

SHOVEL-READY CAPITAL RECOVERY & INVESTMENT ACT

Revised Date: July 3, 2023

This document remains effective until it is amended, superseded, or rescinded.

Nebraska Department of Economic Development (NDED) 245 Fallbrook Blvd, Suite 002, Lincoln, NE 68521

This guidance document is advisory in nature and is binding until amended by the NDED. The guidance document does not include internal procedural documents that affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

1. Which 501(c)(3) organizations qualify for a Shovel-Ready Capital Recovery and Investment Act grant?

The Act defines a “qualified nonprofit organization” as a tax-exempt organization under the Internal Revenue Code section 501(c)(3) that:

- a) Is related to arts, culture, or the humanities*, including any organization formed for the purpose of developing and promoting the work of artists and the humanities in various visual and performing forms, such as film, sculpture, dance, painting, horticulture, multimedia, poetry, photography, performing arts, zoology, or botany;
- b) Operates a sports complex**;
- c) Is a postsecondary educational institution in a city of the metropolitan class and partners with an organization hosting a regional or national event for purposes of infrastructure development related to furnishing and equipment for a health sciences education center, enhanced mobility by vacation of a public street, pedestrian safety, and construction of a community athletic complex; or
- d) Is a county agricultural society with facilities located within the boundaries of a city of the primary class.

Due to the amount of funding available, postsecondary educational institutions are only eligible to apply for funding for the funding set aside as described in Nebraska Revised Statute § 81-12,225(2)(a).

*To determine a 501(c)(3) organization’s purpose, NDED will look at the organization’s primary Activity Codes or NTEE Code, Articles of Incorporation and written bylaws.

**Sports complex means property that includes indoor areas, outdoor areas, or both; is primarily used for competitive sports; and contains multiple separate sports venues. Sports venue includes, but is not limited to: a baseball field, softball field, soccer field, outdoor stadium primarily used for competitive sports, an enclosed, temperature-controlled building primarily used for competitive sports.

- 2. Can our 501(c)(3) application be pending at the time of our Shovel Ready Application?**
No. Your organization must have a 501(c)(3) designation from the IRS at the time of application.
- 3. When can a grant application be filed?**
Applications may be submitted to NDED electronically beginning at 9 a.m. CDT on July 1, 2023. Applications will be reviewed in the order submitted and until funds are fully obligated. The application period will close on July 1, 2024.
- 4. Can a qualified nonprofit organization apply for grants for more than one capital project?**
No. Applicants will only be allowed to submit one application via AmpliFund.
- 5. My organization received a Shovel-Ready grant during the first round of funding. Can I apply again for the same capital project or another capital project?**
Organizations that previously received funding from the Shovel-Ready program are ineligible to apply for funds for the same project. Applications for new projects will be accepted.
- 6. Will a qualified nonprofit organization be allowed to amend its application after submission?**
No. Because of the nature of this program, amendments after submission will not be allowed.
- 7. Can a qualified nonprofit organization use federal or state funds for the required match portion? Are there any restrictions on where match funds are obtained?**
This round of Shovel Ready funding allows qualified nonprofit organizations to include matching funds from private and or non-private sources. Qualified nonprofits must secure written pledges or payments from all sources providing matching funds by December 31, 2024.
- 8. Will the DED recognize in-kind contributions as qualified matching funds?**
No. In-kind contributions will not be recognized as qualified matching funds for the purposes of this grant program. In-kind matching includes non-cash contributions provided by a third-party to support the project work including, but not limited to, supplies, real property and equipment.
- 9. What match funding documentation is needed to submit an application?**
As part of the application process, the qualified nonprofit organization must complete and provide the Match Ledger found at <https://opportunity.nebraska.gov/program/shovel-ready-grants/>. This documentation does not require the names of donors.
- 10. Will grants to be awarded on a "first come, first serve" basis? How is this determined?**
The Shovel-Ready Capital Recovery and Investment Act requires NDED to consider applications in the order in which they are received. NDED will review and approve applications based on the time of submission by the applicant through AmpliFund, the Department's Grant-Management System (GMS).
- 11. How is the Shovel-Ready Program being funded?**
The first round of Shovel-Ready grant funding was funded, in large part, with federal American Rescue Plan Act (ARPA) dollars. The new round of Shovel-Ready grants will utilize funding from the State of Nebraska's Cash Reserve Fund.

12. How much grant funding is available and how will the funds be divided?

Per LB 818, grants totaling up to the amount of \$70 million are available under the Shovel-Ready program. Per Nebraska Revised Statute § 81-12,225(2), the total appropriation for grants to capital projects will be divided. Thirty million (\$30 million) is allocated to nonprofit organization holding a certificate of exemption under 501(c)(3) of the Internal Revenue Code that are qualified nonprofit organizations as listed in Nebraska Revised Statute § 81-12,221(5)(c). The remaining funding will be divided equally among each of Nebraska’s congressional districts.

13. What is the cutoff date for capital project expenses?

Expenses incurred prior to March 3, 2021 are ineligible. Expenses after the period of performance are also ineligible. Please review program guidelines for additional detail.

14. When must a qualified project begin or resume construction on their capital project?

Projects must begin or resume by June 30, 2025.

15. What would be considered “multiple separate” sports venues under the Shovel-Ready Capital Recovery and Investment Act?

Two or more of any combination of the following:

- a) A baseball field;
- b) A softball field;
- c) A soccer field;
- d) An outdoor stadium primarily used for competitive sports;
- e) An outdoor arena primarily used for competitive sports; and
- f) An enclosed, temperature-controlled building primarily used for competitive sports.

If any facility indicated above contains more than one multipurpose field, court, swimming pool, or other facility primarily used for competitive sports, then each such multipurpose field, court, swimming pool, or facility shall count as a separate sports venue.

16. Can Shovel-Ready Capital Recovery and Investment Act grants be used for the purchase of existing building(s) for redevelopment and use by a qualified nonprofit?

Yes, if the purchase of the existing building includes the land on which the building is located.

17. Must qualified nonprofit organizations own the facilities or National Historic Landmark to be built, expanded, developed, or restored by its Capital Project?

No. But the qualified nonprofit must have some capital interest in the property. Qualified nonprofit organizations must demonstrate that the completion of the Capital Project inures to its benefit. For example, this can be met by presenting the Department with documents such as agreements, leases, etc., demonstrating the organization’s legal entitlement to possession and/or control of the property such that improvement of the property would benefit the qualified nonprofit organization.

18. Can a capital project receiving CDBG funding also receive funding under the Shovel-Ready Capital Recovery and Investment Act?

Yes. Funding from all sources is accepted for the match requirement.

19. What happens if a Shovel Ready application is approved however the required match funds are not secured by payment or written pledge by December 31, 2024?

If funds are not secured by December 31, 2024, the amount of the awarded grant will be reduced to the amount of funds actually secured by the organization.

Changes to this document from earlier versions are underlined in the text above.