

# **Burt County, Nebraska Target Industry Program Final Report**

**February 2010**



**Nebraska Public Power District**

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On February 18, 2010, members of Burt County, Nebraska’s Target Industry Study Group (BCTISG) selected “Rail Based Businesses,” Technology Based Businesses,” “Call Centers,” and “Workforce Development” as their economic growth targets. To enable further development of a plan to encourage retention, expansion, or recruitment of these targets, BCTISG identified the actions and responsible individuals and organization listed in Table 1.

**Table 1**  
**Burt County Target Industries and Actions**

<b>Target</b>	<b>Actions</b>	<b>Individual(s) Responsible</b>
Rail Based Businesses	<ol style="list-style-type: none"> <li>1. Complete a site evaluation within the next 6 months.</li> <li>2. Develop a plan to market rail site.</li> </ol>	Patty NPPD-Keith Board Rep
Technology Based businesses	<ol style="list-style-type: none"> <li>1. Complete a site evaluation within the next 6 months.</li> <li>2. Develop a plan to market building.</li> </ol>	Patty Jay Carol
Call Centers	<ol style="list-style-type: none"> <li>1. Complete a site evaluation within the next 6 months.</li> <li>2. Develop a plan to market Region IV building.</li> </ol>	Patty Jay
Workforce Development	<ol style="list-style-type: none"> <li>1. Within the next 6 months contact education providers and employers to identify opportunities.</li> </ol>	Patty Carol Joe

The process leading to the selection of these target industries included a series of three meetings involving members of BCTISG and economic development specialists from the Nebraska Public Power District (NPPD). This report summarizes the tasks and results of each meeting and the overall industry targeting process.

## **First Meeting – December 16, 2009**

During the first meeting NPPD Economist Ken Lemke presented information on targeting methodologies and provided examples of data that could be provided to the group. BCTISG members provided information and insight on Burt County's values and attributes that would be important in selecting where to direct their efforts. During the meeting BCTISG members also suggested possible targets for future consideration. Specific objectives of the first meeting were:

- Determine the benefits BCTISG members expect to obtain from the target industry study
- Familiarize BCTISG members with targeting methods used by DED and NPPD
- Provide BCTISG members with economic data relevant to industry targeting
- Gather BCTISG views of the importance of different industry attributes
- Obtain initial ideas from BCTISG members about possible targets

Dr. Lemke first reviewed the process NPPD uses to determine the appropriateness of industries for an area using factors such as:

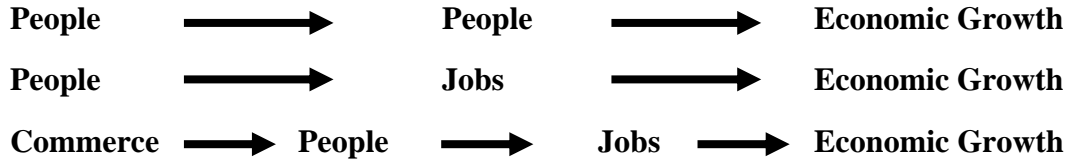
- Industry Growth (Past and Future Potential)
- Labor/Wages/Wealth Creation
- Regional and State Presence
- Local Fit

Next, Dr. Lemke provided data to assess how industry sectors fit the objectives which the group would establish. For example, to aid the group in judging the growth rate of an industry, Ken provided historical data from 2002–2007, by 4-digit North American Industrial Classification System (NAICS) sector, on total employees and establishments. Projections for the 2006–2016 period provided a comparison for future change. This type of detailed data was given for each factor.

Lastly, Dr. Lemke discussed the process used by the state to establish its targets. The state utilized a cluster methodology to create regions with similar economic characteristics. The regions were based on the percentage of the economy attributed to natural resource, local, or traded clusters. Additionally, Ken outlined different approaches that could be used in a targeting process. Approaches discussed included:

- Export Enhancement
- Import Substitution
- Cluster Development
- People Retention/Recruitment
- Trade and Commerce Growth

BCTISG members were asked to consider the following economic development models and determine which best represented their view:



Toward the end of the first meeting, BCTISG members discussed potential targets for the group to consider. A total of twelve potential targets, Figure 1 below, were suggested.

**Figure 1**  
**Suggested Targets from 1<sup>st</sup> Meeting**

<i>Areas of Development Interest</i>	
Agriculture	Retail
Compliments to Existing Businesses	Retirement Village
Construction	Services
Distribution	Technology
Food Processing	Tourism
Manufacturing	Wind

For the final task of the first meeting, BCTISG members were asked to complete the “Targeting Factor Importance Worksheet” (Figure 2). Members were asked to: (a) rank four industry/targeting attributes in terms of importance in their decision-making; (b) provide information on the minimum wage a target industry should pay; and (c) list in order of preference three potential targets.

**Figure 2**  
**Targeting Factor Importance Worksheet**

<b>BURT COUNTY INDUSTRY TARGETING FACTORS</b>	
<b>Section A: Targeting/Industry Attributes</b>	<b>Rank</b>
1. Wage level	
2. Wage growth	
3. Employment growth	
4. Regional presence	
Note: Rank importance of factors, in your view, from 1 to 4, with 1 being the most important and 4 being the least important. You can assign the same rank if you believe they have equal significance. However you should then skip the following rank order number.	
<b>Section B: Target Wage Level</b>	
What is your minimum hourly wage, with benefits for a target industry?	
<b>Section C: List In Order of Preference Your Top 3 Targets</b>	
1 <sup>st</sup> Priority	
2 <sup>nd</sup> Priority	
3 <sup>rd</sup> Priority	

## **Second Meeting – January 13, 2010**

During the second meeting NPPD representatives summarized information provided by BCTISG members during the first meeting on the importance of relative industry characteristics and areas of economic development interests. NPPD staff provided initial overall rankings for industries and a table of the areas of interest. BCTISG members then provided further insights into previously identified potential targets and recommended additional potential targets. At the end of the meeting, BCTISG members ranked each potential target in terms of their level of enthusiasm for the target and in terms of the individual attributes previously used to evaluate the manufacturing sectors. Specific objectives of the meeting were:

- Provide and discuss relative attribute rankings that were calculated using data from first meeting
- Provide overall rankings, calculated using BCTISG relative factor rankings, of industry sectors at the 4 digit NAICS level
- Discuss and refine identified “Interest Areas”
- Obtain information from BCTISG members on their level of enthusiasm for an initial group of possible target areas

Dr. Lemke used target factor rankings provided by the group to evaluate industries according to how well they fit Burt County’s preferences. Using the committee’s inputs, a target factor weighting system was applied to industry sectors. Table 2 shows how target attributes were ranked, the range of target industry desirable minimum wages, and the top four targets provided during the first meeting.

**Table 2  
Attribute Rankings**

<b>BURT COUNTY INDUSTRY TARGETING FACTORS</b>	
<b>Section A: Targeting/Industry Attributes</b>	<b>Rank</b>
1. Wage level	<b>3.1</b>
2. Wage growth	<b>2.8</b>
3. Employment growth	<b>1.3</b>
4. Regional presence	<b>2.9</b>
Note: Rank importance of factors, in your view, from 1 to 4, with 1 being the most important and 4 being the least important. You can assign factors the same rank if you believe they have equal significance. However, you should then skip the following rank order number.	
<b>Section B: Target Wage Level</b>	<b>Wage</b>
What is your minimum hourly wage, with benefits for a target industry?	<b>\$9.00-\$25.00</b>
<b>Section C: List in order of preference your top 3 targets</b>	
1st Priority	<b>Manufacturing</b>
2nd Priority	<b>Technology</b>
3rd Priority	<b>Wind</b>
4th Priority	<b>Services</b>

From the rankings and implied weights, Dr. Lemke constructed a table showing which manufacturing sectors best fit Burt County’s rankings. Once those rankings were established, four constraints were imposed on the data: First, 4-digit NAICS sectors must rank in the top 200 overall rated sectors; second, industries must have a regional presence score (location quotient<sup>1</sup>) of at least 100 for the Midwest region; third, industries must have a regional presence score (location quotient) of at least 90 for the rural areas of the Midwest region, and fourth, sectors must have at least 300 establishments in the U.S. Table 3 displays the top 15 sectors after the imposition of these constraints.

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<sup>1</sup> Calculated by multiplying the percent of the regional labor force in an industry by 100 and dividing by the percent of the national labor force in the same industry.

**Table 3**  
**Constrained<sup>2</sup> Fifteen Highest Ranked Industries**

<i>Industry</i>	<i>Employ.</i>	<i>Est.</i>	<i>Midwest Area Average Wages</i>				<i>Rank</i>
			<i>Region</i>	<i>Metro Areas</i>	<i>Micro Areas</i>	<i>Rural Areas</i>	
NAICS 5331 Lessors of nonfinancial intangible assets	4,613	564	74,684	79,212	67,908	39,398	5
NAICS 5242 Insurance agencies, brokerages, and related	155,114	28,673	54,933	59,092	37,345	47,500	10
NAICS 5621 Waste collection	21,706	1,820	41,509	47,672	31,506	36,440	14
NAICS 5419 Other professional and technical services	94,977	12,635	34,832	36,505	23,902	36,178	18
NAICS 8113 Commercial machinery repair and maintenance	29,522	5,170	44,242	47,273	42,767	42,112	24
NAICS 5221 Depository credit intermediation	330,018	17,697	49,508	53,906	36,682	39,010	27
NAICS 6213 Offices of other health practitioners	96,324	18,916	33,813	34,852	30,673	31,047	29
NAICS 3331 Ag., construction, and mining machinery mfg.	85,162	900	66,364	60,029	41,287	40,138	33
NAICS 5619 Other support services	62,311	5,077	35,215	38,246	28,435	28,340	44
NAICS 4842 Specialized freight trucking	81,557	11,083	38,256	40,281	35,524	34,011	51
NAICS 4238 Machinery and supply merchant wholesalers	134,332	11,903	54,846	58,574	42,846	48,231	55
NAICS 6232 Residential mental health facilities	99,746	3,633	21,941	23,270	19,208	20,757	61
NAICS 3369 Other transportation equipment manufacturing	14,719	192	54,459	67,529	47,678	43,008	65
NAICS 6233 Community care facilities for the elderly	107,575	3,048	20,445	22,015	17,757	16,213	66
NAICS 4247 Petroleum merchant wholesalers	17,120	1,690	54,380	59,833	39,668	92,805	69

<sup>2</sup> Ranked in top 200 overall, Midwest regional fit score of 100 or higher, Midwest rural regional fit score of 90 or higher, and at least 300 establishments nationwide.

Attendees at the second meeting were given the task of rating their level of enthusiasm for possible targets using the Level of Enthusiasm Worksheet, Table 4.

**Table 4**  
**Level of Enthusiasm Worksheet**

Burt County Fit & Interest Rankings		
Potential Target	Community Fit	Would Volunteer
<b>Adult Education</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Agriculture (niche markets)</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Complement Existing Businesses</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Construction (heavy)</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Data storage</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Distribution (warehousing)</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Food Processing</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Information Technology</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Manufacturing</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Retail</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Retirement Village</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Services</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Succession Planning</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Technical Support (.net, .com)</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Technology</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Tourism</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Wind</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Wind Generation</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes
<b>Wind Supply Chain</b>	Poor=1 - 2 - 3 - 4 - 5=Great	No=1 - 2 - 3 - 4 - 5=Yes

**Third Meeting – February 18, 2010**

During the third meeting, Dr. Lemke summarized information, on the level of enthusiasm and ranking of the initial targets gathered during the second meeting. Dr. Lemke provided average rankings of the BCTISG’s community fit and enthusiasm for each preliminary target (Table 5).

**Table 5  
Burt County's Level of Enthusiasm for Possible Target Areas  
(Weighted and Totaled)**

<b>Burt County Fit &amp; Interest Rankings</b>						
<b>Potential Target</b>	<b>Community Fit</b>			<b>Would Volunteer</b>		
	<b>Poor=1 - 2 - 3 - 4 - 5=Great</b>			<b>No=1 - 2 - 3 - 4 - 5=Yes</b>		
	<i>Responses</i>	<i>Average Score</i>	<i>Rated 5</i>	<i>Responses</i>	<i>Average Score</i>	<i>Rated 5</i>
<b>Adult Education</b>	6	4.33	4	6	4.17	4
<b>Agriculture (niche markets)</b>	7	4.71	5	7	2.86	2
<b>Complement Existing Businesses</b>	7	4.71	5	6	3.17	2
<b>Construction (heavy)</b>	7	3.00	1	7	2.43	2
<b>Data storage</b>	7	4.00	1	7	3.71	4
<b>Distribution (warehousing)</b>	7	3.00	0	6	2.33	1
<b>Food Processing</b>	7	3.86	2	6	3.17	2
<b>Information Technology</b>	7	3.57	1	7	3.57	3
<b>Manufacturing</b>	7	3.71	2	5	2.40	1
<b>Retail</b>	7	2.14	0	6	2.17	1
<b>Retirement Village</b>	7	3.00	0	6	2.50	1
<b>Services</b>	7	3.57	1	7	3.00	2
<b>Succession Planning</b>	6	3.83	2	6	2.17	1
<b>Technical Support (.net, .com)</b>	7	3.71	1	7	3.43	3
<b>Technology</b>	7	3.29	1	7	3.14	3
<b>Tourism</b>	7	3.71	2	7	3.57	4
<b>Wind</b>	7	3.57	1	6	3.00	2
<b>Wind Generation</b>	6	3.00	0	5	2.80	1
<b>Wind Supply Chain</b>	6	3.83	1	6	2.83	2

After reviewing the data, BCTISG members selected “Rail Based Businesses,” “Technology Based Businesses,” “Call Centers,” “Truck Stop Development,” and “Workforce Development” as their economic growth targets. To enable further development of a plan to encourage retention, expansion, or recruitment of these target industries, BCTISG identified the actions and responsible organization listed in Table 6.

**Table 6**  
**Burt County Target Industries and Actions**

<b>Target</b>	<b>Actions</b>	<b>Individual(s) Responsible</b>
Rail Based Businesses	<ol style="list-style-type: none"> <li>1. Complete a site evaluation within the next 6 months.</li> <li>2. Develop a plan to market rail site.</li> </ol>	Patty NPPD-Keith Board Rep
Technology Based businesses	<ol style="list-style-type: none"> <li>1. Complete a site evaluation within the next 6 months.</li> <li>2. Develop a plan to market building.</li> </ol>	Patty Jay Carol
Call Centers	<ol style="list-style-type: none"> <li>1. Complete a site evaluation within the next 6 months.</li> <li>2. Develop a plan to market Region IV building.</li> </ol>	Patty Jay
Workforce Development	<ol style="list-style-type: none"> <li>1. Within the next 6 months contact education providers and employers to identify opportunities.</li> </ol>	Patty Carol Joe

Contributors from Nebraska Public Power District, fortunate enough to participate in Burt County’s targeting process, want to thank the BCTISG members for allowing us to share in this opportunity.