

Moving Forward and Achieving our Economic Destiny



Falls City Economic Development
& Growth Enterprise, Inc. (EDGE)

2012 ANNUAL REPORT

FALLS CITY
NEBRASKA

Strategically Positioned. Building for the Future.



A MESSAGE FROM THE EDGE PRESIDENT

JANUARY 2013

“Destiny is no matter of chance. It is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved.”

WILLIAM JENNINGS BRYAN (1860-1925), A LEADING AMERICAN POLITICIAN WHO SERVED IN CONGRESS BRIEFLY AS A REPRESENTATIVE FROM NEBRASKA AND SECRETARY OF STATE FROM 1913-1915.

On behalf of our Executive Committee, Board of Directors, and staff, I am pleased to present the 2012 Falls City Economic Development and Growth Enterprise (EDGE) Annual Report. The results reported are a testament to our commitment to building a stronger, prosperous economy and growing job market.

EDGE is proud of the many accomplishments we've achieved over the past six years that have brought new jobs, capital investment, and revenues to the area and resulted in an overall positive economic impact to Falls City and Richardson County. Our work to

help our existing business and industry succeed and grow has been effective, as business-retention efforts have measurably kept companies here and helped them expand employment opportunities. We have also effectively attracted new business investment and jobs to the area. Since EDGE's inception, there has been a reported \$169 million dollars in capital investment in the City and County.

Two major developments highlight this year's successes. AirLanco, owned by Ag Growth International of Winnipeg, Canada, modernized and expanded its Falls City operations, including locating a new research and development center in the Falls City Industrial Park. Consolidated Grain and Barge (CGB) of Mandeville, Louisiana, announced plans for a new multi-million dollar state-of-the-art grain terminal in Falls City. Construction commenced December 6, 2012, and will continue throughout 2013.

These results would not have been possible without the vision, drive, and support of our public and private member investors, including the City of Falls City, Richardson County, and local businesses and individuals. Your commitment and continuing support are appreciated. I would also like to give some well-deserved thanks to our Executive Committee and staff for their hard work and dedication to the organization.

As we enter into 2013, we are filled with optimism and determination, bolstered by our recent successes. Whether you're an established supporter of EDGE or have interest in joining our efforts in the future, we welcome you to join with us in moving forward and achieving our economic destiny.

BART KELLER, EDGE PRESIDENT

2012 ENDEAVORS

Strategically Moving Forward



EDGE's mission is to encourage economic development and growth and improve the business conditions of the greater Falls City area.

To attain its mission, EDGE is strategically focused on three business priorities:

- Aggressively brand, market, and sell Falls City area business location opportunities to retain/expand existing business investments, generate new business investments, and stimulate entrepreneurial development.
- Enhance the competitiveness of the business location product to compete more frequently and effectively for business investments and decrease the number of missed business opportunities.
- Maintain private and public investments and continue to gain internal investor and community stakeholder support by demonstrating accountability and return on investment, garnering sufficient resources to effectively implement the economic development strategic plan/growth strategy.

Key endeavors in 2012 moving Falls City and Richardson County forward in achieving its economic destiny included:

Marketing and Sales

- Maintained ongoing dialogue with the area's leading employers, including meeting one-on-one with headquarter executives of Ames True Temper, Vantec, and Watkins Aircraft Support Products (WASP) to encourage retention and expansion of their Falls City facilities.
- Partnered with the Nebraska Department of Economic Development (NEDED) and Invest Nebraska to host a workshop for area business and community leaders, investors, educators, and start-up enterprises to learn about new financial incentive and assistance programs available to companies in Nebraska as part of the Talent and Innovation Initiative (TI²).

“Thank you for all the hard work EDGE does for WASP and all the industries that call Falls City home. It's nice to have the outside support and all the extra knowledge available for programs and training that we sometimes don't know about. We appreciate all your hard work and efforts to help.”

JERRY KOOPMAN
PLANT MANAGER, WATKINS AIRCRAFT SUPPORT PRODUCTS (WASP)



- Assisted local manufacturers and businesses with obtaining financial resources needed to enhance productivity and growth in Falls City.
- Continued working with state and regional economic development partners to promote development opportunities in the Falls City area.



- Hosted NEDED Familiarization Tour, providing an opportunity for state officials to tour the community and see first-hand new developments while learning more about site location opportunities.



- In conjunction with the Nebraska Diplomats signature event—*Passport to Nebraska Weekend*, EDGE Board members, Kevin Malone and Tim Heckenlively, hosted Consolidated Grain and Barge (CGB) company executives.



- As a member investor of the Lincoln Area Development Partnership, participated in regional sales efforts at the 2012 International Plastics Showcase in Orlando, Florida, and the Industrial Asset Management Council Professional Forum in Omaha, Nebraska.

- Met with economic development representatives from Missouri, Iowa, Nebraska, and Kansas to explore the possible formation of a regional group focused on marketing economic development and tourism opportunities in the four-state region.
- Aggressively pursued new business development leads, responding to six prospects with in-depth sales proposals.
- Updated the Richardson County Labor Basin Study, providing an important sales tool in documenting the availability and characteristics of the area's labor pool.

“The EDGE group continues to do great things for the Falls City community with sponsoring a local job fair. Airlanco appreciated being given the opportunity to connect with potential employees in the local area in order to fill our employment needs.”

ALISON KERL
HUMAN RESOURCES MANAGER, AIRLANCO



Product Development and Public Policy Advocacy

- Continued development of the 10.1-acre site in the Falls City Industrial park, including contracting with an engineering firm to design the utility infrastructure.
- In the area of workforce development and recruitment:



- Invested in workforce skills training, including contributing funds towards the purchase of a new Plasma CNC Cutter for the Falls City High School Industrial Technology Program. The equipment enables students to gain knowledge and hands-on experience in a technology that is used on a daily basis by local manufacturers.



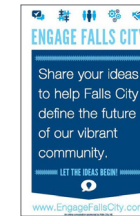
- Connected area youth with local career opportunities, including arranging for 40 high school industrial technology students from Sterling, Nebraska, to tour Airlanco, Vantec, and WASP to see first-hand how the skills they are learning in the classroom are applied in today's high tech, industrial workplace.



- In response to local employers' hiring needs, organized a local job fair in partnership with the Richardson County University of Nebraska-Lincoln Extension Office that attracted 20 employer participants and more than 130 students and job-seekers.

- Entered into discussions with Education Service Unit 4 to create a Manufacturing Career Academy for local high school students, adding to the Renewable Energy and Health Science Academies currently in place.

- In collaboration with the City, partnered with Marvin Planning Consultants to develop the City's Comprehensive Plan that will serve as a guide to economic and community development for the next 10-15 years. The community engagement process is utilizing an array of tools to generate new and innovative ideas and feedback from the public, including town hall meetings, key person interviews, social media, and a newly-launched website – www.EngageFallsCity.com. The goal is to create a unified vision and implementation plan that will continue moving Falls City forward.



- On a regional level, participated in the process to update the Southeast Nebraska Development District 15-member county Comprehensive Economic Development Strategy (CEDS). The CEDS is a requirement for designation as a Certified Economic Development District by the U.S. Department of Commerce and serves as a roadmap to diversify and strengthen the Southeast Nebraska region.
- Advocated for legislation and public policies in support of Falls City/Richardson County's economic and community development growth strategies, including hosting visits from elected officials and attending the Nebraska Economic Development Association's Legislative Day.

Investor and Community Relations



- Hosted informational meetings and open houses to keep member investors and the public informed and updated on EDGE's activities.



- Continued Employer Appreciation Program to recognize and thank area businesses for their investment and jobs. EDGE representatives delivered cookies and meat/cheese trays to local businesses and industries as well as gifts to all corporate headquarters.

- Maintained public and private investment levels and increased membership, adding two new investors to the EDGE economic development team.

“I've worked with EDGE in many different capacities, including volunteering as a member of the Investor and Community Relations Committee, as a collaborator in partnering organizations, and as an EDGE Investor. It was EDGE's hard work and commitment I witnessed on a daily basis from the employees, to the volunteers, to the community-oriented investors that convinced me to become an EDGE Investor. EDGE focuses on the ever-changing needs of the community by promoting business services, public policies, and industry-friendly programs that will ensure Falls City maintains its status and character as a great community in which to live, work, and play.”

CASSEY WHALEN
EDGE MEMBER INVESTOR

2012 MILESTONES

Achieving Our Economic Destiny



Consolidated Grain and Barge Announced Plans to Build Multi-Million Dollar State-of-the-Art Grain Terminal in Falls City/Richardson County

CGB chose Falls City/Richardson County for the location of a new \$23 million dollar BNSF Grain Terminal. The terminal will handle high volumes of grain and soybeans, as well as serve as an economic driver for the area. Construction is scheduled to be completed by the fall of 2013, in time for soybean and corn harvest. The project is anticipated to create a minimum of eight new jobs.

The CGB location will have a far reaching positive impact on the economy:

- Jobs with good salary and benefits, creating employment opportunities for existing families, as well as bringing new families to the area.
- An increased property tax base which benefits the City, County, and schools.
- The benefit of a year's worth of construction and the ripple effect of those activities to area businesses.
- A large, new customer for Falls City Utilities.
- Increased truck traffic that will utilize area service stations, convenience stores, and restaurants.
- The utilization of our rail asset which could provide the local railroad workforce more of an opportunity to work in Falls City.
- The potential for better grain prices and reduced costs for our farmers which creates more wealth in our local area.
- The potential for future expansion at this site and any ancillary businesses that could be drawn to the area as a result of this business being built.

"CGB is very excited about becoming valued members of the Falls City community and serving southeast Nebraska's grain merchandising and handling needs. Our thanks go out to EDGE. They have been great to work with. Our company has worked with economic development organizations throughout the United States and I can honestly say the EDGE economic development team is the best we've dealt with."

ERIC KRESIN

SOUTHWEST REGION GENERAL MANAGER, CONSOLIDATED GRAIN AND BARGE



Local Manufacturers and Businesses Received Grants, Added Jobs and Capital Investment

With assistance from EDGE, three local companies received \$47,500 dollars in financial assistance to enhance productivity and growth. As a result, approximately 35 new jobs were added to the workforce, and over \$325,000 dollars invested locally.

- Airlanco received a \$7,000 dollar Asset Modernization Grant from the Nebraska Investment Finance Authority (NIFA) for equipment modernization and an \$18,000 dollar Job Training Grant from the NEDED for skills training of new employees. Airlanco has reached 50 percent of their employment projections and will continue to build upon their employment goals in 2013.
- WASP received a \$12,500 dollar Asset Modernization Grant from NIFA to modernize equipment. WASP added 20 new employees to their workforce.
- Merz Farm Equipment utilized the Intern Nebraska program which is designed to enhance student business skills and for students to gain real life business experience. Merz received funding for two intern positions at a maximum of \$5,000 dollars per intern which helps offset some of the cost and risk businesses take when hiring interns.



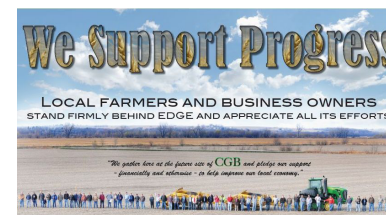
\$3 Million Dollar Wilderness Falls Housing Project Completed

Less than one year after ground was broken on the Wilderness Falls senior housing development, a ribbon-cutting ceremony to officially mark the completion of the project was held. Several local entities—public and private—helped complete

the development. It is anticipated the project will be the first of a multi-phase housing development in the area.

Falls City Recognized as a Successful, "Can Do" Community

During National Community Development Week, the Nebraska Department of Economic Development recognized Falls City as a "can do community that weaves energy and enthusiasm with excellent use of funding," including Community Development Block Grants (CDBG), to fund the City's progressive movement. CDBG has been utilized to fund an array of business and community development projects in Falls City. Most recently the CGB project was awarded \$200,000 dollars in CDBG funds.



EDGE Investors and Community Stakeholders Demonstrated Support for EDGE

Local farmers and business owners gathered at the future CGB site pledging their support – financially and otherwise – to help improve the local economy. This show of support is one

of the many examples of investors' and community stakeholders' support of EDGE's work in retaining and growing businesses and making a positive economic impact on the Falls City/Richardson County area.



STAY UP-TO-DATE on all the economic development news in the Falls City/Richardson County area. Sign-up to receive the EDGE quarterly e-newsletter at www.fallscityedge.com/eNews.aspx.

EDGE member investors exemplify the public-private collaborative environment of the Falls City/Richardson County area. It is this spirit of cooperation that is moving the area forward and helping achieve our economic destiny. Thank you to all our member investors for making EDGE's work a continuing success.

2012 BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Bart Keller, Farm and City Supply

Steve Kottich, Miller Monroe Co.

Kevin Malone, First National Bank & Trust

Dana Rathje, Falls City Pharmacy

Ray Joy, Southeast Nebraska Communications

Beth Sichel

Beckie Cromer, EDGE Executive Director

DIRECTORS

Brian Daake, Dorr & Clark Funeral Home

Chris Halbert, Halbert, Dunn & Halbert, L.L.C.

Edward & Sandra Hartman

Tim Heckenlively, Falls City Public Schools

Tim Hersh, Mayor, City of Falls City

Dennis Hullman, Hullman's Ford

Ryan Larsen, Community Medical Center

Marc Morehead, Richardson County Bank & Trust

Jerry Oliver, Councilman, City of Falls City

Charles Radatz, Tri-State Corridor Alliance

Kirby Robidoux, Councilman, City of Falls City

David Sichel, Richardson County Commissioners

Rodney Vandeberg, Vandeberg Family Foundation

EX-OFFICIO DIRECTORS

Eric Barr, Manager, Falls City Area Chamber

Gary Jorn, City Administrator, City of Falls City

2012 MEMBER INVESTORS

PUBLIC INVESTORS

City of Falls City
(\$120,000)

Richardson County
(\$20,000)

PRIVATE INVESTORS

Visionary Investors
(\$5,000 and greater)
Community Medical Center
Dorr & Clark Funeral Home
Farm & City Supply
(Ace Hardware)

First National Bank & Trust
Halbert, Dunn & Halbert, L.L.C.
Hartman, Edward & Sandra
Richardson County Bank & Trust
Southeast Nebraska
Communications
Vandeberg Family Foundation/
Vandeberg, Rodney

Champion Investors
(\$2,500 - \$4,999)
Aitken, Robert W. (CPA)
Armbruster Motor Co.
Morehead, John & Amalia

Catalyst Investors
(\$1,000 - \$2,499)
Animal Health Center
Falls City Journal
Falls City Mercantile Co.
Falls City Pharmacy
Grand Weaver Hotel
Harris, Ed & Deb
Hullman's Ford
Jim Hill's
Martin, John & Kathy
Miller-Monroe Company
Parkside Dental Clinic

Schuetz, Charlene
Sun Mart Foods
Weaver & Merz

Advocate Investors
(\$500-\$999)

American National Bank
Careage Estates
Check-In Motel
Falls City Area Chamber
Falls City Care Center
Falls City Family Practice
Habben, Dr. Jon & Kathy
James, Dr. Charles R. (DDS)
Jones Air Conditioning, Inc.
KLZA/Kanzaland Radio Group
Mary's Appliance
Neal Parsons Law Office
Physical & Respiratory
Therapy Services, LLC
Poppe Realty & Mgmt.
Radatz, Charles & Karen
Salem Grain Co., Inc.
Southeast Ready Mix/
Concrete Industries
Stripes & Signs
Time Warner Cable
Veigel, Merle & Sara
Vision Inn

Supporter Investors
(Individuals & Nonprofits - \$100-\$499)

Bauman, Julie & Matt
Bletscher, Phil
Boose, William R. III
Borg, Dr. David & Joyce
Campbell, Don & Laverne
Castle, Mike & Jean
Catlin, Brad & Sandy
Chesnut, Bev
Deckinger, Fred & Gracie
Eickhoff, Ryan & Halbert, Andy

Falls City BPO Elks
Falls City Rotary Club
Finck, Ray & Ruth
Froeschl, Marty & Gail
Froeschl, Mary
Gist, Martin & Mary Jane
Godemann, Ted & Mona
Goff, Lonnie & Kim
Haralabidis, Costas & LeeAnn
Heckenlively, Tim and Tracie
Hollens, Steve & Carol
Howard, Ben & Krystal
Jenkins, Bill & Becky
Johnson, Rick & Susan
Keller, Bart & Gayle
Kottich, Steve & Diana
Malone, Kevin & Janet
Marsh, Gale & Mildred
McPeak, Dr. Eric
Morehead, Marc & Marcia
Moses, Richard & Nancy
Niedfeldt, William (Bill)
Oliver, Jerry & Sharryll
Parrish, John & Barb
Prosser, Michael
Romine, Alan & Freeda
St. Thomas Episcopal Church
Scheitel, Kevin & Gina
Sefried, Jim & Diane
Sichel, David & Alyce
Sichel, Randy & Beth
Simpson, Kenny & Tami
Sipple, William & Susan
Stalder, R. Merle
Steinman, John & Pat
Weaver, Paul & Letha
Weinert, Paul & Mary Jane
Whalen, Michael & Cassey
Wilhelm, Leon & Madaline
Windle, Brown
Zoeller, Kenneth & Joan

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