

A Successful Marketing Tool

The City of Lexington receives, on a continuous basis, many inquiries from different businesses asking for available, existing business space in the community.

USDA Rural Development was able to assist the City of Lexington and Dawson Area Development through the Rural Economic Development Grant (REDG) program. The City applied and was approved for eligibility as a municipality for the program. It then applied for \$300,000 in grant funds, that in turn was loaned to Dawson Area Development at 0% interest for 10 years. As Dawson Area Development pays back the loan to the City, a revolving loan fund is set up to allow the City to provide additional loans for business or community development needs. The City was



Industrial Building

required to provide the 20% supplemental financing, \$60,000 which remains a permanent part of the revolving loan fund. The total of \$360,000 in loan funds is to be used for future economic development needs.

Dawson Area Development (DAD) utilized the loan to purchase an existing industrial building, which allows DAD to have a marketing tool for attracting a new industry to the community. The building was already set with areas for warehousing/distribution, as well as production. There is enough space for multiple tenants if needed. Dawson Area Development has been able to bring in a new business to the City as a result of purchasing the industrial building and making it available as a spec building.

Elite Endeavors dba Master Hand Milling, which makes feed pellets for cattle from dried distiller grains from ethanol plants, was the first tenant in the building. The owner is from Kansas and also owns an ethanol plant in Kansas. Nebraska has many ethanol plants that can possibly benefit from this business. Being located along a railroad, in central Nebraska, provides another avenue for by-products. Master Hand Milling currently has 17 employees, but will soon be increasing to 20 employees.

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| Obligation Amount: | \$300,000 grant |
| Date of Obligation: | 5/29/2012 |
| Congressional District: | Smith-03; Senators Fischer and Sasse |
| Partners: | Local government |
| Demographics: | Incoming businesses and the City of Lexington's economy. |
| Impact: | Availability of space for incoming businesses. Job creation. |
