000 CDAA credits

- \$187,000 + leveraged donations

- \$350,000 DTR funds

- Events space to tie attractions together: Theatre, MONA, etc.



Gering Civic Center

- \$200,000

Civic and
Community Center
Financing Fund



Midwest Theater, Scottsbluff

- \$600,000 Local Donations
- \$325,000 Peter Kiewit Foundation
- \$45,000 TDI grant



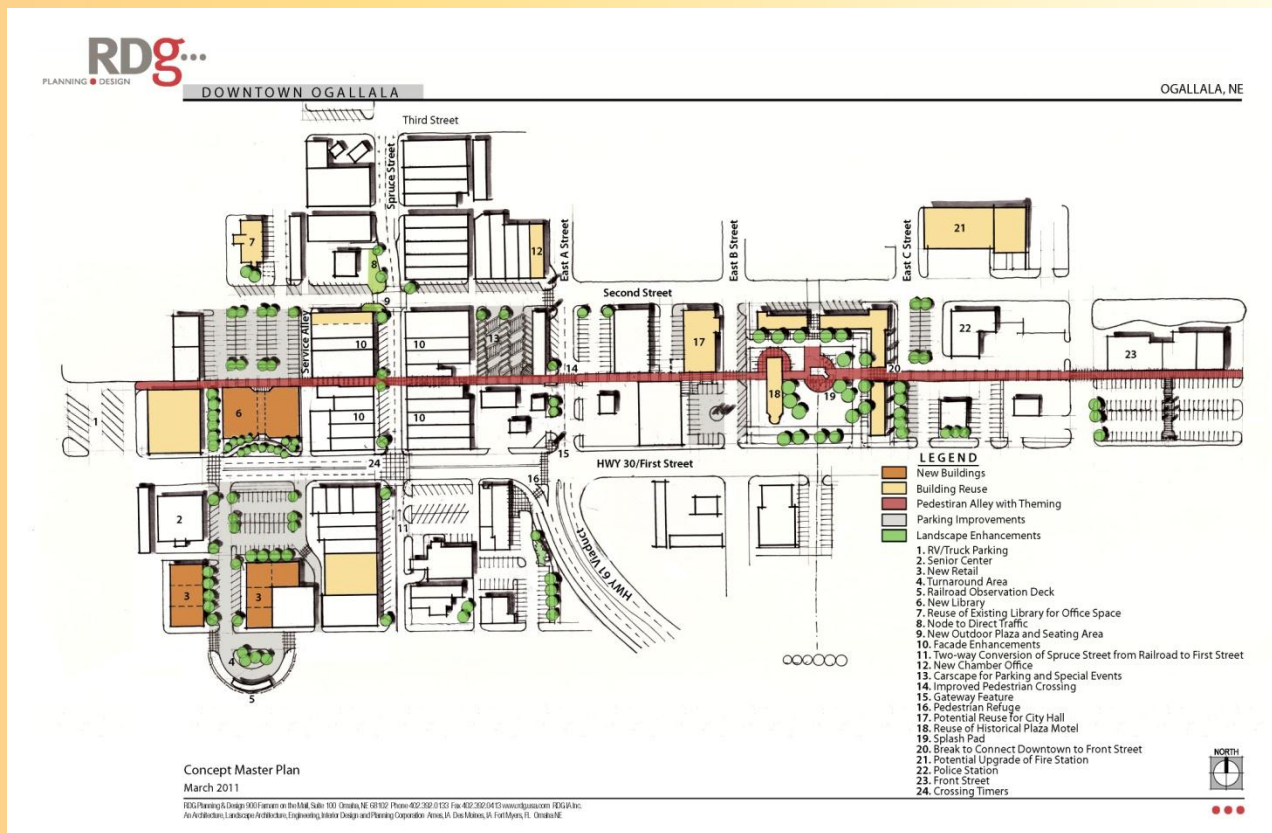
Arbor Day Farm Tree House, Nebraska City

- \$150,000 TDI
 - ADA Accessibility



Ogallala

Downtown Revitalization



CRD PROJECT STAFF CONTACTS

- Kevin Andersen...
402.471.3775
 - CDBG Planning
 - CDBG Downtown Revitalization
 - Community Development Assistance Act
 - Civic and Community Center Financing Fund
- Steve Charleston... 402.471.3757
 - CDBG Program Manager
 - CDBG Tourism Development Initiative

nebraska

Q & A



1.800.426.6505
www.neded.org

NEBRASKA
possibilities...endless™

Department of Economic Development

NEBRASKA
Advantage
Department of Economic Development