City gets $500,000 DED grant to develop industrial site

An industrial site in the southeast part of town got a boost from the Nebraska Department of Economic Development with a $500,000 grant.

The grant will help pay for a project, roughly estimated to cost $1.3 million, that will transform the area into a shovel-ready site for industrial development.

Planned infrastructure improvements include paving a road from Cottonwood Drive east to the west edge of the tract, and installing water and sewer mains along the way.

The money is the first grant given from DED's Site and Building Development Fund as part of the state's Talent and Innovation Initiative.

The Gothenburg Improvement Company owns 350 acres for development with 156 acres of prime development land, according to Jen Wolf, Dawson Area Development director.

"There is huge importance placed on shovel-ready sites for companies wanting to locate or re-locate," Wolf said. "There are very few of them in Nebraska."

SITE & BUILDING FUND

The Site & Building Development Fund is intended to help increase industrial and commercial sites available and ready for business development.

Communities will provide matching funds toward projects that can involve demolition, new construction and rehabilitation. State funding will be focused on land and infrastructure costs with 40% of funding available to non-metro areas.

Source: www.governor.nebraska.gov/news)

GIC officials are focusing on the recruitment of businesses in production manufacturing, warehousing and distribution operations, and/or agricultural process manufacturing industries.

“Gothenburg already has many competitive advantages for new industries,” said GIC president Mike Bacon. “Our new rail-served industrial park will be one more asset to grow our community.”

On Tuesday, Wolf explained that the area is desirable for companies wanting rail access because it has 1 miles of siding, or additional track from the three main lines, that companies could access.

In addition to the $500,000 grant, the city will receive (pending final approval) a $300,000 Rural Economic Development Loan and Grant (REDLG) Revolving Loan Fund from the United States Department of Agriculture.

Wolf said the city has to match the grant, with $60,000. The $360,000 will then be loaned to GIC at 0% interest to develop the tract. Money paid back by the GIC will go into the City of Gothenburg Loan Fund for for-profit businesses that meet certain criteria and significantly benefit the local area.

The remainder of the funds needed for infrastructure will come from the city’s sales tax for economic development and from tax-increment financing.

DED business development manager Tim O’Brien said Gothenburg and county officials had everything in place in the application for the DED grant Gothenburg received.

“They had the planning done and the financial resources to make it work,” O’Brien said, noting that a partnership of city, county and utilities helped land the grant. “We look at partnerships that result in investment for the area.”

Passed during the 2011 legislative session, the four-part Talent and Innovation Initiative also includes the InternNE grant program, the Business Innovation Act and the Angel Investment Tax Credit.

Wolf noted that Sen. John Wightman, who represents Dawson, Custer and part of Buffalo counties, introduced legislation for the Site and Building Development Fund which is now benefitting the county.

Because of rail access, Wolf added that there’s been a lot of interest in the site by prospective businesses.

The industrial tract, targeted for development by the GIC, was once considered for development by an ethanol production company that decided not to build on the site.

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