

Omaha *COMPETES*







A MESSAGE FROM THE PRESIDENT & CEO

For generations, our strength has come from a simple truth: when we invest in growth, our communities have a better future. Today, we know that lesson well, but the competitive landscape around us has changed dramatically. States across the country are moving faster, building stronger systems, and signaling that they are ready for the next generation of jobs and talent. Nebraska must match that ambition, because we have everything it takes to lead.

Throughout the history of Nebraska, we have always been most successful when we bridge our urban and rural strengths together for the good of the state. A key component in this formula is equipping every part of the state with the tools they need to succeed. In Greater Omaha, we compete day in and day out with other major metro areas across the country to win projects, people, and opportunities. We need modern economic development tools, ready sites, and a strong workforce to compete at a national level.

This agenda was led and shaped by the people who experience these challenges and opportunities every day — employers, economic developers, educators, utility partners, and community leaders. They see what Nebraska can become: a state that pairs its unparalleled quality of life with a competitive economic system; a state that nurtures its homegrown talent while attracting new residents; a state that moves with confidence and purpose in a world that rewards speed and vision.

As with all thoughtful policy projects, countless hours of hard work, diligent research, meetings of the minds, and policy expertise went into formulating the Omaha COMPETES agenda. On behalf of the entire Chamber membership and region, I want to express our gratitude to everyone who was involved — especially but certainly not limited to — our Chamber teammates Jennifer Creager, Alec Gorynski, Sam Huppert; the Chamber's Public Policy Council Chair Anna Castner Wightman; and the working group co-chairs Chad Denton of CFO Services and David Arnold of Buildertrend.

This work is about the Nebraska we aspire to build — one where young people choose to stay, where companies choose to expand, and where every region benefits from the growth generated in our economic engine. The state of Nebraska's success is not separate from Omaha's future; it is foundational to it. Strengthening Nebraska strengthens Omaha. Together, we will chart the next chapter of growth for our region and state.

Heath Mello

President & CEO of the Greater Omaha Chamber

EXECUTIVE SUMMARY

Nebraska is at a crucial moment in its approach to economic development. Not long ago, the state was a national leader, capturing Site Selection Magazine's Governor's Cup three years in a row from 2017 to 2019¹ and earning top ten rankings for fiscal condition, regulatory environment, wage growth, workforce participation, and overall business climate. Those years of leadership produced better jobs, stronger communities, and more robust budget revenue. In recent years, however, Nebraska has stepped back from tools that were already authorized in statute, while other states have accelerated their efforts. The result is visible in the data: Nebraska now trails its neighbors in new job creation and population growth, and has fallen to near the bottom of its regional peers for new economic development projects. Had Nebraska simply kept pace with peer regions, the state would have tens of thousands more jobs, hundreds of millions in additional tax revenue and billions of dollars in additional wages in the economy today.

At the same time, Nebraska still has the fundamentals required for long term success. The state continues to benefit from high labor force participation, low unemployment, strong educational attainment, and an exceptional quality of life. What is missing is a modern, practical approach to economic development that matches today's competitive landscape and clearly signals that Nebraska is open for business. **Omaha COMPETES** was developed to help close that gap. Drawing on the day to day experience of economic development professionals, business leaders, utilities, and public partners, it outlines a practitioner driven agenda to strengthen the tools, sites, and posture that determine whether Nebraska wins or loses projects. Part 1 of the Omaha COMPETES Agenda outlines the current economic realities that Nebraska state faces; including increased competition from our neighbors amidst a declining focus on economic development within the state.

Part 1 focuses on modernizing the state's core economic development tools, with a particular emphasis on the ImagiNE Nebraska Act and related incentive programs. The analysis recognizes that incentives are now basic table stakes and that Nebraska's current structure is slower, less flexible, and less valuable than those in many peer states. Recommendations include making ImagiNE more accessible and usable, adding a relocation boost to support the state's population growth goals, increasing credit values to levels that are competitive with other states, removing the annual program cap, and making credits transferable so that companies can fully realize their value. The agenda also calls for expanding and modernizing the Revolving Loan Fund, authorizing it to finance off site utility and infrastructure needs and to be repaid with ImagiNE credits, and reinstating and sustaining entrepreneurship tools such as the Business Innovation Act and Angel Investment Tax Credit. We

also recommend selective and strategic use of the Key Employer Retention program as a targeted tool to help retain and grow jobs following major corporate mergers, building on existing Nebraska models while aligning with the realities of large headquarters and consolidation decisions.

Part 2 also addresses the practical barriers that limit Omaha's ability to bring truly shovel ready sites to market. It recommends new and enhanced tools to finance infrastructure and site preparation, including Utility Improvement Districts to fund essential utilities, a Redevelopment Readiness program to unlock environmentally challenged sites, STAR Bond authority to support mixed use and destination projects, and a dedicated electric infrastructure sub account within the Site and Building Development Fund to address long equipment lead times. The agenda calls for expanding and updating the Site and Building Development Fund itself so that it can support speculative site development at meaningful scale, modernizing the Rural Projects Act to allow off-site improvements and revolving loan structures, and strengthening Municipal Inland Port Authority powers so port authorities can levy revenue and issue bonds for critical infrastructure.

Recognizing that tools alone are not enough, Part 2 also looks at the posture and structure of state level economic development operations. It notes that the Nebraska Department of Economic Development has shifted away from its historic role as a proactive, pro-growth partner and is now operating with significantly reduced resources and a more restrictive stance toward discretionary tools. While some of the reduced resources and staffing is due to a natural pullback following the abnormally increased funding levels in the wake of COVID-19 and associated federal programs, there have been additional cuts or freezes in the Department as a whole. To correct this, the

agenda recommends simplifying and speeding the approval and credit award process through a fast pass approach tied to clear performance criteria, while maintaining accountability on the back end.

Part 3 turns to workforce, recognizing that Nebraska's economic future depends on talent as much as capital. The state's ongoing struggle with brain drain, particularly among residents aged 20 to 34, and skill gaps in high growth industries pose long term risks. The Omaha COMPETES Talent Working Group organized its recommendations around three priorities: attraction, retention, and development. On attraction, the agenda calls for a more coordinated system that makes relocation appealing and family friendly, building on efforts such as the Relocation Incentive Act, Back to Omaha, alumni outreach, and visit campaigns, and extending them through state supported relocation assistance and a unified rural relocation framework modeled after successful programs in Kansas. On retention, it proposes a Talent Retention Report Card to track outcomes and guide interventions, along with expanded leadership and young professional programming and a graduate transition and housing pilot to give recent graduates a soft landing in the region. On development, it calls for reinstating and funding InternNE, modernizing job training into a more integrated, turnkey system

comparable to models in North Carolina and Louisiana, creating an AI and Emerging Technology Workforce Task Force to anticipate labor market shifts, and better aligning community college offerings with high growth sectors. These workforce strategies are grounded in evidence that talent investments generate measurable returns for employers, individuals, and taxpayers.

Part 4 looks outward to peer states that have already implemented many of the tools and approaches Nebraska is considering. It highlights how states such as North Carolina, Georgia, Kansas, Texas and Virginia, have combined site development funds, discretionary closing tools, customized workforce training, targeted industry initiatives, logistics driven incentives, and enhanced local authority into cohesive systems. North Carolina's Site Infrastructure Development Grant and One NC Fund, Georgia's Quick Start program, Kansas's payroll withholding incentives and industrial revenue bond structure, Texas's municipal enablement authority and Virginia's port related incentives all show that these are not theoretical ideas. They are operating programs that are helping other states close deals, build clusters, secure long-term revenue streams, and simply put, edge Nebraska out in business site selection.



Taken together, the recommendations in Omaha COMPETES form a clear, integrated path forward. They align Nebraska's incentive programs, site readiness strategies, state operations, and workforce systems with the way projects are actually won today. They are grounded in local experience and informed by proven models from other states. Most importantly, they are designed to restore Nebraska's ability to compete and win for the jobs, investment, and talent that will shape the state's next generation of growth.

¹ Gov. Ricketts Announces Third Consecutive Governor's Cup Win, <https://opportunity.nebraska.gov/gov-ricketts-announces-third-consecutive-governors-cup-win/>

PART 1: Nebraska's Current Economic Development Challenges

Not long ago, Nebraska was a leader in the economic development space. From 2017 through 2019, the state captured *Site Selection Magazine's Governor's Cup* for three consecutive years, a recognition awarded to the state with the most economic development projects per capita. This period represented a high-water mark in Nebraska's business attraction efforts, driven by strong alignment between the state's executive branch, legislature, and business community strategically focused on being open for business and taking a targeted, smart approach to growth.

In 2018 alone, Nebraska earned national recognition across a range of pro-growth measures:

- **#1 for fiscal condition**
[Mercatus Center]
- **#2 for regulatory environment**
[Forbes]
- **#3 for wage growth**
[U.S. Department of Labor / Washington Post]
- **#4 for workforce participation rate**
[U.S. News & World Report]
- **#5 for best states for business**
[Forbes]
- **#6 for volunteerism**
[CNCS]
- **#7 best state overall**
[U.S. News & World Report]²

Since then, Nebraska's economic development efforts have decreased in statewide priority. The state no longer utilizes many of the discretionary tools that have already been authorized by the Legislature. As Nebraska has stepped back from an aggressive focus on job growth and economic expansion, other states have intensified their efforts. The result is clear: Nebraska now trails its neighbors in both new job creation and population growth. Once a national leader, the state has sunk to sixth of seven in our region for new economic development projects.³ Had Nebraska simply matched the job growth of our peer regions, it is projected that Omaha and Lincoln would have roughly 68,000 additional jobs, which would have produced around \$11 billion of wages, and between \$600 million to \$800 million of additional tax revenue.⁴

Despite these setbacks, Nebraska still possesses enviable fundamentals: one of the nation's highest labor force participation rates, low unemployment, strong educational attainment, and an exceptional quality of life. The foundation for renewed growth is solid. What is missing is an updated approach to economic development—one that matches today's competitive environment and sends a clear signal to employers that Nebraska is emphatically open for business.

Securing the next generation of businesses will require policymakers to evaluate why Nebraska has fallen behind our neighbors. Businesses will choose to invest and relocate in places that give them the best opportunity to succeed. Pulling back from discretionary investment doesn't just reduce competitiveness on paper; it sends a message to employers that Nebraska has other priorities, while other states are eager. This perception matters as much as the incentives themselves.

Omaha COMPETES is designed to help reverse this trend by reasserting itself in economic development, by spurring business investment in the state, as well as growing our workforce. It evaluates Nebraska's current programs, while also examining models that other states have had success with. Nebraska is not far removed from being a leader in this space. **With renewed focus and commitment, it can be again.**

² Gov. Ricketts Announces Third Consecutive Governor's Cup Win, <https://opportunity.nebraska.gov/gov-ricketts-announces-third-consecutive-governors-cup-win/>

³ 2024 Governor's Cup Rankings <https://siteselection.com/2024-governors-cups-rankings-winning-streaks/>

⁴ 2025 Nebraska's Economic Review, DCI/Askarben Foundation, <https://aksarben.org/aksarben-data-report/>

Primer: Understanding the ImagiNE Nebraska Act

QUICK FACTS: ImagiNE Nebraska

ENACTED:

2020 (replaced *Nebraska Advantage Act*)

APPLICATION ADMINISTRATION:

Nebraska Department of Economic Development

PROGRAM ADMINISTRATION:

Nebraska Department of Revenue

CREDIT USAGE TIMELINE:

Up to 10 years

SALES TAX REFUND:

Available in select tiers

PROGRAM CAP:

3% of state sales and use tax receipts

TRANSFERABILITY:

Not allowed

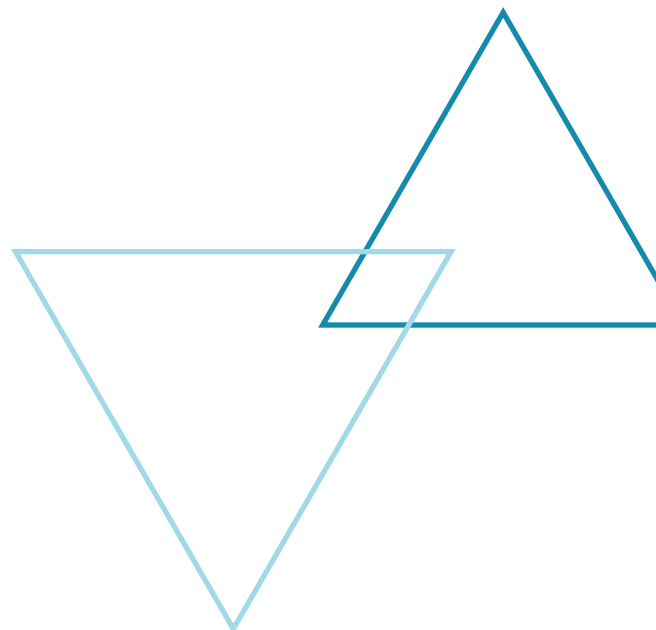
What ImagiNE Was Designed to Do

The *ImagiNE Nebraska Act* is the state's flagship business incentive program, enacted in 2020 to replace the *Nebraska Advantage Act*. Its purpose is straightforward: to encourage job creation and capital investment through performance-based tax credits. Companies that expand or relocate in Nebraska can earn credits based on the number of new jobs created and the amount of qualified investment made.

ImagiNE's core design was built around three policy goals:

1. **Reward growth: provide tax relief tied directly to new jobs and investments.**
2. **Ensure accountability: require verified performance before benefits are granted.**
3. **Encourage quality jobs: offer higher credits for higher-paying positions and rural or distressed areas.**

In concept, this structure balances fiscal responsibility with competitiveness. But in practice, several elements of the program have made it cumbersome and less effective than its counterparts in other states.



How the ImagiNE Credit Works

ImagiNE Nebraska is a performance-based program. That means businesses do not receive benefits upfront — they have to first apply, qualify, and then perform against those commitments before credits are earned.

To qualify, a business must meet specific thresholds for new jobs created and new investment within a defined ramp-up period. These thresholds vary by tier — from smaller targets for rural and manufacturing projects to larger ones for high-impact or headquarters projects. Credits are calculated as a percentage of new payroll and investment that meet the eligibility requirements, with higher percentages available for projects that pay higher wages or locate in designated distressed areas.

Once a company determines it meets the minimum eligibility requirements, it must submit a project application to the Nebraska Department of Economic Development (DED). The application requires detailed information on the planned investment, job creation timeline, wage levels, and expected capital expenditures. After review and approval, DED

issues a project agreement outlining the qualifying activities, deadlines, and reporting obligations.

After approval, the company enters a ramp-up period, usually up to five years, during which it must hit the job and investment benchmarks specified in its agreement. Only after those benchmarks have been met can the business claim credits against various tax liabilities (income, sales/use tax, withholding) and allowed expenses.

In addition to tax credits, certain tiers of the program allow sales tax refunds on qualified purchases used in the project. Companies must submit documentation for these refunds through the Department of Revenue's online portal.

While the program's intent is to reward real performance, in practice, the process can be lengthy. Businesses often cite the heavy documentation requirements, long review periods, and limited flexibility as barriers to participation.

QUALIFY								
Application Levels	Economic Redevelopment Areas	Manufacturing Growth & Expansion		Growth & Expansion	Quality Jobs	Quality Jobs Investment	Mega-Project	Modernization
		Rural	Urban					
Job Growth Requirement	5 FTE	5 FTE	10 FTE	10 FTE	20 FTE	30 FTE	250 FTE	N/A
Investment Requirement	\$250,000 - \$1 Million	\$1 Million	\$1 Million	\$1 Million	None	\$5 Million	\$250 Million	\$50 Million
New FTE Wage Threshold	70% NE Avg	70% NE Avg	75% NE Avg	90% NE Avg	100% NE Avg	100% NE Avg	150% NE Avg	150% NE Avg
Qualified Locations	Limited to Economic Redevelopment Areas	Limited to counties with population <100,000	Limited to counties with population >100,000	Statewide	Statewide	Statewide	Statewide	Statewide
EARN								
Wage Credit % of the avg wages paid to new FTEs	6%	6%	4%	4%	5% 7% if 150% NE Avg Wage 9% if 200% NE Avg Wage	5% 7% if 150% NE Avg Wage 9% if 200% NE Avg Wage	7% 9% if 200% NE Avg Wage	None
Investment Credit	4%	4% 7% if \$10 Mil investment	4% 7% if \$10 Mil investment	4%	None	7%	7%	None
Sales/Use Tax Direct Refund	None	None	None	None	None	100%	100%	100%
Personal Property Tax Exemption	None	None	None	None	None	Ag Processing & Data Center Equipment	All Personal Property	Ag Processing & Data Center Equipment

Where ImagiNE Falls Short

1. Administrative Complexity & Slow Realization of Benefits

While ImagiNE validates complete applications within days of submission, businesses report that moving from initial filing to final approval and realization of benefits can still extend for many months. The process involves substantial documentation, iterative follow up to achieve a complete application, and careful navigation of detailed eligibility criteria, all of which contribute to administrative friction.

2. Limited Upfront & Early-Stage Value

Like the Nebraska Advantage Act and programs such as Kansas PEAK, ImagiNE generally requires projects to meet performance thresholds before core tax benefits are realized, meaning most incentives accrue after operations begin rather than during project ramp-up. ImagiNE does offer a Revolving Loan that can provide some upfront capital, an option not available under the Advantage Act, but this tool is limited in scale and does not provide broad, predictable early-stage support for large, capital-intensive projects.

ImagiNE has improved benefit timing by eliminating the audit requirement prior to claiming credits, allowing companies to apply for refunds immediately after a qualifying year. Sales tax refunds must be issued within six months of filing, but withholding refunds are not subject to the same statutory timeline, creating uncertainty

around when benefits are actually realized. As a result, despite procedural improvements, ImagiNE's early-stage value remains less immediate and less predictable than incentive structures designed to support high-cost projects during initial build-out

3. Restrictive Program Caps

The program is limited to 3% of state sales and use tax receipts on an annual basis, creating uncertainty for applicants. Once the cap is reached, qualified projects may not receive benefits despite meeting program criteria.

4. Non-transferable Credits

ImagiNE credits cannot be sold or transferred, meaning companies that lack tax liability — especially start-ups or R&D-heavy firms — often cannot use them at all. Some high-performing states allow transferability or direct refundability to ensure value.

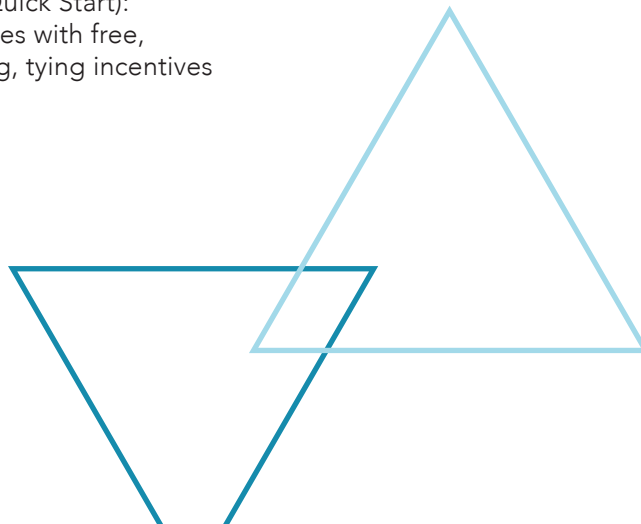
5. Narrow Project Definitions

Some of the program's job and investment thresholds are too high for small and mid-sized firms, limiting accessibility beyond large industrial projects. Automation and modernization investments, increasingly critical for competitiveness, are also difficult to qualify.

How Other States Have Modernized Their Incentive Programs

- North Carolina (OneNC Fund): Provides discretionary cash grants at project closing, bridging funding gaps and giving governors flexibility to respond quickly.
- Georgia (Job Tax Credits & Quick Start): Combines robust tax incentives with free, customized workforce training, tying incentives directly to job quality.

These states demonstrate a common theme: **speed, flexibility, and immediacy**. Their programs meet employers where they are in the project timeline, while Nebraska's process remains slow and reactive.



PART 2: Modernizing Nebraska's Economic Development Tools

Nebraska's economic development competitiveness depends on modern, effective tools and coordinated leadership. The following recommendations were developed through extensive collaboration among public, private, and regional partners, with the goal of identifying practical, nonpartisan solutions to strengthen Nebraska's position for business investment and job growth. While this analysis highlights current challenges, the intent is to inform a constructive, multiyear path forward that enables the state and its communities to compete more effectively for future opportunities.

Background & Process

Greater Omaha's economic development landscape faces headwinds that are having an impact on opportunities for growth. Economic development tools, including incentives, provide for a competitive business environment that ensures companies can maximize economic efficiency while simultaneously providing economic value to a community. The current tools, practices, and posture of the State of Nebraska constrain the pipeline for expansions and new-to-market projects, as well as influence business decisions that impact growth potential. Each legislative session brings renewed pressure to defend core programs. We know from our economic development work that states that are the most successful in attracting new investment and jobs are consistently promoting a pro-growth agenda and have creative and well-funded policies and programs in place. Businesses, in turn, have confidence in such a states' long-term economic viability and are eager to make their investment decisions there.

Similarly, for Omaha to compete and win, Nebraska must modernize its tools, sharpen its value proposition, and remove avoidable friction for employers, while clearly signaling that the state is open for business.

The *Omaha COMPETES – Strategic Business Growth Task Force* brought together economic development professionals from the Greater Omaha Chamber, the Greater Omaha Economic Development Partnership, OPPD, and the City of Omaha Mayor's Office to consider options and develop the following recommendations. These proposals were subsequently vetted with business leaders to ensure they reflect market realities and employer priorities. The result is a set of recommendations that would help Greater Omaha succeed in an increasingly competitive and complex economic landscape.

Basis of Recommendations – What Nebraska is Solving For

The task force grounded its recommendations in day-to-day experience "in the trenches" of economic development. These professionals routinely engage with site selectors, employers, and public partners, giving them a clear view of what drives wins and losses. They also bring deep familiarity with Nebraska's economic development programs. From this practical vantage point, the task force identified the following attributes as most critical to project success:

SITES: Businesses prioritize shovel-ready sites to achieve speed-to-market. Truly shovel-ready means the land is identified and controlled; due diligence

is complete (environmental, geotechnical, wetlands); planning, entitlements, and zoning are in place; and on/off-site infrastructure is ready so construction can start on day one. The Greater Omaha Economic Development Partnership's *GO-Ready* certification advances planning and due diligence, enabling "virtual shovel-ready" status within roughly 18 months, but at added cost. The most competitive sites across the nation arrive with infrastructure at the pad. Some existing State of Nebraska programs are intended to support site development but are not being authentically practiced in that way, constrained by program rules and recently tightened by additional administrative restrictions.



A site study conducted by the Nebraska Department of Economic Development identified the sites with the most potential for scalable industrial opportunities, five of which were in the Greater Omaha region.

The study concluded that these sites require roughly \$2 million in soft costs, often funded by economic development organizations, in order to make a site viable and marketable, plus over \$300 million in utility and infrastructure costs—a majority of which the burden currently falls on the company.⁵ This, in turn, makes many projects economically unfeasible from the outset.

INFRASTRUCTURE AND UTILITIES: Scale projects require dependable roads and access, gas, water, and wastewater. Constraints include the need for costly on-site improvements, system capacity limits, and the narrow scope and eligibility of current programs intended to fund these requirements.

ENERGY: Given rising automation and electrification, power demand is surging; 50-MW loads are increasingly common. Delivery is constrained by both generation and especially transmission and distribution (T&D). OPPD is aggressively expanding generation, targeting a near-doubling over the next several years and planning beyond. The pinch point is T&D: long equipment lead times, often three to five years, delay site readiness. As a public power entity, OPPD cannot procure equipment speculatively without a secured end user.

⁵ December 2024 LB644 Mega-Site Study



INCENTIVES: Incentives are table stakes, as they influence business decisions and are necessary to operate a competitive business in Nebraska. Incentives enable a company to make products for less, and the states that Nebraska competes with most are offering tools to reduce business operating costs. The *ImagiNE* program—performance-based tax credits tied to jobs and investment—is less competitive than programs in other states, with usability constraints that limit access and speed. Notably, the tax credits are less valuable and often go unused due to their limitations, and the credits are not provided in a timely manner, which limits their attractiveness. Other states are able to provide access to cash upfront.

Users report a bureaucratic maze in accessing these incentives, including complex upfront processes resulting in an average of ten months between application and approval. Once credits are awarded, actually receiving them is also cumbersome and time-consuming due to extensive review processes, sometimes including an audit that delays credits by months or even years. These delays are the result of extensive documentation and compliance requirements. Businesses report that other states, such as Kansas, are much more cooperative, resulting in speedy approval and receipt of credits. These findings were validated by business roundtables

and data collected by the Greater Omaha Chamber. Nebraska also lacks an effective discretionary “closing” tool that provides flexible support to businesses to resolve high-cost, final-mile gaps on high-impact projects and further reduce operating costs.

STATE POSTURE (NDED): The Nebraska Department of Economic Development (NDED), a code agency led by a gubernatorially appointed director, shifts with administrations. Historically, NDED was a pro-business and growth instrument and generated several growth opportunities for the state.

BEST-PRACTICE BENCHMARKING: A review of top-performing states (Part 4) highlights the tools and practices that are winning projects elsewhere. This benchmarking clarifies Nebraska’s competitive gap and points to specific instruments the state could adopt or adapt. As budget cuts have shrunk the department in the wake of post-COVID federal funding, it is important that a pro-growth mentality, as well as the strength of existing economic development tools, remain consistent priorities to secure future jobs and investment. Tracking which states are maintaining and growing their competitive edge can help Nebraska improve its own ground game.

Recommendations

The following recommendations are designed to make a meaningful difference in the competitive posture the Greater Omaha region offers economic development prospects. They include both new programs and enhancements needed to make current programs more beneficial, cutting across site readiness and incentive programs. Additionally, the task force recommends a renewed focus on the state’s overall approach to economic development to improve its posture and effectiveness.

1. Incentives

The task force identified a series of additions and enhancements needed to make Nebraska’s incentive program more competitive and effective. These changes could be implemented by adopting a new incentive package or by modifying the existing program.

A “relocation boost” should be added to increase the wage credit for companies that relocate employees to Nebraska to fill new jobs. This aligns with the shared population-growth goals of Nebraska’s current leadership.

The *ImagiNE* Nebraska program should also be enhanced to make it more accessible and usable to businesses, delivering greater upfront value while still requiring companies to perform to receive the ultimate benefit. These enhancements directly address Nebraska’s unique challenges related to brain drain, workforce attraction, and site readiness and infrastructure investment.

Specific recommendations include removing the annual program cap that limits the program to three percent of gross receipts, which creates uncertainty and can result in companies not receiving the benefits initially conveyed. The *Revolving Loan Fund (RLF)*

should be expanded by increasing both individual loan limits (currently capped at \$1 million and tied to 50% of estimated ImagiNE credits) and the overall program funding level. The RLF should also offer greater flexibility in its use, including upfront capital expenses.

The RLF should be authorized to fund off-site utility infrastructure improvements—such as electricity and other essential utility extensions—and ImagiNE credits should be allowed to repay RLF loans. This would accelerate development, address Nebraska's unique power infrastructure challenges, and reduce financial strain on companies.

The value of the credits should also be increased. The current program has credit values that range from four to nine percent, with four percent being the most common and nine percent the extreme. To compete with other states, credits need to equal seven percent for wages and ten percent for investments.

In addition, *ImagiNE* credits should be made transferable. Allowing companies to transfer or sell unused credits would increase their utility

and enable firms to monetize otherwise unusable credits. Transferability would also allow companies to incentivize partners and ancillary businesses to relocate or expand in Nebraska, multiplying the program's impact. To maximize long-term benefits, funds generated from transferring credits should be reinvested by the company into capital investments—such as automation equipment, technology or infrastructure upgrades—or into initiatives that enhance workforce opportunities.

Barriers should also be reduced or removed to make credits more accessible, particularly for smaller Nebraska companies and those looking to automate. Employment and investment requirements should be set at more realistic levels. This is particularly important for the quality jobs and modernization tiers, which see the lowest usage under ImagiNE.



Entrepreneurship incentives should also be reinstated and expanded. Entrepreneurs across Nebraska have benefited greatly from programs under the *Business Innovation Act (BIA)* and the *Nebraska Angel Investment Tax Credit*. Together, these initiatives have supplied early-stage capital needed to launch new ventures, bring ideas to market, and scale high-growth companies. The impact has been substantial; generating private investment, creating thousands of jobs, and strengthening Nebraska’s entrepreneurial ecosystem. More specifically, the UNL Bureau of Business Research’s most recent Business Innovation Act impact analysis (prepared for DED) found BIA-supported firms generated \$11.52 in follow-on capital and \$15.90 in revenue per \$1 of state support, the highest ROI return on any state of Nebraska program.⁶ However, the Angel Tax Credit has been eliminated, and the BIA program is now at risk. The task force strongly recommends reinstating and sustaining these programs. Continued investment in entrepreneurship, through both public investment mechanisms like the BIA and private capital tools like the Angel Tax Credit, is essential to fueling innovation and ensuring Nebraska remains competitive in nurturing startups and emerging industries.

A proposed incentive framework is under consideration to help Nebraska retain and attract jobs in the wake of major corporate mergers and consolidation decisions. The concept builds on established state approaches; drawing from tools like the Key Employer Retention Act and the ImagiNE program—by packaging job retention, job creation, and capital investment components into a single, performance-based structure. The intent is to support continued headquarters operations, encourage new in-state hiring, assist with employee relocations where needed, strengthen rural job outcomes, and incentivize investment in new or modernized facilities, while ensuring benefits are earned through measurable commitments.

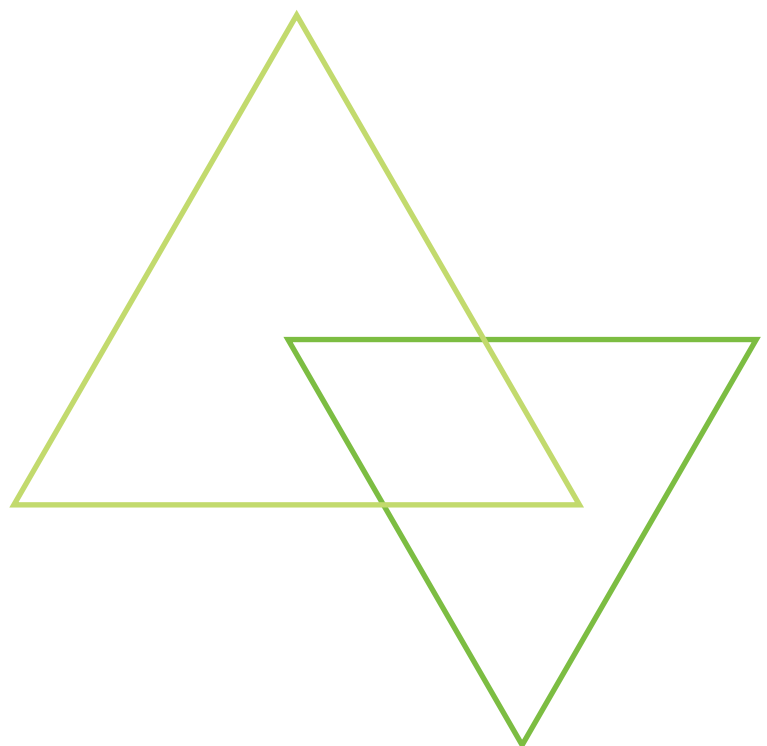
2. Site Readiness

The task force recommends establishing a new authority to create Community Improvement Districts. A CID would enable municipalities to finance and deliver essential utility infrastructure improvements, such as water, sewer, storm drainage, or other utility extensions, within a defined area that benefits from the investment. CIDs would typically be established by a political subdivision (including Port Authorities) via ordinance or resolution, with boundaries drawn around the properties that directly benefit. The political subdivision would administer the district, issue bonds to finance improvements, and collect revenue derived from special assessments or utility hookup fees funded by current or future property owners. This program could be applied in both urban and rural contexts to finance site development for economic, housing, and mixed-use projects.

A Redevelopment Readiness program should also be created. Omaha struggles to assemble viable sites due to costly environmental issues—a challenge shared by rural communities. This program would allow a tax abatement on improvements to these sites, including environmental remediation costs. While tax abatement is often unpopular with elected officials, the reality is that these sites currently provide minimal or no tax value, and no private investment is possible without such incentives.

A STAR Bond authority should also be established. Similar to TIF, this would allow cities to capture incremental increases in sales and restaurant tax

⁶ The Annual Economic Impact of Businesses Supported by Nebraska Business Innovation Act Programs <https://opportunity.nebraska.gov/wp-content/uploads/2025/01/2024-BIA-Impact-Analysis.pdf>



revenue to finance capital investments in designated development areas. Revenue would be captured for a set period (e.g., 15 years) before returning to taxing jurisdictions, and cities could bond against forecasted revenue to access funds upfront. This tool would be particularly useful for urban mixed-use development.

An Electric Infrastructure Sub-Account should be added to the *Site and Building Development Fund (SBDF)* to address electrical equipment lead times that inhibit speed-to-market. This would allow economic development organizations or political subdivisions to make deposits on equipment in advance, shortening timelines once a project is committed.

The SBDF itself should be enhanced to encourage speculative site development. Currently, the program only funds projects to a user committed within 90 days, which functions more as a closing fund than a development fund. The program should allow longer timelines for marketing and project completion, as well as use its authority as a revolving loan and loan guarantee program. Funding levels should be increased beyond the current \$3.5 million generated annually from the documentary stamp tax, which results in awards of just \$100,000–\$500,000—far below the \$15–\$24 million range of similar programs in other states. The current administrative cap of \$1 million per year also needs to be lifted, as the program is over-subscribed and effectively unusable for many prospects.

The *Rural Projects Act* should be enhanced to allow off-site improvements that extend infrastructure to sites, eliminate the requirement that projects be both multi-tenant and rail-served, and establish revolving loan options and competitive award processes.

Additional appropriations or consistent funding sources should be established to strengthen the program.

Finally, the *Municipal Inland Port Authority Act* should be modified to allow Port Authorities to levy property, sales, or occupation taxes, giving them a stable source of revenue to issue bonds and fund infrastructure improvements.

3. State of Nebraska Economic Development Operations

Much attention has been given to the State of Nebraska's posture toward economic development and the impact it has had on expansion and new-to-market opportunities. A longstanding issue is the complexity and delay associated with awarding and receiving incentives. The task force recommends making significant administrative and process changes to both the approval and credit award systems to reduce friction and improve speed to market. Specifically, NDED should adopt a fast-pass approach, in which an approval is automatically generated following completion of an online application that meets performance criteria. Credits would still be awarded on a performance basis but with less friction.

State economic development agencies are essential to leading recruitment and deploying resources to support expansion. These efforts are crucial to Nebraska maintaining its competitive stance in a regional, national and global market for jobs and investment. Economic development efforts statewide have difficulty succeeding when the state is not an integral partner.

Conclusion

This set of recommendations outlines a clear, practitioner-driven path to make Nebraska's economic development tools modern, competitive, and aligned with real-world business needs, ensuring the state can once again compete, and win, for the jobs and investments that define future growth.

PART 3: Growing Nebraska's Workforce Competitiveness

Nebraska's economic future depends on talent as much as capital. Incentives may attract projects, but a strong, diverse, and future-ready workforce determines whether those projects take root and grow. Fortunately, Greater Omaha has a strong core of higher education institutions that create a robust base of students, with roughly 63,000 students annually enrolled across Bellevue University, CHI Health School of Radiologic Technology, Clarkson College, College of Saint Mary, Creighton University, Iowa Western Community College, Metropolitan Community College, Midland University, NE Methodist College of Nursing & Allied Health, University of Nebraska-Omaha, and the University of Nebraska Medical Center.⁷

However, the state's ongoing struggle with brain drain, coupled with skills gaps in high-growth industries, threatens its long-term competitiveness. From 2010 to 2020, Nebraska lost an average of nearly 6,000 residents annually to domestic out-migration, concentrated among workers aged 20–34. While this number improved modestly to 4,610 in 2023⁸, the trend continues to constrain employer growth and discourage new investment.

To reverse this trajectory, the Omaha COMPETES Talent Working Group convened employers, higher-education leaders, and workforce partners to identify actionable strategies that enhance attraction, retention, and development.

These recommendations combine immediate private-sector solutions with scalable public-policy options modeled after successful programs in other states.



⁷ Source: Nebraska's Coordinating Commission for Postsecondary Education and IPEDS Data

⁸ Nebraska Examiner, 2023 https://nebraskaexaminer.com/2023/12/18/nebraska-brain-drain-persists-plus-another-alarm-is-raised-by-new-census-data/?utm_source=chatgpt.com

Background & Process

The Working Group’s process mirrored the Chamber’s practical, data-driven approach. Participants included HR and talent-acquisition leaders from major Omaha employers, economic development professionals, and representatives from higher-education institutions. The group examined Nebraska’s existing workforce programs, analyzed migration and employment data, and reviewed best practices from peer states such as Georgia, North Carolina, and Kansas.

The findings reveal that Nebraska has the fundamentals to succeed: a high labor-force participation rate, strong educational institutions, and an exceptional quality of life. What is missing is the coordination, scale, and sustained investment necessary to translate these assets into measurable workforce growth.

Basis of Recommendations: What Nebraska Is Solving For

The Talent Working Group identified three interdependent priorities that determine Nebraska’s ability to compete for people and jobs:

ATTRACTION — making Nebraska visible, welcoming, and easy to move to.

RETENTION — ensuring graduates and new residents see long-term opportunity and belonging.

DEVELOPMENT — equipping the existing workforce with the skills needed for the modern economy.

Talent Attraction: Bringing Skilled Professionals to Nebraska

Attracting new residents requires more than one-time marketing campaigns; it demands a coordinated system that makes relocation appealing, seamless, and family-friendly. Establishing a state-supported relocation assistance program, potentially through a public–private partnership, would provide structured support to help new residents and their families transition smoothly into Nebraska communities. Similar initiatives in Michigan⁹ and Kansas¹⁰ integrate relocation guidance, housing connections, and family resources into their statewide economic development efforts. A comparable model in Nebraska would enhance employer recruitment while promoting long-term retention.

Expanding initiatives such as the Chamber’s Back to Omaha campaign and university alumni outreach would help reconnect former residents and graduates with opportunities in the metro area. Coordinated messaging through Visit Omaha and alumni networks can amplify the region’s advantages in cost of living, quality of life, and career mobility.

At the same time, building stronger employer–

university pipelines is essential. Partnerships with higher-education institutions in high-demand fields such as technology, law, finance, nursing, and engineering can foster ongoing connections through scholarships, internships, and early recruitment opportunities.

Nebraska has already taken an important step toward modernizing relocation incentives through the Relocation Incentive Act, enacted in 2024 as part of LB 1023. Originally introduced as LB 1400¹¹ by Senator Beau Ballard (Lincoln), the Act established targeted tools to help employers recruit skilled workers from out of state. Beginning in tax year 2025, qualifying employees who relocate to Nebraska may exclude their Nebraska-source wages from income tax for a limited period, while employers that cover relocation expenses are eligible for a refundable credit equal to 50 percent of those costs. To maximize its impact and encourage employer participation, the program’s current funding caps should be removed or expanded, ensuring that qualified applicants are not turned away once annual limits are reached.

⁹ Make Michigan Home, <https://themichiganlife.org/makemihome/>

¹⁰ Kansas Rural Opportunity Zones <https://www.kansascommerce.gov/program/taxes-and-financing/rural-opportunity-zones-roz/>

¹¹ LB1023 (2024) <https://nebraskalegislature.gov/FloorDocs/108/PDF/Slip/LB1023.pdf>

Building on this framework, Nebraska could strengthen its competitiveness by pairing financial incentives with family-centered relocation assistance, offering coordinated guidance on housing, childcare, and community integration to help new residents establish roots. This approach would align state policy with employer needs, support population-growth objectives, and reinforce long-term retention.

Nebraska could also expand its population-growth strategy through a unified framework for rural relocation incentives. Currently, several communities

offer independent programs, such as Pawnee County’s down-payment assistance initiative, but these operate in isolation and lack statewide visibility. Kansas’s Rural Opportunity Zones (ROZ) program provides a model: a centralized, opt-in system that allows participating counties to offer new residents student-loan repayment assistance or a 100 percent state income-tax credit for up to five years. Establishing similar enablement legislation in Nebraska would standardize and elevate local efforts, create a single statewide point of access, and improve the effectiveness of rural talent attraction.

Talent Retention: Keeping Graduates & Young Professionals Here

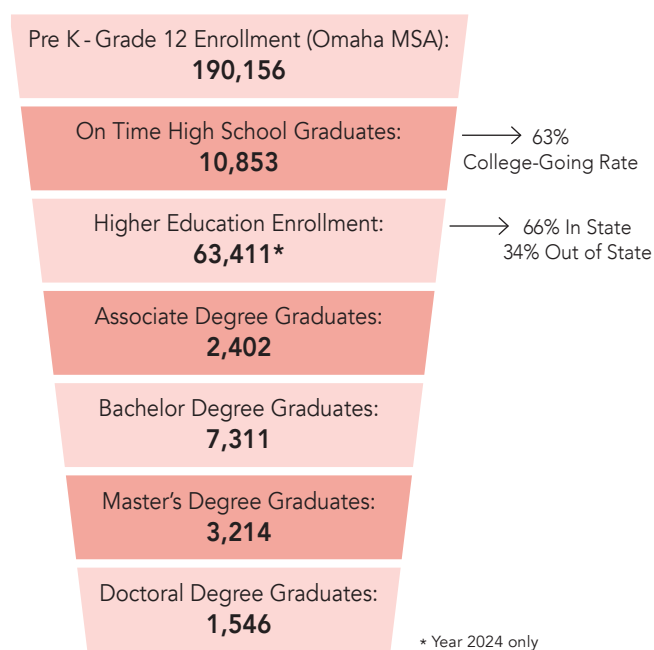
Retention depends on ensuring that graduates and early-career professionals see a long-term future in Nebraska. Building these ties requires both data and programming that connect individuals to community and career pathways early in their journey. A Talent Retention Report Card would provide a standardized dashboard to track graduate outcomes, migration flows, and retention at key milestones. Managed collaboratively by the Chamber, educational institutions, and workforce agencies, this tool would help identify where talent loss is most acute and guide targeted interventions.

The chart provides a snapshot of the regional education-to-workforce pipeline, from K–12 enrollment through higher-education attainment. It highlights key transition points where talent leaves the state—most notably, the one-third of graduates who pursue higher education outside Nebraska. Monitoring these patterns enables policymakers and education partners to better target efforts that strengthen retention and workforce alignment.

Expanding leadership and networking programs such as Leadership Omaha, Leadership Lab, Young Professionals, and Landing Crew would further integrate emerging leaders into Omaha’s civic and business ecosystem. These initiatives help build community attachment, increasing the “stickiness” of talent within the metro area. A Graduate Transition and Housing Integration Pilot, modeled after West Virginia’s *First Ascent* program, could also provide short-term housing, coworking space, mentorship, and social integration for recent graduates, creating a soft landing that bridges the gap between school and career.

In addition, employers can strengthen retention by encouraging early credentialing and licensure. Participants in the Working Group identified a strong correlation between interns who obtained credentials early and those who remained with their employer long term. A modest incentive or recognition program could promote this best practice across sectors, improving both skill readiness and workforce stability.

GREATER OMAHA RETENTION REPORT CARD 2023-2024



* Year 2024 only

Talent Development & Upskilling: Preparing the Workforce for Tomorrow

Ensuring that Nebraska's workforce remains competitive in a rapidly evolving economy requires a clear, coordinated investment in both proven and modernized upskilling programs. The state already possesses many of the necessary frameworks, but they lack consistency, scale, and sustained funding. By reinstating successful programs, simplifying access for employers, and anticipating technological shifts such as artificial intelligence, Nebraska can build a talent pipeline that matches its economic ambitions.

A key first step is restoring InternNE, once the cornerstone of the state's "brain gain" strategy. Senator Jason Prokop's (Lincoln) 2025 interim study, LR211¹², reaffirmed the program's importance and explored how to strengthen its reach. As noted by the Nebraska Department of Economic Development in its 2024 report, *"The State's workforce development strategy begins with recruiting in our own backyard."*¹³ InternNE provided reimbursement of up to \$7,500 per internship on a 50:50 matching basis for wages, tuition, transportation, and administrative costs for companies with 150 or fewer employees offering Nebraska-based internships.

The program received a \$20 million state appropriation in 2022, partnering with the Aksarben Foundation to administer funds on a contract basis. That year, \$8.6 million was disbursed to support 1,500 internships statewide, providing direct experience to students and future employees across industries. However, the remaining cash balance was later reallocated to help balance the state budget, leaving the program unfunded. Reinstating and protecting InternNE's funding would immediately expand early-career pathways and restore a core mechanism for retaining Nebraska graduates in the state workforce.

Beyond restoring InternNE, Nebraska should modernize its fragmented approach to job training. The state's current programs—primarily the Customized Job Training Grant and the Accredited Job Training Grant—offer valuable support but place substantial administrative burdens on employers. Customized Job Training grants currently provide \$800 to \$4,000 per qualified employee and can be

used broadly across industries.¹⁴ Accredited Job Training grants, by contrast, are limited to H3-designated high-skill, high-demand, high-wage occupations, require a 50:50 employer match, and can provide up to \$10,000 per trainee.¹⁵ While these grants help fund training, the decentralized structure leaves employers responsible for program design, instructor recruitment, and implementation.

In contrast, leading states have adopted turn-key training systems that reduce friction for employers and directly align workforce development with business recruitment and expansion. North Carolina's Customized Training Program and Louisiana's FastStart both serve as models. These programs work directly with employers and community colleges to design, manage, and deliver training from start to finish—developing curricula, hiring and training instructors, procuring equipment, and even managing facilities. This end-to-end approach makes workforce development a proactive economic-development tool rather than a reactive grant process. Nebraska could adopt a similar integrated model, possibly housed within an enhanced Department of Economic Development or in partnership with the community college system, to streamline access and improve outcomes.

Anticipating technological change is equally important. The creation of an AI and Emerging Technology Workforce Task Force would allow Nebraska to evaluate how automation and artificial intelligence are reshaping labor markets, both in terms of displacement risk and opportunity creation. This task force could build on the work already underway by the University of Nebraska's AI Task Force, providing a policy-oriented lens focused on workforce and education. Areas of study should include identifying sectors with the greatest exposure to AI, pinpointing industries that stand to benefit most, and developing strategies to align curricula and training programs with emerging skills. Early, evidence-based planning would ensure Nebraska avoids the kind of skill mismatches that have slowed adaptation in other states.

¹² LR211 (2025) <https://nebraskalegislature.gov/FloorDocs/109/PDF/Intro/LR211.pdf>

¹³ 2024 NDED Annual Report (page 44) https://nebraskalegislature.gov/FloorDocs/109/PDF/Agencies/Economic_Development__Department_of/210_20250627-134807.pdf

¹⁴ Nebraska Department of Economic Development 2024 Customized Job Training Report https://nebraskalegislature.gov/FloorDocs/109/PDF/Agencies/Economic_Development__Department_of/693_20250618-094751.pdf

¹⁵ Nebraska Department of Economic Development Accredited Job Training Act <https://opportunity.nebraska.gov/programs/business/accredited-job-training-act/>

Finally, Nebraska's community colleges remain an essential partner in building a responsive upskilling ecosystem. A coordinated review of participation rates, employer awareness, and program relevance would help ensure offerings are accessible and aligned with employer demand.

Many Nebraska businesses remain unaware of available grants or find the application process cumbersome.

By improving outreach and evaluating course alignment with high-growth fields—such as advanced manufacturing, health technology, logistics, and energy systems—the state can better leverage its existing education infrastructure to meet tomorrow's labor demands.

Together, these actions would create a modern workforce system that supports employers and empowers workers at every stage of their careers. By reinstating proven programs like InternNE, integrating training into a unified model, preparing proactively for technological disruption, and maximizing the capabilities of community colleges, Nebraska can build a workforce that matches its potential for growth and innovation.

Investment in workforce training is not merely a social good; it delivers measurable fiscal returns. Evidence from federal and state evaluations shows workforce investments generate positive returns: employers in registered apprenticeships average roughly \$1.47 returned per \$1 invested.¹⁶ Separately, a net-



impact and cost-benefit study of Washington State's workforce training system estimated \$2.9 billion per year in net returns to individuals, taxpayers and the economy.¹⁷ These programs would also attract new business investment by ensuring that Nebraska's workforce remains adaptable and future-ready—providing both immediate economic returns and long-term competitive advantage.

Conclusion

Workforce initiatives complement Nebraska's business incentive programs by ensuring that companies choosing to expand or relocate here can find the skilled workers they need to succeed. The economic return on talent investment is both immediate and enduring: stronger retention boosts wage growth, increases state income-tax receipts,

and lowers employer vacancy costs. By combining practical, employer-led initiatives with strategic public investment, Nebraska can not only stem brain drain but also build a renewable competitive advantage—a workforce ready to drive the next generation of economic growth.

¹⁶ US Department of Labor https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/AAI/AAI_ROI_Final_Report_508_9-2022.pdf

¹⁷ Washington Workforce Training & Education Coordinating Board https://wtb.wa.gov/wp-content/uploads/2021/05/Net-Impact-Study_FINAL.pdf



Part 4: What Winning States Are Doing to Secure Jobs & Investment

Nebraska's modernization efforts can benefit from examining peer states that have established reputations for speed, flexibility, and innovation in economic development. The following best practices outline specific incentive models, program structures, and administrative approaches from leading states. Each offers potential applications for Nebraska as it works to strengthen its competitiveness in attracting and retaining investment and talent.

The following case studies highlight key models from North Carolina, Georgia, Kansas, Texas and Virginia, focusing on strategies such as site development funding, discretionary closing tools, customized workforce training, biotechnology investment, logistics-driven incentives, and enhanced local authority. Collectively, these examples illustrate how Nebraska could adapt proven approaches to strengthen its business climate and position for long-term growth.

Allow Private Businesses to Receive Site Development Funds

North Carolina's Site Infrastructure Development Grant demonstrates how direct state investment can accelerate high-value projects. The program provides restricted grants and forgivable loans to businesses, state agencies, nonprofit corporations, and local government units to acquire or improve land for business use. To qualify, a business must invest at least 100 million dollars in private funds and create at least 100 new jobs.¹⁸ The state's Economic Investment Committee reviews applications and makes recommendations to the Secretary of Commerce based on eligibility and project impact. There is no fixed cap on award levels, and funding is distributed on a discretionary basis.

Unlike Nebraska's Site and Building Development Fund, which channels dollars primarily through local governments to prepare sites for general readiness, North Carolina's program can direct funding to specific private projects. The difference is significant: Nebraska's approach emphasizes broad readiness, while North Carolina's model focuses on closing deals with transformative employers. In one example, North Carolina awarded 24 million dollars from the program to prepare a 256-acre site for a Merck vaccine plant. More recently, the U.S. Golf Association received 18 million dollars to build a 30,000-square-foot campus in Pinehurst.¹⁹ This approach offers a blueprint for Nebraska to evolve its own site-development strategy to target high-impact projects directly.

Establish a Discretionary Gubernatorial Closing Fund

North Carolina's One NC Fund provides its governor with the flexibility to respond quickly to competitive job-creation opportunities. It operates as a discretionary cash-grant program, allowing the state to make rapid "last-mile" offers to companies comparing multiple locations. Awards are based on factors such as job creation, capital investment, location, and statewide economic impact. The North Carolina Department of Commerce administers the fund, while the governor maintains approval authority. With a recurring appropriation of roughly 9 million

dollars from the general fund and an overall biennial cap of 28 million dollars²⁰, the program has become a cornerstone of the state's agility in economic development.

Nebraska currently lacks a comparable tool, though similar proposals have been raised in the Legislature, such as LB 729 (2022).²¹ A modest discretionary closing fund would allow Nebraska to respond more effectively to time-sensitive, competitive projects without compromising fiscal transparency.

¹⁸ 2022-23 NC Site Infrastructure Development Fund Annual Report <https://www.commerce.nc.gov/reports-policy-makers/incentive-programs-reports/annual-report-site-infrastructure-development-fund-sidf/open>

¹⁹ Ibid. <https://www.commerce.nc.gov/reports-policy-makers/incentive-programs-reports/annual-report-site-infrastructure-development-fund-sidf/open>

²⁰ Economic Development Partnership of North Carolina <https://edpnc.com/incentives/one-north-carolina-fund/>

²¹ https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=46946

Create a Customizable Workforce Training Program

Georgia's Quick Start program is widely recognized as one of the most effective workforce training models in the nation. Established in 1967, Quick Start offers free, customized training tailored to the needs of individual employers, handling every aspect from skill assessment and curriculum design to instructor management and training delivery. It has been credited as a deciding factor in numerous high-profile corporate location decisions.²² The program's fiscal year 2024 budget included 22 million dollars in state appropriations²³, reflecting Georgia's long-term

commitment to maintaining a responsive, industry-driven workforce pipeline.

Nebraska's current workforce training tools, such as the Customized Job Training and Accredited Job Training grants, provide valuable support but require employers to navigate complex administrative processes and matching requirements. Transitioning toward a Georgia-style model that consolidates curriculum development, instructional support, and logistics would make Nebraska's programs more accessible, streamlined, and effective.

Biotechnology Grants & Targeted Industry Funds

North Carolina's Biotechnology Center, established in 1984 as the first state-sponsored biotech initiative in the United States, serves as a model for targeted industry development. The nonprofit organization promotes growth through innovation grants, commercialization loans, and workforce initiatives. Its Partnership Development Grant (PDG) provides up to 100,000 dollars to strengthen ties between local communities and life-science employers. Greensboro, for instance, received such a grant to support Syngenta's 68 million-dollar expansion, while Greenville used a similar award to grow a pharmaceutical workforce training program in partnership with Thermo Fisher Scientific.²⁴

Nebraska lacks an equivalent institution dedicated specifically to biotechnology, though it has parallel

mechanisms such as the Renewable Chemical Production Tax Credit and programs under ImagiNE Nebraska. Creating a dedicated biotech development fund could help the state leverage its agricultural and bioscience strengths while fostering new high-growth industries. There are also workforce development initiatives, such as the partnership between Southeast Community College and the University of Nebraska–Lincoln for biotechnology degrees, which contribute to the talent pipeline. However, these are generally academic initiatives, rather than a centralized, discretionary fund specifically for biotech site development and community integration in the manner of North Carolina's PDG.

Leveraging Inland Ports & Logistics Strength

Virginia provides a model for connecting infrastructure assets with incentive policy. Through its Port-Related Growth Incentive Grants, the state directly rewards businesses that expand facilities, increase trade volumes, or shift cargo to more sustainable barge and rail systems. The Port of Virginia administers these grants, which include the Economic and Infrastructure Development Grant, the International Trade Facility Grant, the Port Volume Increase Grant, and the Barge and Rail

Usage Grant. Combined, the programs have a cap of approximately 11 million dollars annually.

Nebraska's inland port authorities could adopt a similar performance-based structure, rewarding employers that invest in logistics infrastructure or expand freight activity through the state's intermodal facilities. This approach would align with Nebraska's geographic strengths and reinforce its role as a national logistics hub.

²² The Office of Governor Brian Kemp <https://officeofgeorgiagovernorbrianpkemp.cmail19.com/t/y-e-mhljkd-hrjhikuuli-o/>

²³ Georgia Budget and Policy Institute (page 42) https://issuu.com/gbpi/docs/2024_georgia_budget_primer_online

²⁴ North Carolina Biotechnology Center, <https://www.ncbiotech.org/news/syngenta-keep-headquarters-greensboro-invest-68m-upgrades>

Wrap Property Tax Abatements into Private Activity Bonds

Kansas provides a streamlined mechanism for large-scale development through its Industrial Revenue Bonds. These bonds combine sales tax exemptions for construction materials with up to a 10-year, 100 percent property-tax abatement. Once a municipality issues a bond, the incentive is automatic, providing predictability for investors.²⁵ In contrast, Nebraska's

structure requires voter approval for LB 840 financing and extensive compliance reviews for Tax Increment Financing, creating longer timelines and greater uncertainty. Adopting a Kansas-style structure could accelerate project approvals while maintaining appropriate oversight through statutory criteria.

Simplify Payroll Withholding Incentives

Kansas's Promoting Employment Across Kansas (PEAK) program simplifies employer incentives by allowing companies to retain up to 95 percent of state income-tax withholding from new employees. This provides a cash flow advantage to immediately monetize credits, rather than a refundable credit, where money is remitted to the state and sent back to the company. In short, payroll withholding credits offer immediate relief on a recurring operational cost, while refundable credits provide direct cash infusions

that can be beneficial for companies with little or no current tax liability.

Additionally, ImagiNE currently calculates credits based on total qualifying wages and project tiers, creating complexity for businesses. Simplifying this to a direct payroll-withholding model would provide greater clarity and usability while aligning Nebraska's incentives with those of leading competitor states.



²⁵ Kansas Department of Commerce <https://www.kansascommerce.gov/program/taxes-and-financing/irb/>

Enhance Municipal Authority to Offer Incentives

Texas provides one of the most flexible and locally empowered incentive frameworks in the country through Chapter 380 of the Texas Local Government Code. Rather than a single program, Chapter 380 serves as the legal authority for municipalities to create customized economic development agreements tailored to specific projects. This framework allows cities to offer a broad array of incentives, including direct grants, tax rebates, and low-interest loans, provided the agreements serve a valid public purpose such as job creation, capital investment, or community revitalization.²⁶

Because Chapter 380 authorizes municipalities to negotiate nearly any incentive deal they can justify, it has enabled local governments across Texas to execute large, high-profile agreements. These can include multi-year cash rebates, infrastructure cost-sharing, or sales tax reimbursements. The flexibility of Chapter 380 has become a defining feature of Texas's decentralized economic development system, allowing local jurisdictions to move quickly and creatively to secure new business investments. It also enables stronger coordination with the state's closing funds, allowing local and state-level incentives to be "stacked" for maximum impact.

In contrast, Nebraska's local incentive structure is far more limited and procedurally rigid. Municipalities primarily rely on Tax Increment Financing (TIF) and

LB840 Local Option Sales Tax programs, both of which are constrained by statutory and procedural requirements. In the case of TIF, funds must be directly tied to eligible project costs and the property itself, and they must undergo an extensive legal and compliance review before approval. LB840 programs, while vital to local economic development, require voter authorization and must operate within an approved local economic development plan. Notably, Omaha does not currently have access to an LB840-funded local development program; an option that should be available given the city's role in competing for high-impact projects and responding quickly to transformational opportunities. As a result, even when local leaders wish to act swiftly on high-impact opportunities, these tools can be cumbersome, time-intensive, and limited in scale compared to what Texas municipalities can offer. The Chapter 380 framework offers a compelling model for how Nebraska could expand local authority to promote economic development. Granting cities and villages similar "enablement authority" through statute would allow them to structure custom, performance-based agreements, subject to public transparency and accountability standards. This would provide municipalities the flexibility to respond quickly to investment opportunities while maintaining local oversight and coordination with state economic development objectives.

Implications for Nebraska

The case studies illustrate that states winning new jobs pair clear statutory authority with practical execution. They use discretionary closing funds to move quickly, turnkey training to reduce employer friction, targeted industry tools to build clusters, and logistics incentives to align infrastructure with growth. They also equip municipalities with flexible legal authority and back their statewide strategy with stable, dedicated funding.

Nebraska already has pieces of this toolkit but not the integrated approach. Modernizing incentives for speed and usability, disbursing previously authorized

funds for inland ports, restoring and scaling proven workforce programs, and strengthening local enablement would align policy with how projects are actually won. The examples in this section are not theoretical. They are operating models that Nebraska can adapt to restore competitiveness and signal that the state is prepared to compete for the next generation of jobs and investment.

²⁶ State of Texas Comptroller's Office, <https://comptroller.texas.gov/economy/development/grants/ch380-381/>

Conclusion

Modernizing Nebraska's economic development tools is not a theoretical exercise; it is the practical work required to compete for the next generation of jobs and investment. The years when Nebraska led in economic development and reaped the rewards of job growth and more robust budget revenue were not by accident. They were the product of clear rules, fast execution, and a shared commitment to growth. The drift that followed was also not an accident. It came when our tools grew slower than the competition and when our posture shifted from assertive to reactive.

Regardless of the path that Nebraska chooses to take moving forward, other states will continue to see the clear return on investment in economic development, and aggressively compete for business investment; including luring businesses out of Nebraska if we stand still.

The recommendations in the Omaha COMPETES agenda form a coherent package: a more usable and valuable ImagiNE program, a Revolving Loan Fund that can actually move projects, tools that reward relocation and entrepreneurship, and site-readiness strategies that deliver real infrastructure to the pad. Together, these changes would allow Nebraska to meet employers where they are in their decision-making process, instead of asking them to work around outdated programs that no longer fit the way projects get done, and that other states do not ask them to navigate.

Implementation matters as much as design. Establishing Utility Improvement Districts, strengthening the Site and Building Development Fund, and updating the Rural Projects Act would give communities the ability to bring truly shovel-ready sites to market. At the same time, a streamlined, fast-pass approach to incentives would give Nebraska the proactive posture it needs: responsive, consistent, and focused on business growth and talent attraction. These are pragmatic shifts that reduce friction without abandoning accountability, aligning state tools with the expectations of employers, site selectors, and capital partners.

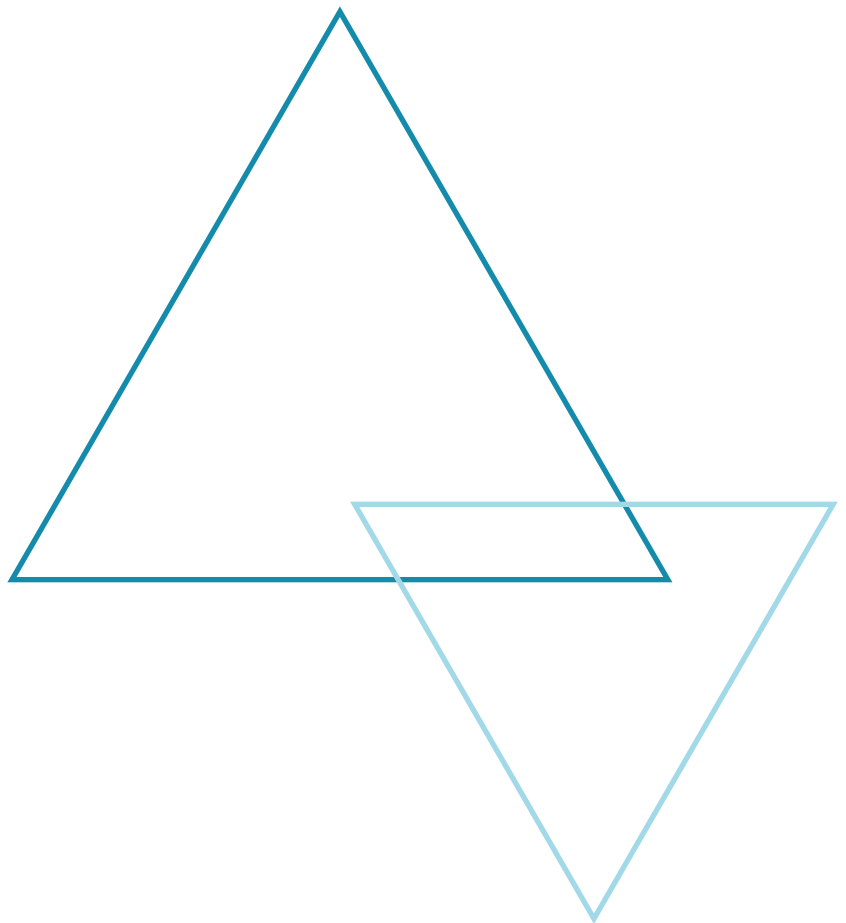
Nebraska has led before. With these updates, it can again. By pairing modern incentives with ready sites and a visible, pro-growth development authority, the state can send a clear signal that it is prepared to compete and follow through. That signal will matter in boardrooms deciding where to place new investment, to employers weighing long-term expansions, and to communities working to keep and attract talent. If Nebraska acts on this agenda, it will not only close today's competitive gap; it will reestablish itself as a reliable, future-focused place to build and grow.



Acknowledgements

The work of Omaha COMPETES would not have been possible without the participation of Greater Omaha Chamber members, in particular, Chad Denton of CFO Services, who chaired the Strategic Business Growth Task Force, and David Arnold of Buildertrend, who chaired the Talent Task Force. Additionally, the following members participated in the task force working groups:

- Brook Aken, OPPD
- Angie Baber, Greater Omaha Chamber
- Hannah Bolte, Lozier
- Anna Castner Wightman, FNBO
- Laurie Cradick, Lutz
- Chad Denton, CFO Services
- Mark Duren, Lutz
- Chris Fairchild, Union Pacific
- Stetson Fuller, CFO Services
- Brittney Gill, Kiewit
- David Goeschel, Koley Jessen
- David Hild, ADS Biotech
- Jacquelyn Morrison, City of Omaha
- Brenden O'Brien, ES&S
- Stephen Osberg, PGSA
- Mike Rooks, Gateway EDC
- Kim Rowell, Cox
- Lisa Scheve, Grow Sarpy
- Cheryl Schow, Union Pacific
- Joanne Sebby, Fiserv
- Megan Skiles, GFDC
- Kelly Staup, Lindsay
- Keisha Thomas, North End Teleservices
- Stacy Watson, Lutz







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