

LOCAL CIVIC, CULTURAL, AND
CONVENTION CENTER
FINANCING FUND

2009 ANNUAL REPORT

**NEBRASKA DEPARTMENT OF ECONOMIC
DEVELOPMENT**

December 1, 2009

Introduction

The Local Civic, Cultural, and Convention Center Financing Fund, administered by the Nebraska Department of Economic Development, was created by an act of the same name in 1999 to support the development of civic, cultural, and convention centers in Nebraska municipalities, particularly centers that attract new civic, cultural, and convention activity to Nebraska from outside of the state. The call for this report is contained in Nebraska Revised Statutes Cumulative Supplement, 2006, Section 13-2709:

Annual Report. The Department shall submit to the Governor, the Clerk of the Legislature, and the Legislative Fiscal Analyst an annual report on or before December 1 each year documenting the grants conditionally approved for funding by the Legislature in the following fiscal year.

This report contains a list of projects receiving grants awarded by the Department from the Local Civic, Cultural, and Convention Center Financing Fund since the fund's inception. Grants have not been awarded each year. They were awarded in both FY2008-09 and FY2009-10 but, before then, not since FY2004-05. During the period from FY2004-05 to FY2008-09 total revenues in the fund remained below \$1,000,000—the maximum possible grant for a single project that can be awarded. The Local Civic, Cultural, and Convention Center Financing Act states the following maximum grant amounts, which vary according to the populations of municipalities:

Population of 100,000-299,999	\$1,000,000
Population of 40,000- 99,999	\$ 500,000
Population of 20,000- 39,999	\$ 400,000
Population of 10,000- 19,999	\$ 300,000
Population of 5,000- 9,999	\$ 200,000
Population of 1- 4,999	\$ 100,000

Revenues in the fund began accumulating faster following enactment of LB 551 in the 2007 session of the Legislature. LB 551 changed the basis for accumulating revenues for the implementation of the Convention Center Facility Financing Act, which guides the use of the Convention Center Support Fund as well as the Local Civic, Cultural, and Convention Center Financing Fund. The increased revenues in the Local Civic, Cultural, and Convention Center Financing Fund enabled more grants to be awarded from the fund after 2007 than before. Of a total of 28 grants awarded since the fund's inception, 20 occurred after 2007 and accounted for 67.7 percent of the total amounts granted (\$1,992,481 of \$2,943,146).

Rules and Regulations

The rules and regulations for the Local Civic, Cultural, and Convention Center Financing Act are in Appendix A. The rules and regulations separately define civic center, cultural center, and convention center—the three types of projects for which grant assistance is intended. The rules and regulations also specify eligible grant applicants and projects,

minimum and maximum grant amounts, the criteria for evaluating grant applications, and a procedure for ordering projects from most preferred to least preferred.

Grant Applications

Eligible to apply for grant assistance from the Local Civic, Cultural, and Convention Center Financing Fund are all Nebraska municipalities except the City of Omaha and municipalities receiving grants from the fund in the preceding five years. In the summer and fall of 2003, the Department announced the grant program to Nebraska municipalities and distributed grant application forms to them. In response, 23 municipalities sent completed applications to the Department in October 2003. Eight of these municipalities eventually received grants, awarded in 2004 and 2005.

The next time that the Department invited Nebraska municipalities to submit applications for grants from the fund was in the summer of 2008. In response, 19 municipalities sent completed applications to the Department in October 2008. Twelve of those applications were approved for grants.

In the summer of 2009, the Department again invited Nebraska municipalities to submit applications for grants from the fund. In response, 26 municipalities sent completed applications to the Department in October 2009. Eight of those applications were approved for grants.

Evaluation Procedure

Each completed application provided assurances from the chief elected official (mayor, chairperson, etc.) of the applying municipality that the project for which a grant was sought would be located in the municipality and would be owned and operated directly or by contract by the municipality. That left four criteria on which the Department evaluated the projects: 1) attraction impact, 2) socioeconomic impact, 3) financial support, and 4) readiness.

Grant Amounts

Table 1 shows the grants awarded. In the majority of cases, the amounts shown are what were requested and in seven cases were the maximums allowed, based on the population sizes of the municipalities, and in two cases the minimum of \$20,000 allowed (see Section 001.05 of the rules and regulations in Appendix A). In eight cases, the amounts awarded were less than those requested in the grant applications. In these instances, some of the items requested for funding were judged inappropriate for grant funding compared to other items based on the rules and regulations.

Grant Funding

Total revenue in the Local Civic, Cultural, and Convention Center Financing Fund amounted to \$550,118 at the end of FY2003-04 on June 30, 2004. From that amount, the highest ranked project, the Heartland Event Center in Grand Island, received a grant of \$500,000 in July 2004. On May 31, 2005, revenue in the fund totaled \$482,021. From that amount, seven other projects shown in order in Table 1 (from the Event Center in Kimball to the Community Hall in Maywood) were awarded grants totaling \$450,665 in June 2005. On November 30, 2008, revenue in the fund totaled \$1,799,187. From that amount, twelve more projects shown in order in Table 1 (from the Civic Center in Gering to the Library in Tekamah) were approved for grants totaling \$1,292,426 in November 2008. On November 30, 2009, revenue in the fund minus an amount specified by the Legislature to be transferred to the General Fund totaled \$1,798,756. From that amount, eight more projects shown in Table 1 (from the Opera House in Brownville to the Community Center in Stapleton) were approved for grants totaling \$700,055 in November 2009.

Conclusion

Following rules and regulations adopted and promulgated for administering the Local Civic, Cultural, and Convention Center Financing Fund and the grant program it funds, the Nebraska Department of Economic Development has provided in this report a listing of projects and municipalities receiving grants. The Local Civic, Cultural, and Convention Center Financing Act states that “projects shall receive funding from the fund in the order conditional approval is received and whenever there is sufficient money in the fund to provide the assistance in full.” Table 1 shows the grant amounts awarded to date. The Department expects to next invite applications for grants from the fund in 2010.

TABLE 1**GRANTS FROM THE LOCAL CIVIC, CULTURAL, AND CONVENTION CENTER
FINANCING FUND**

<u>Project and Municipality</u>	<u>Grant Amount</u>	<u>Year Awarded</u>	<u>Cumulative Amount</u>
Heartland Event Center, Grand Island	\$ 500,000	2004	\$ 500,000
Event Center, Kimball	\$ 97,500	2005	\$ 597,500
Museum of Natural and Cultural History, Hastings	\$ 120,000	2005	\$ 717,500
Community Center, Arnold	\$ 100,000	2005	\$ 817,500
Community Hall, Miller	\$ 25,400	2005	\$ 842,900
White Horse Museum, Stuart	\$ 20,000	2005	\$ 862,900
Municipal Auditorium, David City	\$ 47,000	2005	\$ 909,900
Community Hall, Maywood	\$ 40,765	2005	\$ 950,665
Civic Center, Gering	\$ 200,000	2008	\$1,150,665
Community Building, Humphrey	\$ 100,000	2008	\$1,250,665
Sumtur Amphitheater at Walnut Park, Papillion	\$ 300,000	2008	\$1,550,665
Scenic Park East Memorial/Interpretive Center, South Sioux City	\$ 300,000	2008	\$1,850,665
Community Center, Atkinson	\$ 48,676	2008	\$1,899,341
Community Center, Creston	\$ 40,000	2008	\$1,939,341
Community Building, Bancroft	\$ 35,750	2008	\$1,975,091
Community Center, Firth	\$ 28,000	2008	\$2,003,091
Municipal Auditorium, Kennard	\$ 50,000	2008	\$2,053,091
Carnegie Cultural Center, Randolph	\$ 50,000	2008	\$2,103,091
Library/Museum, Tobias	\$ 40,000	2008	\$2,143,091
Library, Tekamah	\$ 100,000	2008	\$2,243,091
Opera House, Brownville	\$ 37,587	2009	\$2,280,678
Community Center, Cairo	\$ 99,000	2009	\$2,379,678
City Park Band Shell, Fremont	\$ 244,530	2009	\$2,624,208
Rice Lodge and Conference Center, Odell	\$ 88,000	2009	\$2,712,208
Civic Center, Beaver City	\$ 51,500	2009	\$2,763,708
Community Center, Blue Hill	\$ 20,000	2009	\$2,783,708
Dansk Hall Community Center, Dannebrog	\$ 69,438	2009	\$2,853,146
Community Center, Stapleton	\$ 90,000	2009	\$2,943,146

APPENDIX A

**RULES AND REGULATIONS FOR
LOCAL CIVIC, CULTURAL, AND CONVENTION CENTER
FINANCING ACT**

NEBRASKA ADMINISTRATIVE CODE

TITLE 90, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 1

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT

**Rules and Regulations for Local Civic, Cultural, and Convention Center
Financing Act**

Issue Date: July 31, 2003

NEBRASKA ADMINISTRATIVE CODE

TITLE 90 NAC CHAPTER 1

NUMERICAL TABLE OF CONTENTS

<u>Subject</u>	<u>Statutory Authority</u>	<u>Code Section</u>
Administration	13-2701	001
Purpose	13-2702	001.01
Definitions	13-2703, 13-2704	001.02
Eligible Applicants	13-2706, LB 385	001.03
Eligible Projects	13-2704	001.04
Grant Amounts	13-2705, LB 385	001.05
Criteria for Evaluating Grant Applications	13-2707, LB 385	001.06
Conditional Approval for Grants	13-2708, LB 385	001.07
Annual Report	13-2709	001.08

NEBRASKA ADMINISTRATIVE CODE

TITLE 90 NAC CHAPTER 1

ALPHABETICAL TABLE OF CONTENTS

<u>Subject</u>	<u>Statutory Authority</u>	<u>Code Section</u>
Administration	13-2701	001
Annual Report	13-2709	001.08
Conditional Approval for Grants	13-2708, LB 385	001.07
Criteria for Evaluating Grant Applications	13-2707, LB 385	001.06
Definitions	13-2703, 13-2704	001.02
Eligible Applicants	13-2706, LB 385	001.03
Eligible Projects	13-2704	001.04
Grant Amounts	13-2705, LB 385	001.05
Purpose	13-2702	001.01

NEBRASKA ADMINISTRATIVE CODE

TITLE 90—NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT

Chapter 1 – Rules and Regulations for Carrying Out the Local Civic, Cultural, and Convention Center Financing Act

001. Administration. The Department of Economic Development shall adopt, promulgate, and carry out these rules and regulations for the Local Civic, Cultural, and Convention Center Financing Act, pursuant to provisions of Legislative Bill 382, Ninety-Sixth Legislature, First Session, 1999, incorporated into Revised Statutes (R.S. SUPP., 2000, Sections 13-2701 through 13-2710), as amended by provisions of Legislative Bill 385, Ninety-Eighth Legislature, First Session, 2003.

001.01. Purpose. The purpose of the Local Civic, Cultural, and Convention Center Financing Act is to support the development of civic, cultural, and convention centers throughout Nebraska and to support projects that attract new civic, cultural, and convention activity to Nebraska from outside of Nebraska. The means of support are grants of assistance to municipalities from the Local Civic, Cultural, and Convention Center Financing Fund administered by the Department of Economic Development.

001.02. Definitions. Certain terms are defined below.

001.02A. Center—means a civic, cultural, or convention facility or area.

001.02B. Civic center—means a community center, where residents of a community gather for cultural and social activities of sufficient appeal to also attract many nonresidents. While a civic center may include areas for physical recreation, it is not primarily a gymnasium or sports facility.

001.02C. Cultural center—means a place for intellectual and artistic activity and the works produced by it, which are of sufficient appeal to attract many nonresidents as well as residents of a community. Special libraries, museums, and/or theaters are in cultural centers.

001.02D. Convention center—means a meeting place that includes an auditorium or other area for large audience assembly, an exhibit hall, a facility for onsite food preparation and service, a directly connected parking facility or area, and an administrative office, which together

attract many nonresidents as well as residents of a community.

001.02E. Department—means the Department of Economic Development.

001.02F. Fund—means the Local Civic, Cultural, and Convention Center Financing Fund.

001.02G. Grant—means grant of assistance from the fund for the construction of a new center or the renovation or expansion of an existing center.

001.02H. Local sources—means amount, not including the grant, of financial and other pledges or commitments to and by a municipality for the construction of a new center or the renovation or expansion of an existing center.

001.03. Eligible Applicants. Any municipality except a city of the metropolitan class (population of 300,000 or more) may apply for a grant on application forms developed and provided by the Department. The applicant will own and operate the center for which grant assistance is sought. A municipality applying for a grant is in competition with other municipalities. Any municipality receiving a grant will not be awarded more than one grant in any five-year period.

001.04. Eligible Projects. The fund may be used for the construction of new centers or the renovation or expansion of existing centers. The fund may not be used for planning, programming, marketing, advertising, and related activities. The exclusion of planning disallows the use of the fund for the preparation of architectural and/or engineering plans. The fund may be used for site and infrastructure improvements directly related to the construction, renovation, or expansion of a center. It also may be used for the purchase and installation of fixed seating, lighting, carpeting, and other fixtures at a center, but not for temporary and/or portable furniture or equipment.

001.05. Grant Amounts. Assistance from the fund shall not amount to more than fifty percent of the cost of construction, renovation, or expansion. The minimum amount for a grant request is \$20,000. The maximum amount is determined by the population size of a municipality applying for a grant, as follows:

- 1) For a city of the primary class (population of 100,001 to 299,999), one

- million dollars;
- 2) For a municipality with a population of 40,000 but less than 100,000, five hundred thousand dollars;
 - 3) For a municipality with a population of 20,000 but less than 40,000, four hundred thousand dollars;
 - 4) For a municipality with a population of 10,000 but less than 20,000, three hundred thousand dollars;
 - 5) For a municipality with a population of 5,000 but less than 10,000, two hundred thousand dollars;
 - 6) For a municipality with a population of less than 5,000, one hundred thousand dollars.

001.06. Criteria for Evaluating Grant Applications. The Department shall evaluate all applications for grants based on the following criteria:

- 1) Attraction impact. Funding decisions by the Department shall be based in part on the likelihood of the project attracting new cultural, civic, or convention activity to Nebraska from outside Nebraska. A project with greater draw from out-of-state shall be preferred over a project with less impact.
- 2) Socioeconomic impact. The project's potential for long-term positive impacts on the local and regional economy and society.
- 3) Financial support. Assistance from the fund must be matched at least equally from local sources. At least eighty percent of the local match must be in cash. Projects with a higher level of local matching funds shall be preferred over those with a lower level of matching funds. Neither the local match nor the items listed for grant assistance should include amounts already expended prior to the date of application for grant assistance.
- 4) Readiness. The applicant's fiscal and economic capacity to finance the local share and ability to proceed and implement its plan and operate the center.
- 5) Project location. A project must be located in the municipality that applies for the grant.

001.07. Conditional Approval for Grants. Department approval of a grant is conditional on subsequent appropriation of funds by the Legislature. Projects shall receive grant funding in the order conditional approval is received and whenever there is sufficient money in the fund to provide assistance. If the Department gives conditional approval to a project and, one or more days later, to another project, the earlier project is first in order. If conditional approval is

given to more than one project on the same day, the project first in order is the one most preferred in a rank ordering of projects approved by the Department on that day. In any calendar year when the Department will accept applications for grants, it will accept the applications no earlier than September 1 and no later than September 15, and will evaluate projects for conditional approval no later than October 31. It is the intent of the Legislature to appropriate funds to support projects which have received conditional approval from the Department. A grant shall be finally approved when funds for the project are appropriated by the Legislature.

001.08. Annual Report. The Department shall submit to the Governor, the Clerk of the Legislature, and the Legislative Fiscal Analyst an annual report on or before December 1 each year documenting the grants conditionally approved for funding by the Legislature in the following fiscal year.