

NEBRASKA DEPARTMENT  
OF ECONOMIC DEVELOPMENT

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# Fiscal Year Annual Report July 1, 2007 – June 30, 2008



NEBRASKA  
possibilities...endless™

Department of Economic Development

[www.neded.org](http://www.neded.org)

# MESSAGE FROM THE DIRECTOR

Governor Heineman, Members of the Nebraska Legislature, Fellow Nebraskans:

I have the honor and privilege of reporting that the Nebraska Department of Economic Development (DED) has marked another successful year in advancing the state's aggressive economic and community development goals.

The Department accomplishes its mission by focusing its efforts on proactively helping communities statewide flourish and thrive, attracting new businesses, retaining and expanding existing businesses, providing unique venues for entrepreneurs in which to germinate and grow new microenterprises, providing opportunities for further tourism development as it specifically relates to new primary jobs and local and regional economies, and promoting our state as a great place to work, play, live and grow a business.

DED continues to invest in strengthening communities statewide, from Scottsbluff to Omaha, Valentine to Republican City. As you will note, a sizeable portion of funding goes toward the construction or rehabilitation of affordable housing, as well as homeownership programs to offer as many Nebraskans as possible the opportunity to further secure their futures and the futures of their families. An offshoot of housing was witnessing the "New Neighborhoods" that are readily taking shape in Columbus, Holdrege and Sidney as a result of the same-named multiphase initiative. But the Department's mission doesn't stop here. Whatever the critical needs of each and every community is the Department's base point for providing the most thorough, comprehensive assistance. These needs include everything from installing new components to water and wastewater systems to building needed community services, such as new fire stations, libraries, and day care and senior centers.

The Department supports Nebraska's many small, mid-sized and large-scale businesses with programs and services including the outstanding Nebraska Advantage portfolio of tax incentives, the Customized Job Training Program, the Nebraska Manufacturing Extension Partnership, and the One-Stop Business and Entrepreneur Center.

These key programs and services are what helped earn the Department a top slot in the Industrial Asset Management Council's newsletter as one of two top locations in the country for corporate expansion projects according to Michael Raeshide, executive vice president of Partners National Real Estate Group Inc. in Dallas, Texas, who consults for Fortune 500 companies. With the ever-increasing importance of globalization, the Department also assists communities and companies in making the right connections via trade missions, through its Japan office, and through other venues.

The Department's tourism programs also continue to evolve, especially those related to customers' changing needs and attitudes about types of travel and fluctuating energy prices among other concerns. The Travel and Tourism Division is increasingly committing resources to new marketing opportunities related to fast-changing technology and experiential tourism.

I am honored to be able to work with tremendous local, state and national partners, as well as a dedicated and professional staff in accomplishing the many goals and objectives of this Department. In this regard, I especially thank members of the Executive and Legislative government branches for their full support in strengthening and growing Nebraska's communities and businesses.



Richard J. Baier  
Director

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# 02 Economic Performance Indicators



## INTRODUCTION

The Nebraska Department of Economic Development's programs and services help grow strong communities, retain and expand existing businesses, attract new businesses, encourage entrepreneurship, and develop and market a flourishing tourism industry. While job creation and development of new capital investment receive special emphasis, the Department's offerings are all aimed at helping communities, businesses and people compete with counterparts around the globe.

Specifically, the Department's initiatives, programs and policies:

- Build public infrastructure and quality affordable housing to stimulate long-term, sustainable communities now and into the future.
- Create and retain employment opportunities that improve per capita incomes and lead to more qualitative lives for all Nebraskans.
- Generate or create additional wealth potential and revenue streams for Nebraskans.
- Attract human and financial capital from outside the state.
- Grow readily available, quality and skilled workforces that retain the state's outstanding youth and build a new employee and population base to meet the constantly changing needs of businesses and industries.
- Promote the state as a great place to live, work, play and grow prosperous businesses.

Three divisions—Business Development, Community and Rural Development, and Travel and Tourism—and the Department's administrative area accomplish this work.

Most of the Department's 70 employees are based in the Lincoln office; however, a number of field staff maintain offices in the western, central and eastern regions of the state to provide constituents with more convenient access.

## UNEMPLOYMENT RATE

According to the Nebraska Department of Labor, the state's unemployment rate increased slightly from 3.2 percent in June 2007 to 3.4 percent in June 2008. During the same period, the U.S. unemployment rate increased much more, moving from 4.6 percent to 5.5 percent. The number of employed persons living in Nebraska increased by 1 percent, while total U.S. employment fell by 1.3 percent. Non-farm employment in Nebraska rose 0.9 percent.

## INDUSTRY EMPLOYMENT

Total non-farm employment in Nebraska grew by 8,847 jobs from June 2007 to June 2008. Employment increased in natural resources and construction; wholesale trade; retail trade; transportation, warehousing and utilities; financial activities; professional and business services; educational and health services; and leisure and hospitality services. Decreases occurred in information services, manufacturing and government.

Job growth in Nebraska, the Plains states and the United States was rapid in the late 1990s, but slowed afterward, with a few years of decline. There has been an upturn since 2002, with Nebraska gaining almost 57,000 jobs from 2002 through 2007 and having more gains in 2008.

In agriculture—Nebraska's largest sector for both self-employment and home-based business—aggregate net farm income continued at historically high levels, aided in large part by rapidly rising prices for corn, wheat, soybeans and other crops. But income from cattle and other livestock production was squeezed by higher feed and fuel costs.

## INCOME AND COST OF LIVING

The U.S. Bureau of Economic Analysis reports a preliminary per capita personal income estimate for Nebraska of \$36,471 in 2007, or 94 percent of the U.S. average. But Nebraska also had a cost of living below the national average. According to the American Chamber of Commerce Researchers Association Cost of Living Index, the average general living costs in the sample cities of Hastings and metropolitan Omaha was 91 percent of the national average in 2007.

For many years, wages in metropolitan Nebraska have, on average, been higher than in non-metropolitan parts of the state. Statewide, average hourly earnings increased in manufacturing from \$15.21 in June 2007 to \$15.26 in June 2008. But they declined in professional and business services from \$18.02 to \$17.02 an hour.

Housing prices are, on average, lower in Nebraska than in the overall United States, leading to a higher percentage of owner-occupied housing in the state than the national average. In both Nebraska and the overall United States, the annual number of new housing starts and sales of existing homes have declined in recent years. According to the National Association of Realtors, the number of existing home sales in Nebraska decreased by 12.5 percent in the first quarter of 2008 over the number in the first quarter of 2007, while they declined 22.2 percent nationally.

Detailed demographic and economic data of Nebraska can be seen in the Research and Data book section of the Department's Web site: [www.neded.org](http://www.neded.org). Business Development staff provides technical and financial services to businesses, regional organizations and communities to help expand economic development opportunities in business and industry recruitment, international trade and investment, existing and start-up business assistance, entrepreneurship, workforce development and job training.

# Nebraska Department of Economic Development FY 2008 Total Budget Sources and Major Uses

Source of Funds	FY 2007-2008 Total Budget
General Funds .....	8,990,000
Cash Funds .....	49,581,000
Federal Funds .....	23,006,000
	<b>\$81,577,000</b>

Use of Funds	
Staff .....	5,052,000
Operations .....	6,025,000
Aid/Grants <i>(Listed Below)</i> .....	70,500,000
	<b>\$81,577,000</b>

### Major Aid/Grant Programs and Service Contracts

Customized Job Training .....	23,467,000
Community Development Block Grant .....	14,819,000
Affordable Housing Trust Fund .....	18,915,000
HOME .....	5,067,000
Value Added Agriculture Grants .....	2,021,000
Microenterprise Program Contract .....	1,498,000
Manufacturing Extension Partnership .....	695,000
Building Entrepreneurial Communities Act .....	986,000
Tourism Marketing Grants .....	1,393,000
Civic, Cultural & Convention Center Fund .....	1,099,000
Invest Nebraska .....	250,000
Other .....	290,000
	<b>\$70,500,000</b>





# Business 06 Development Division





Business Development staff provides technical and financial services to businesses, regional organizations and communities to help expand economic development opportunities in business and industry recruitment, international trade and investment, existing and start-up business assistance, entrepreneurship, workforce development and job training.

## BUSINESS RECRUITMENT

In FY 2008, the Department's recruitment staff attended trade shows for industries, including data centers, space and defense, renewable energy, solar, ethanol and bio, as well as consultant and corporate real estate events, including Industrial Asset Management Council, Area Development and CoreNet.

Recruitment staff successfully closed 50 projects in targeted industries such as financial institutions, heavy manufacturing, value-added agriculture and bio industries statewide, from Omaha to Falls City and Columbus to Sidney. Staff also consulted with more than 90 prospects and conducted recruitment trips to New York, Texas, North Carolina, California and parts of Europe.

## NEBRASKA ADVANTAGE

The Nebraska Advantage Act has significantly enhanced the state's business climate. Nebraska recruitment efforts are focused on a statewide vision in the global economy. The Department's business recruiters work closely with companies and communities to address labor availability, accessible employee training programs, financial assistance, available properties that meet clients' needs and other issues. During FY 2008, the Act attracted 42 applications translating to a potential \$1.11 billion investment and 3,285 jobs. Under the Nebraska Advantage Rural portion of the Act, 33 applications have been submitted with a potential \$47.94 million in investment and 46 jobs, while 604 applications have been submitted under the Nebraska Advantage Microenterprise portion.

## GROWTH TARGETS

The Bureau of Labor and Statistics shows that of the top 30 fastest-growing occupations in the United States, 23 are within the technology and health care industries. Data center projects are the fastest growing field in corporate site selection. According to The Boyd Company, which specializes in corporate site selection, it costs 40 percent less to run a data center in Nebraska than in New York. Another study by DRT/Campos Research found that during the next 24 months, more than 80 percent of U.S. companies plan to expand data centers.

Internet video, corporate disaster recovery and federal regulations, such as HIPAA, are major drivers for growth, and Nebraska ranks high in the industries driving this growth—financial services and health care. Ultimately, Nebraska excels in all ranking factors for data centers and server farms. Nebraska offers excellent opportunities for rural, mid-sized and large communities to attract IT infrastructure and jobs, with advantages in power costs, land and real estate costs, telecom infrastructure, cost of doing business, local workforce with strong technical skills, central location, insulation from natural disasters, tax incentives and job training, quality of life and central time zone.

## ONE-STOP BUSINESS

The One-Stop Business office responded to 2,434 requests for information via telephone calls, email requests and office visits during the past 12 months. Since its creation in 1988, the office has assisted people in nearly every Nebraska community and all 50 states.

## NEBRASKA BUSINESS VISITATION PROGRAM

In FY 2008, the Department partnered with local economic developers, Nebraska Diplomats and the Nebraska Economic Developers Association to interview 633 business owners or managers and learn about their challenges and plans for expansion. Survey results identified 1,168 new jobs to be created within the year of the interview, 170 businesses with plans for physical expansion and \$89,656,272 anticipated capital investment to take place during the next three years. The top three identified challenges for all businesses were workforce availability, market competition and increasing the customer base. While most businesses score productivity and reliability of workers on the job from good to excellent, there is a continued lack of people to hire for positions in certain occupations.

## CUSTOMIZED JOB TRAINING

In FY 2008, the Customized Job Training Program signed 30 contracts, resulting in a \$3,458,050 investment and creating 2,114 jobs. The new Nebraska Advantage package, which passed in May 2005, included the Nebraska Job Training Advantage that provided \$15 million during the course of FY 2005 and FY 2006 for job training. Two additional appropriations of \$5 million in FY 2007 and \$5 million in FY 2008 were added, resulting in a job training funds from Nebraska Advantage totaling \$25 million. To date (August 15, 2008) there are 65 businesses under contract, representing \$9,701,776 and 5,481 jobs. The average dollar amount per job is \$1,770. An additional \$11,010,000 is committed to 19 businesses which propose to create 4,580 jobs. At the time of application, 16 of the 65 projects under contract (24.6 percent) had a base employment of 25 or fewer employees. And 38 of the 65 projects under contract (58 percent) are for businesses in Greater Nebraska, outside of the Lincoln and Omaha Metropolitan Statistical Areas.

## NEBRASKA MANUFACTURING EXTENSION PARTNERSHIP (MEP)

Twenty-seven Nebraska MEP clients surveyed during FY 2008 reported that Nebraska MEP's services led to 134 created or retained jobs, increased and retained sales of more than \$27.6 million, reduced production costs by \$2.6 million and generated \$127.5 million in new investments. The clients rated the quality of services they received at 4.5 on a scale of 1 to 5, with 5 being the best.

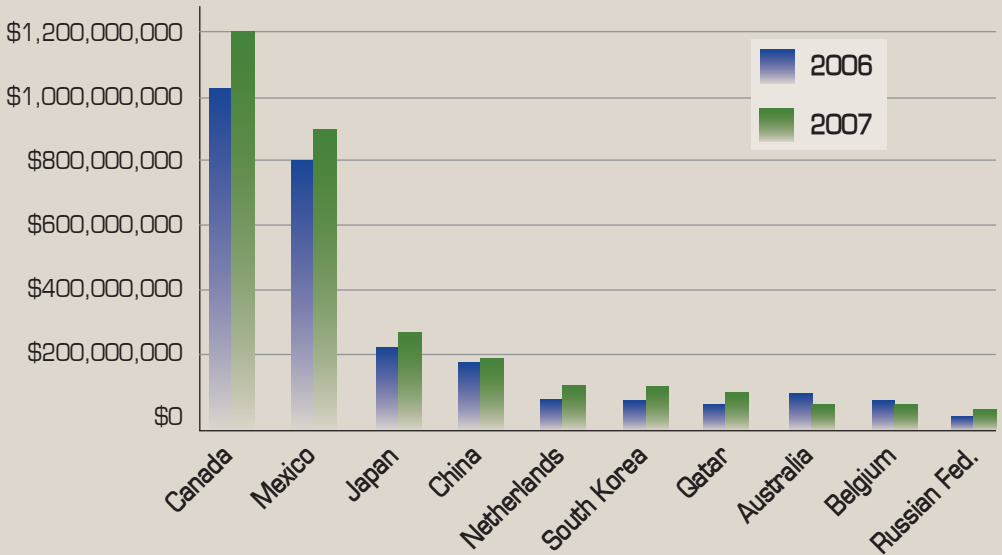
Royal Plastic Mfg., a company that employs 75-plus, is a Nebraska MEP success. The company manufactures composite and fiberglass parts, many destined for the aerospace or oil patch industries including Boeing, Lockheed Martin, Northrop Grumman, Raytheon and L3 Communications. All customers require the company to be involved in lean manufacturing processes. Royal Plastic must report Kaizen events and improvements to remain competitive. One of the company's biggest problems was materials outage since it is small, and minimum buy requirements often result in unused inventory. Nebraska MEP recommended a number of changes that were easy for the company to make especially when lean principles were used. Lot sizes were reduced from 50 to 1 for production; a new inventory system was implemented; scheduling and setup for the CNC machine was improved and 8,000 square feet in the production area was freed. The changes increased overall efficiency by 5 percent with a corresponding 5 percent increase in profits; cut work in the process area by 40 percent; shortened lead time; and increased on-time deliveries from 75 to 85 percent, among other things.

"When we switched from producing 50 at a time to a lot size of one, we were able to be more responsive to the customer by delivering more products on time," said Royal Plastic President Phil Gill. "It's a long journey, but the trick is to keep improving each year. We are probably one-fourth of the way there. MEP has helped us in changing our attitude."

# INTERNATIONAL TRADE AND INVESTMENT

In 2007, Nebraska's manufactured exports totaled more than \$4.2 billion, an increase of 17.4 percent over 2006. While 50 countries accounted for 95 percent of Nebraska's total exports, 49 percent of Nebraska's exports went to just two countries: Canada (28 percent) and Mexico (21 percent). Exports to these two countries alone were valued at over \$2.1 billion (Canada – \$1.2 billion and Mexico – \$900 million). Other top markets include Japan, China, Australia, the United Kingdom, South Korea, the Netherlands, Belgium and Germany.

Nebraska's Export Destinations  
*Top Ten Countries for Export in 2006 & 2007*



Source: U.S. DOC, Office of Trade and Industry Administration, International Trade Administration, 2008.

## EDGERTON

Edgerton Quality Awards Program applicants are judged and rated by Edgerton examiners according to strengths and improvement opportunities. The judges rate applicants according to leadership, strategic planning, customer and market focus, information and analysis, human resources, product and service processes and business results. In FY 2008, Bellevue University in Bellevue and Alegent Health in Omaha received Edgerton Awards.

## PATENT DEVELOPMENT AND TECHNOLOGY PROGRAM

The Department works with the University of Nebraska to identify and commercialize technologies in the state that can result in new businesses and higher-paying jobs. The Department's activities focus primarily on the knowledge-based industries, including information sciences, bio-medical equipment, bioinformatics, health technologies and biotechnology.

## NEBRASKA MICROENTERPRISE PROGRAM

Micro businesses in Nebraska completed the ninth year of data collection for funding received under the Nebraska Microenterprise Act. The Nebraska Microenterprise Partnership Fund and the Department administer the program cooperatively. Individuals from all 93 Nebraska counties have received services throughout the years, and over 5,300 active loans and trainees through nine programs received funding under this program in FY 2008.

## NEBRASKA FILM OFFICE

The Nebraska Film Office assists producers and directors of full-length films, commercials and other film- or TV-related projects. In FY 2008, the office responded to an average of five to six inquiries weekly, mailed out production packages, including the Omaha and state production guide, promoted Nebraska and its locations through a quarterly direct mail postcard campaign to industry executives, maintained the office's Web site: [www.filmnebraska.org](http://www.filmnebraska.org), and scouted locations for a variety of commercials and feature films. The office secured a location for a national event that Windstream videotaped and featured on YouTube.com; secured locations and period automobiles for TwoFour Productions of London, England, which filmed a documentary on Charles Starkweather; and assisted Nebraskan Andrew Robinson with shooting his feature film *April Showers*. Preproduction and location information about cornfields and other terrain in Nebraska was forwarded to companies investing in small feature films, including *Veronica*, which will be shot in Lincoln this fall. Testimony also was presented to Nebraska legislators regarding LB 235, a bill that provides incentives for film and media production companies choosing Nebraska.

## TECHNOLOGY AND TRANSPORTATION

Nebraska has positioned itself as a prime location for businesses in the rapidly growing technology and transportation industries. Advantages for transportation-related businesses include speed to markets, first-class infrastructure, minimal congestion, consistent service, economical cost of doing business, industry-leading businesses in Nebraska, which are available to help meet other companies' needs, two top 10 motor carriers, 8,000 licensed motor carriers, and readily accessible service from two of the largest rail companies in the United States. Nebraska is home to NCEE Labs, an American Association for Laboratory Accreditation (A2LA) lab that provides EMC, product safety and environmental testing and product certification to large and small manufacturers throughout the Midwest.

## BUSINESS DEVELOPMENT REGIONAL STAFF

Eight Department field staff work with businesses, from startups and microenterprises to major industries. Services include technical assistance and financial packaging for start-ups, transition, marketing, expansion and retention. Communities wanting to grow existing businesses or recruit new industries also receive business development assistance.

Among their successes are:

### *Plymouth Industries*

Plymouth Industries represents a ferrous and nonferrous metal fabrication company. It also has a subsidiary, Homestead Electric. The electrical service company and the nonferrous units are located in Beatrice, while the ferrous metal operation is located in Plymouth. The company is owned by a number of Beatrice businessmen and several company managers. Originally, it was formed to support the needs of animal confinement and feeding systems, but the company is trying to expand into other areas. Business development regional staff

worked with the company to secure financing to acquire equipment and possibly working capital in order to gain the capacity to manufacture portable ferrous and nonferrous tanks for various industries. The project stalled, and the company is now looking to enter a more lucrative endeavor. Staff analyzed the company's financial statements, developed different financing alternatives and assisted in preparing realistic financial projections for what the company intended to accomplish.

*BVA, Inc. (Blue Valley Automation)*

BVA represents a new manufacturer of nesting machines for the wood flooring industry. A nesting machine automatically sorts and bundles various-sized boards and types of wood flooring materials. BVA can add a packaging unit too. Two prototype units were sold to different lumber mill operations located in the southeastern part of the United States. The Gage County EDC sought help from business development regional staff to help this company with its financing because funding was becoming scarce. Subsequently, the MEP group and Bottom Line Technical Services were brought in to help management improve on productivity and efficiency. The company's pricing program was reviewed, and staff identified what needed to be done to cover the project expenses while generating a reasonable profit. Finally, working with the equity holders, a financing package was developed to assist them in funding the inventory, working capital and equipment needed to increase production as demand warranted.

Since the housing market is in recession, this project has been put on hold until residential and commercial building resumes. A CDBG is still possible once the market recovers. A modest increase in employment is possible when this project materializes.

Other projects undertaken in 2008 include Novozymes in Blair, Katana Summit in Columbus, multiple ethanol projects, the Hastings spec building project, the Lexington spec building project and a veterinary supply company expansion.

## NEBRASKA ECONOMIC DEVELOPMENT CERTIFIED COMMUNITIES

The program marked its third anniversary in May 2008 with 18 certified communities—Auburn, Cozad, Fremont, Geneva, Gothenburg, Grand Island, Holdrege, Kearney, Lexington, Nebraska City, Norfolk, North Platte, Ogallala, Ord, Scottsbluff, Sidney, South Sioux City and Wayne. The Nebraska Diplomats and other development partners sponsor the program, and the Department administers it. The program is one of only a few in the nation to recognize communities for economic development preparedness.

## LB 840

The Local Option Municipal Economic Development Act (LB 840) authorizes incorporated cities and villages to collect and appropriate local tax dollars (sales and/or property tax), if approved by the local voters, for economic development purposes. To date, the following communities have voted to create LB 840 programs: Albion, Alliance, Arapahoe, Arnold, Atkinson, Bayard, Beatrice, Beaver City, Blair, Burwell, Cambridge, Central City, Chadron, Columbus, Cozad, Curtis, Fairbury, Falls City, Fremont, Geneva, Gering, Gothenburg, Grand Island, Holdrege, Imperial, Kimball, Lexington, Louisville, Milford, Mitchell, Nebraska City, North Platte, Ord, Oshkosh, Plattsmouth, Schuyler, St. Paul, Scottsbluff, Seward, Sidney, Superior, Tecumseh, Valentine and Wakefield.



# 12 Community and Rural Development Division



The Department's Community and Rural Development Division administers grant programs for housing, community infrastructure, planning and business development. The division's technical and financial services target communities and region-wide delivery.

## COMPREHENSIVE REVITALIZATION

During FY 2008, the cities of Bellevue, Columbus, Fremont, Grand Island, Kearney, Norfolk and North Platte shared \$1,223,362 in grants for projects targeting various housing and public works needs as part of the Comprehensive Revitalization categories established in 2005 and administered by the Department. The projects identified in the cities' initial strategies will be implemented through 2008.

## HOUSING

The Department works closely with private and nonprofit organizations to identify housing needs, fill gaps in services and provide technical assistance. Available affordable housing is a high priority for the Department, particularly for people and families earning 80 percent or less of the median income.

During the 2008 program year, \$3,626,500 in Nebraska Affordable Housing Program funds were invested in rehabilitating 289 owner-occupied homes. An additional \$2,204,700 Housing Program funds went toward rehabilitating homes and helping first-time homebuyers purchase homes. More than \$1.6 million (\$1,625,640) of the Housing Program's HOME funds and \$2.9 million (\$2,995,608) of its Nebraska Affordable Housing Trust Funds went toward affordable rental projects, including Nebraska Investment Finance Authority (NIFA) Low-Income Housing Tax Credit equity as a funding source.

The Department also awarded \$6,559,248 to 12 local governments and nonprofit housing organizations to develop or preserve 324 rental units for low-income persons—of those, four were earmarked for extremely low-income renters.

## PLANNING

Twenty-four planning grants totaling \$456,900 in Community Development Block Grant (CDBG) funding were distributed. These grants are used for everything from comprehensive zoning plans and housing market studies to recreation plans and water and wastewater system studies. For example, the Village of Malmo used its \$25,000 to develop a comprehensive development plan, zoning ordinance and subdivision regulations.

## PUBLIC WORKS

A total \$3,293,005 public works grants were distributed to 15 communities and counties in FY 2008. One project involved a \$250,000 grant to Talmage to help eliminate deficient conditions in the downtown area by reconstructing sidewalks, water mains and service lines, streets, and storm drains as part of a greater Talmage Downtown Revitalization Program.

Another project provided Weeping Water with a \$250,000 grant to convert the former Cass County Ag Society Building into a multipurpose community center for residents. The new community center will include a large social hall, small warming kitchen and handicapped-accessible restrooms.

## WATER/WASTEWATER

A total \$1,320,172 water/wastewater grants were distributed in FY 2008. The governor awarded CDBG funding to six Nebraska communities to help local governments repair or update existing water and wastewater systems. Among the awardees was the Village of Taylor, which used its \$250,000 grant to perform closed circuit television inspection of its existing sewer collection system, construct a new lift station and replace the existing wastewater lagoon treatment facility. Taylor's original wastewater system was built in 1962.

## COMMUNITY DEVELOPMENT ASSISTANT ACT (CDA)

The Community Development Assistance Act provides tax credits to local governments and nonprofit organizations that use the credits as incentives to attract private investment in support of specific community economic development projects. In FY 2008, 13 projects were awarded tax credit authorization totaling \$350,000. The credits leveraged \$11.4 million of private investment.

## NEBRASKA COMMUNITY IMPROVEMENT PROGRAM (NCIP)

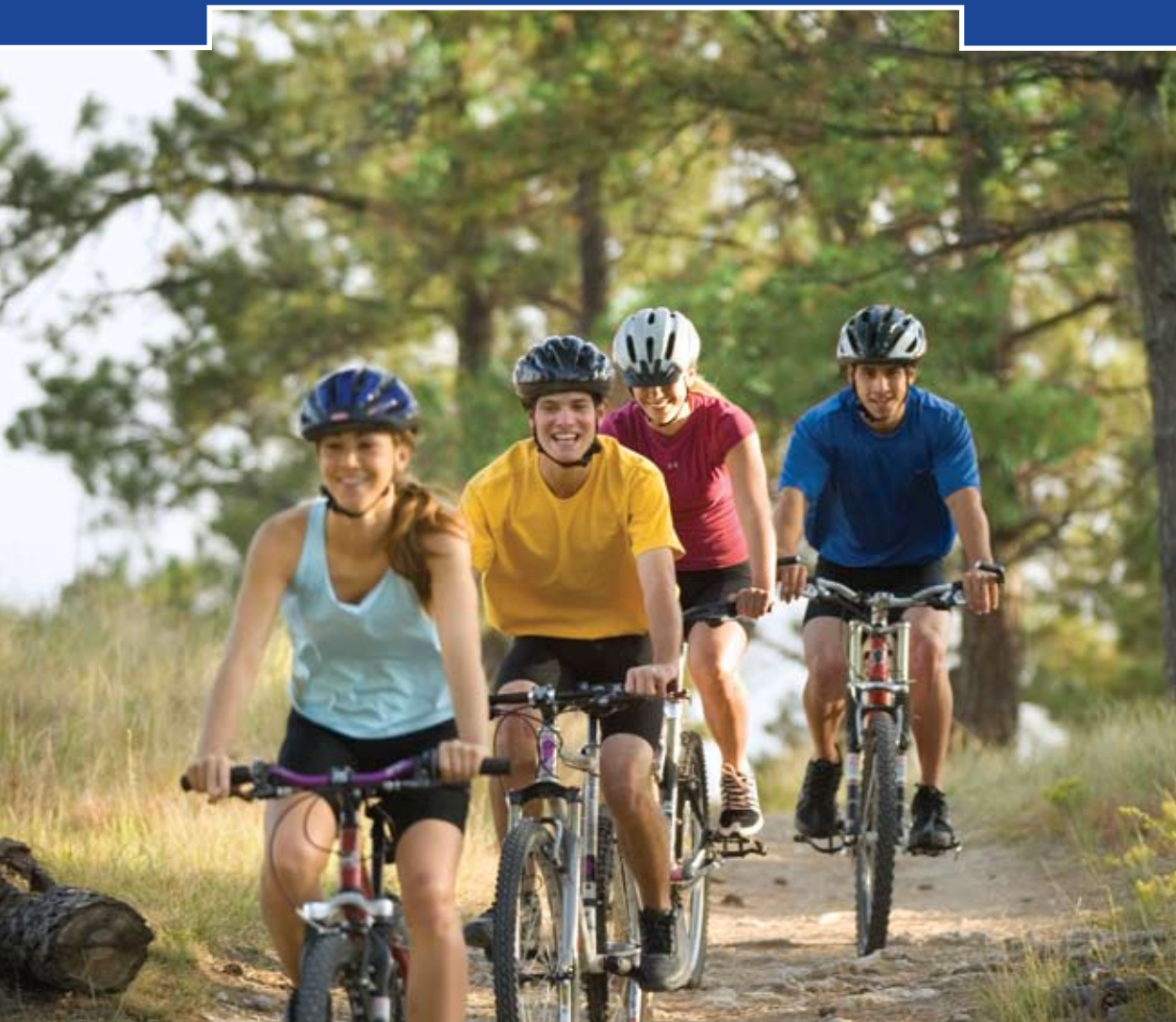
Celebrating its 45th anniversary, NCIP provides accomplishments of cities and towns in leadership and community and economic development. In 2007, 48 communities participated in the program. Regional workshops were held in 32 communities to help prepare community volunteers for participation in NCIP. During the annual statewide banquet, 71 awards were distributed.







# 15 Travel and Tourism Division



The Department's Travel and Tourism Division offers programs and services to help communities and regions develop tourism potential and further strengthen and build on the state's third-largest earner of revenue from outside the state, after agriculture and manufacturing.

In 2007, travelers spent almost \$3.6 billion in the state on trips with overnight stays in paid accommodations and on day trips to places 100 miles or more from home. Annual spending on these trips has increased by almost \$2 billion since 1990. More than 41,000 Nebraska jobs were directly attributed to travel spending in 2007. In addition, each dollar spent by tourists in Nebraska is re-spent in the state to produce an additional \$1.70 in business and income, creating an overall economic impact of \$2.70.

Nebraskans and visitors to Nebraska made 19.4 million trips in the state in 2007 to destinations 100 miles or more from home. Leading states for visitor origin were Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri and South Dakota. The average nonresident traveling party visiting Nebraska by highway during the summer consisted of 2.4 persons who stayed 2.2 nights in the state and spent \$439. More than one-third of the nonresident traveling parties go to attractions and events, and for each attraction or event visited, they average a half-day longer in Nebraska, spending an additional \$101.

## TOURISM ADVERTISING

Funded mostly with revenues from the state's 1 percent lodging tax, the Travel and Tourism Division devotes a large portion of its resources to advertising, printing and distributing state travel literature, and answering requests for travel information. In FY 2008, paid ads generated 74,155 inquiries for travel information. Of this number, 53,123 were received in the first six months of 2007 when most of the tourism ads also ran.

## TOURISM MARKETING GRANTS

Tourism groups throughout Nebraska received 25 Tourism Marketing Grants totaling \$125,000. Grants were awarded for promotion of events, promotion of regions, Internet marketing and general marketing. For area and regional travel marketing activities, a second program awarded a total of \$500,000 in Tourism Advantage Matching Grants to 27 organizations.

## NEBRASKA BYWAYS PROGRAM

The Nebraska Byways Program, which began in 1999, showcases outstanding archaeological, cultural, historic, natural, recreational and scenic qualities along Nebraska's two-lane highways. The state has nine designated scenic and historic byways. A division staff member serves as a byways coordinator helping byway organizations receive grants and other assistance for promoting these roadways.

## TOURISM ASSESSMENT RESOURCE GROWTH EVALUATION TEAM (TARGET)

The TARGET Program helps Nebraska's communities build on strengths, correct weaknesses and reach tourism potentials. Communities organize local TARGET teams that evaluate local past and present tourism efforts and issues. After the state TARGET coordinator reviews an evaluation, a community site visit is scheduled where local TARGET members and the TARGET team from the Travel and Tourism Division meet to tour and discuss the community's existing tourism assets and potential for future tourism development. In FY 2008, TARGET reports were written for Aurora, Cozad, Deshler, Gage County and Garden County. The team also made presentations in Nemaha County, O'Neill, Seward, Sidney, St. Paul and Tecumseh.

## TOURISM DEVELOPMENT AND MARKETING RESOURCES GUIDE

The Tourism Development and Marketing Resources Guide provides useful information on local, state and federal funding resources, community and statewide foundations, tourist-oriented organizations and associations, and other information pertinent to developing one's tourism industry. It is continually refreshed with new programs, organizations and funding sources.

## AGRITOURISM AND ECOTOURISM

With increasing interest in agritourism and ecotourism in Nebraska, the Travel and Tourism Division has specialists on its staff to assist in these areas of development. In February 2008, Governor Heineman hosted an agri/ecotourism workshop in North Platte attended by more than 150 people.

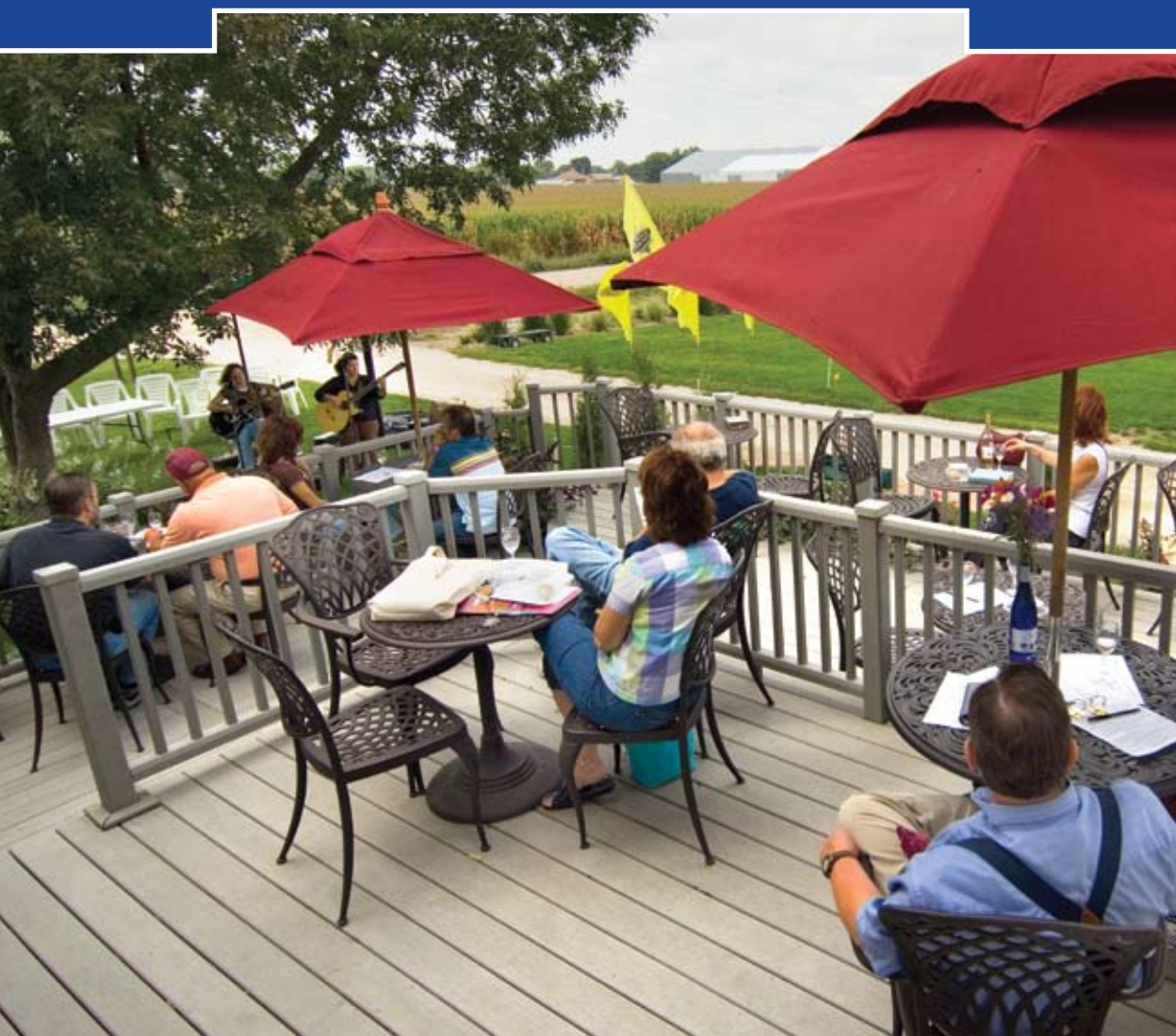
Overall, agri/ecotourism continued to show strong interest statewide this year, with an increase in businesses specializing in wine (wineries and vineyards), birding opportunities, river activities (particularly tanking), country retreats and local food production.

The U.S. Fish and Wildlife Service reports that 650,000 Nebraskans and nonresidents 16 years of age and older participated in wildlife-associated recreation in the state in 2006. Of these, 480,000 participated in wildlife watching.

Many people also found more locations to frequent where they could "Buy Fresh/Buy Local" foods, such as cheese, bison jerky, jellies, homemade pies, and organic beef and poultry.



# 18 Commissions and Organizations



## ECONOMIC DEVELOPMENT COMMISSION

The Department is served by a nine-member Economic Development Commission consisting of nine voting members and the Department director, who serves as a non-voting member. The members are N.P. “Sandy” Dodge Jr., Omaha; Phyllis Gardner, Max; Don Groesser, Ralston; Richard Jeffries, Omaha; Craig Madson, Lincoln; Marilyn Sims, Omaha; Janet Palmtag, Nebraska City; Bob Unzicker, Scottsbluff; and Tim White, Grand Island.

## NEBRASKA DIPLOMATS

The nonprofit Nebraska Diplomats Inc. has a membership of more than 300 business executives and community leaders and is the largest economic development organization in Nebraska.

The Diplomats form alliances with other Nebraska economic development organizations to promote the state’s productive business climate and quality of life.


## RURAL DEVELOPMENT COMMISSION (RDC)

Twenty representatives from state and federal agencies, regional governmental groups, finance, farming, ranching, education, agriculture support, telecommunications, tribal organizations, not-for-profit social support entities and development organizations make up the Commission. In addition to working on projects that further commission goals, the RDC assisted the Department with reviewing, awarding and monitoring the Building Entrepreneurial Communities (BECA) and Agricultural Innovation and Value-Added Agriculture (VAA) grant programs. Twenty-nine BECA awards totaling \$500,000 and 47 VAA awards totaling \$1,699,500 were awarded during this year. The commission features more information on its Web site: [www.ruralnebraska.info](http://www.ruralnebraska.info).

## NEBRASKA INNOVATION ZONE COMMISSION (NIZC)

The Nebraska Innovation Zone Commission worked with consultants to complete Phase I in early 2008. The Web site [www.I-80ideas.com](http://www.I-80ideas.com) provides communities a venue for sharing suggestions regarding the I-80 corridor’s regional development. The Commission believes that success will be achieved as the region comes to think and act as a “regional family,” crossing jurisdictional lines and spanning public sectors; and as more innovative and creative measures go into developing solid strategies for building an economically sound and long-term sustainable region.



A scenic view of a Nebraska landscape. The foreground shows a road with a metal guardrail and dry, yellowish grass. The middle ground features rolling hills with sparse vegetation under a clear blue sky. The background shows more distant hills and a bright blue sky. The entire scene is framed by a dark grey border with white outlines.

Nebraska's advantages make living, working and doing business here a rich and rewarding experience. These include a myriad of employment opportunities, short commute times, safe and secure communities in which to raise families, top-notch educational institutions from kindergarten through college, clean air and water, marvelous attractions and festivals, and breathtaking scenery where people can immerse themselves in history, pure fun and entertainment, or their favorite recreational pastime. It is these advantages and many more that make possibilities for prosperity and happiness seem endless here in Nebraska.

NEBRASKA DEPARTMENT  
OF ECONOMIC DEVELOPMENT

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