

NGage

OPPORTUNITY GROWS HERE



Gage Area Growth Enterprise
2016 ANNUAL REPORT



N *Gage*

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Dear Friends,

Since coming on board in May I've been getting to know everyone and everything in Gage County and have enjoyed meeting folks from all of our communities, schools, businesses, and partners. And now, as a Gage County resident, I'm proud to be a local. Proud to be part of a progressive business environment that is poised for growth.

Frequently I host companies, site consultants, developers, and potential residents and the one thing that is apparent to those guests is the diversity of businesses we have that touch every corner of the world. The guests' response makes me smile every time.

"Wow. I had no idea that there was so much going on here".

My hope for our residents is to appreciate these wonderful businesses that call Gage County home. NGage is here to help but it takes an army because

economic growth will come from supporting them, appreciating them, and recognizing them.

As we forge forward into 2017, let's also appreciate our great leaders. Our county and city leadership should be thanked every day for the work they do. These proactive leaders are always looking ahead and identifying potential issues to make projects run smoothly.

2016 was a good year. A year that will pave the way for many more. We had successes with business expansions, recruitment, and entrepreneurship. The highlights are detailed in this report. By no means is our work done. Let's keep building to create a successful 2017.

Respectfully,

A handwritten signature in black ink that reads "Walker Zulkoski". The signature is written in a cursive, flowing style.

Walker Zulkoski
Executive Director



(Above) Boarding the train to World Group Pictured: Courtney Dentlinger, DED Director; Taylor Gage, Governor Ricketts' Public Relations Director; Walker Zulkoski, NGage Executive Director

NGage Executive Director, Governor Ricketts, and a Nebraska Delegation traveled to the world headquarters of JiangSu World Group, the owner of Worldlawn Power Equipment. Worldlawn purchased the Husqvarna building in North Beatrice and has invested in our local community through real estate and job creation.

We are proud to have them as a thriving business and wanted to extend our appreciation for their continued investment in Beatrice.

(Pictured Below L to R): Hardy Shao, President of Worldlawn Power Equipment; Governor Pete Ricketts; Mr. Wang, World Group Owner; Wendy Birdsall, President of the Lincoln Chamber of Commerce; Walker Zulkoski, NGage Executive Director

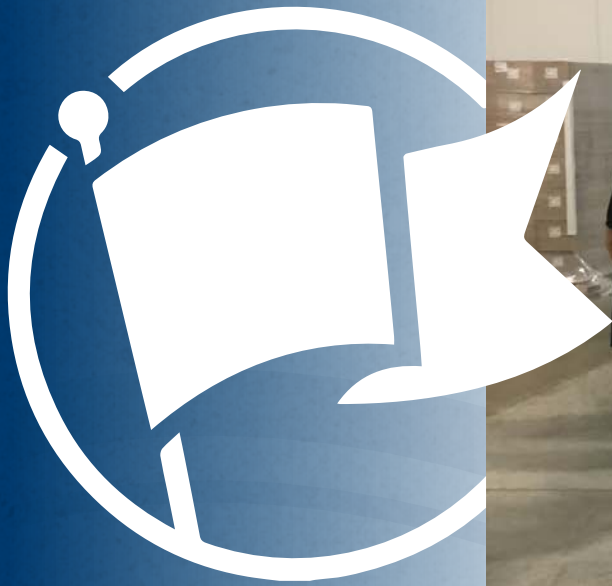


WORLDLAWN®



Exmark Manufacturing received the Business of the Year Award from the Nebraska Diplomats at an award banquet in September, 2016. Judy Altmaier, Exmark Manufacturing General Manager, is pictured with Governor Pete Ricketts and Dean Hart, Nebraska Diplomats President.





New Investments!

\$65,000,000

Investment Value Attributed to

**Gage County
Growth in 2016**

Landmark Snacks, LLC, a new company started in Beatrice in the spring of 2016 was recognized by Congressman Adrian Smith with an Excellence in Economic Development Award. Congressman Smith visited Landmark's new plant in August and presented the award to owners Chad and Courtney Lottman. NGage and the community has welcomed the Lottman's and the plant's general manager, Bob Reed.



Duonix Beatrice Biodiesel Plant Began Operations in 2016

Duonix Beatrice, a joint venture with Benefuel Inc. and Flint Hills Resources was created in 2013. With an investment of more than \$100 million, an existing biodiesel plant in Beatrice was retrofitted. Duonix employs 51 people and is expected to produce 50 million gallons of biodiesel annually. The technology used in the process of making biodiesel can take lower-cost feedstocks such as recycled cooking oil, distillers corn oil, and beef tallow to make high-quality biodiesel. The plant in Beatrice is the first commercial-scale biodiesel production facility in the country using Benefuel's innovative ENSEL technology.





Hybrid Turkeys chose Beatrice to build their new state-of-the-art hatching facility.

The \$6 million investment is the culmination of an extensive search for a potential site. The site selection team said it was impressed by the collaborative and innovative approach presented by both the city of Beatrice and the state of Nebraska.

Beatrice was one of five communities in three states considered, and this will be the company's only United States location. The hatchery is expected to be operational by July 2017 and add 25 full-time jobs at the 30,000-square-foot site.

Hybrid Turkeys General Manager Peter Gruhl said that several factors were considered before selecting Beatrice as the site. ***"Location, services, biosecurity and opportunities to serve our customers were all carefully considered in the search process,"*** said Gruhl. ***"This investment in a new turkey hatchery is representative of our commitment to fulfilling the needs of our clients and continuing to support the U.S. turkey industry."***

Hybrid Turkeys is part of Hendrix Genetics, a leading multi-species breeding company with primary activities in turkeys, layers, pigs, aquaculture and traditional poultry. Headquartered in Boxmeer, in the Netherlands, Hendrix Genetics provides expertise and resources to producers in more than 100 countries, with operations and joint ventures in 24 countries and more than 2,400 employees worldwide.



Scouting the new Hybrid Turkeys hatchery site at the Gage County Industrial Park.

First State Bank expanded their presence in Beatrice by opening a full service branch location at Beatrice's Northridge Village commercial development in October, 2016. The new branch provides full services including banking, insurance and retail mortgage products. With the branch opening, three new employees were added, making a total of seven staff members based in Beatrice. Altogether, First State Bank has fifteen branch locations with four of those in Gage County, including offices in Pickrell, Filley, Cortland and Beatrice.

In 2016, a new 5,000 square foot building was added to the development completing the Northridge Village project after six years in the making. Southwick Chiropractic moved into one side of the new building, making it possible for the bank to move to its new space.



COMING SOON TO BEATRICE

- Hybrid Turkeys new hatchery
- Rare Earth Salts' Production Facility
- Flowing Springs Addition
- Brentwood Estates Assisted Living
- Other housing developments in planning stages

Outside Real Estate Investor Purchased the Store Kraft Manufacturing Property: Space and Opportunities Available for Mixed Business Use.

The prior Store Kraft Manufacturing Building offers an affordable opportunity for businesses to get started or expand in Beatrice, NE. This warehouse facility currently includes 400,000 square feet which can be divided to accommodate a variety of business needs.

The property was purchased by Beatrice Industrial LLC out of Lincoln, NE in 2016. Drawn to the facility by its location to highway access, size and diversity of the space, and Gage County's pro-business climate and an energetic economic development group, Beatrice LLC knew it would be an excellent opportunity for businesses looking in the Midwest. The new owners and NGage are looking to keep business history alive and active in this historic space.





Downtown Beatrice received designation on the National Register of Historic Places in 2016!

The designation provides marketing, tourism, promotional, and an economic development boost as buildings are improved using criteria outlined by federal and state programs. Tax incentives are now possible for rehabilitation of over 100 contributing buildings and properties in the designated downtown historic area.

Thanks to NGage partner, Main Street Beatrice and other City leaders that worked diligently to obtain the designation. The National Park Service maintains the national register of historic places.

Pictured: Congressman Adrian Smith presenting the designation plaque in downtown Beatrice.

2016

by the numbers

While "NGage-ing" with local business, NGage made a total of 78 business retention and expansion visits!

13

New small businesses

5

Business Expansions

2

Businesses Closed

26

Jobs created or retained from new small businesses, expansions, or transitions

Small Business Report

During 2016, NGage helped facilitate 17 different workshops, seminars or networking sessions for entrepreneurs and small businesses. Training topics ranged from "Growing Your Business" to "Online Marketing and Social Media" to historical tax credits and SBA procurement opportunities. Over 100 participants total took part attending various sessions. In addition, Glennis McClure, Senior Development Coordinator for NGage met with 36 individual business owners or those considering startups or transitioning their businesses.



An area start-up success story is Diane's Dresses, Etc. in Wymore owned by Diane Creek. Diane started the business in 2014 after utilizing some planning assistance from NGage staff. Diane stayed in touch with NGage and has participated in several workshops over the past two years. During 2016, Diane made some significant improvements, adding new product lines, more part-time employees along with a full-time assistant. She connected with a CPA in follow-up from one of business growth workshops to receive more in-depth assistance with her accounting, inventory, and point of sale system. Diane attended a marketing workshop in 2016 where she said she learned more ways to improve her use of social media marketing. The store draws from a 60-90 mile radius now with her wedding and specialty dress customers.



Denise Pahl, Co-Owner of Tall Tree Tastings

Denise Pahl, Co-Owner of Tall Tree Tastings participated in several small business seminars and workshops coordinated by NGage. She utilized the information and time in the training sessions to plan her business and network with other small business owners before launching her business in July, 2016. In addition, she connected with Main Street Beatrice and REAP and eventually obtained her start-up financing from these resource partners of NGage.

Gage County Housing Study

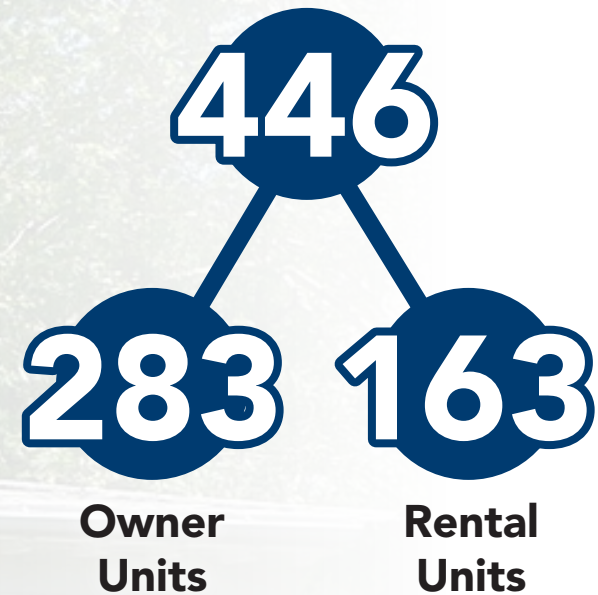
A Gage County Communities Housing Study was complete in 2016. NGage contracted with Hanna:Keelan Associates, P.C., of Lincoln for a county-wide study to develop strategies for affordable housing thru 2021. The completed study provides guidance in both the development and preservation of housing in each of the communities and outlines goals, action steps and a Five-Year Housing Action Plan to identify specific housing development initiatives.

As outlined in the adjacent table, the study identified significant housing needs in Gage County. Specifically, for 446 housing units, including 283 owner and 163 rental units thru 2021. Additionally, a Downtown Housing Initiative targets up to 22 new housing units in Downtown Beatrice.

The results were provided to over a dozen developers. By the end of 2016, several housing development projects were in the works with plans to meet with more prospects in 2017.

NGage looks forward to new housing development projects springing up as a result of the Housing Study. The completed study is posted on the NGage website.

**Found Need for 446
Housing Units**



**New Housing Units
targeted by Downtown
Beatrice Initiative**

**ESTIMATED HOUSING TARGET DEMAND
GAGE COUNTY & COMMUNITIES, NEBRASKA
2021**

	Owner	Rental	Total Target Demand*	Est. Required Target Budget (Millions)
Gage County:	283	163	446	\$111.46
Beatrice:	108	115	223**	\$50.10
Adams:	2	4	6	\$0.95
Barneston:	0	2	2	\$0.13
Blue Springs:	2	4	6	\$0.95
Clatonia:	2	4	6	\$0.95
Cortland:	6	6	12	\$2.60
Filley:	2	0	2	\$0.47
Liberty:	0	2	2	\$0.13
Odell:	2	4	6	\$0.95
Pickrell:	2	4	6	\$0.95
Virginia:	1	0	1	\$0.18
Wymore	12	18	30	\$4.90
Balance of County	144	0	144	\$48.20

*Based upon new households, providing affordable housing for 10% of cost burdened households, replacement of 20% of housing stock experiencing plumbing, overcrowded conditions, absorb housing vacancy deficiency by creating 6% vacancy rate consisting of structurally sound housing units and build for "pent-up" demand, based upon local capacity and availability of land and financial resources.

**Includes Downtown Housing Potential:
Beatrice, 22 Units; 8 Owner & 14 Rental Units.

NOTE: New housing in the small Communities should focus on purchase-rehab/resale or re-rent.

Source: Hanna:Keelan Associates, P.C., 2016.

- Housing Needs Assessment indicated overall need in Gage County thru 2021 of 446 housing units.
- Identified 223 units needed in Beatrice over next five years including downtown housing potential.
- "NGaged" with over 20 local and outside development firms with housing study results.

NGage *Board of Directors*



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Pinnacle Bank
Vice President

Patrick Ratigan

Ratigan-Schottler Manufacturing
President

Karen Stohs

Nebraska Department of Labor/Workforce Development
Employment Services Manager-Region IV

Darin Baehr

Pinnacle Trust Services
Officer

Steve Hovendick

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Financial Advisor

James Lenner

First State Bank
Vice President/Loan Officer

Dennis Rosene

Rosene Machine
President

Bob Morgan

Southeast Community College, Beatrice
Beatrice Campus Director / Dean of Virtual Learning

Pat Nauroth

Beatrice Public Schools
Superintendent

Erich Tiemann

R.L. Tiemann Construction and Beatrice Lawn Care
Vice President

Walker Zulkoski

NGage
Executive Director

Glennis McClure

NGage
Senior Development Coordinator

Invest in NGage today!



Invest in yourself and your community.

Gage County businesses have chosen to become NGage members knowing that they are investing in the vitality of our county for future generations. By growing business, we build a resilient economy for every citizen in Gage County. With your expertise, vision and investment, along with NGage, we can create a more vibrant and economically sound community and county. Business prospects view investor/members as indicators of growth and development support in our area. Member benefits:

- Featured business status on the NGage website.
- Recommended to companies seeking your product/service.
- Recognition as an involved and supportive partner for development of Gage County.
- "Staking Your Claim" as a leader in Gage County.

Members at the 1,000 investment level and above are considered voting members.

Thank you **NGage** member investors

Leader Members



Champion Members



Catalyst Members



Advocate Members



Associate Members

American Family Insurance - Cheryl Wirth Agency
 Beatrice Area Chamber of Commerce
 Carriage Motors
 Clabaugh Pharmacy Inc.
 Deines Pharmacy Inc.
 Great Western Bank
 Jones Insurance Agency

Landmark Snacks, LLC.
 Members Own Credit Union
 Meyer & Associates
 Nebraska Department of Labor
 Pickrell Lumber & Hardware
 Ragland Automation Inc
 Schulz & Associates

Schuster's Outdoor & R.V. Inc
 Smith Schefer Davis Gaertig LLC
 State Farm - Ed Easley Agency
 R.L. Tiemann Construction Inc
 US Bank
 Woods Bros Reality