**By Jan Rahn**
*Managing Editor*

One of the issues on the ballot during the upcoming election on Tuesday is Grant's Economic Development Program.

Voters will be given an opportunity to continue to fund the program known as LB840 at a rate of up to $25,000 per year if needed for the next 10 years.

Since the beginning of the program, 43 applications have been submitted for funding by businesses or entities for purposes of transition, growth or economic impact, according to Chamber President Bernard Deaver, who is on the City of Grant's Economic Development Committee.

"While the case can be made that this has been a successful program in light of the individual businesses succeeding in Grant, it is important to note that by its very nature of doing things that traditional lenders can't, an economic development program will never have a 100 percent success rate," said Deaver. "An even better case can be made by looking at the sum of its impact on our town and county."

Citing examples, Deaver said, "In just the last few years we've seen young people return to start or purchase businesses, several with assistance from the program. Ride Rite Garage, Reese Mechanical, Plainsman Inn, and 310 Central American Grill just to name a few. Having the program to support their efforts gave them a start they couldn't have gotten elsewhere and helps secure the future of our town."

Program's Background

The program was funded $640,000 by the City of Grant during its first five years.

Here is a breakdown of the 43 applications received:

• Ten applications were denied or withdrawn.
• Twenty-six loans were made, totaling $644,750.
• Grants in the amount of $112,750 were made to businesses during the first four years of the program in tandem with loans of larger amounts.
• Grants were received by Perkins County Health Services in the amount of $70,000 for the purpose of attracting doctors.
• Grants in the amount of $25,000 were received by the Hometown Competitiveness Program and for the purpose of establishing a youth center.
• The total of grants made was $207,750.
• No grants have been awarded to businesses since August of 2006, which in turn has conserved funds for future use.
• One loan in the amount $33,603.73 was written off as bad debt.
• One loan is in default, with garnishment of wages having begun.
• Two loans are late on payments.

Program's Current Status

Current cash balance on hand is $144,081.42.

Current receivables (loan balances) are $277,467.42.

Total (cash balance and receivables) in the program as of Oct. 15, 2012: $421,548.84.

"While this is a sufficient sum of money in reserve for now, the problem with the future is being able to predict it," said Deaver.

"We don't know what lies ahead in three years, five years or seven years. We may find

ourselves wanting to compete with another town for an opportunity where an investment will turn the tide our way. We also have doctors nearing retirement and may again want to help with recruitment. Unfortunately, this would diminish the fund with no legal means to the city council of replenishing it."

Deaver reminds voters that on the November ballot will be an issue as to whether or not to continue the ability of the city council to fund the program for the next 10 years.

More Background

**Information for Voters**

• Retail Pull Factor:

Grant's retail pull factor in 2010 was 1.48.

Retail Pull Factor is a unit of measurement of retail strength that is calculated by dividing the total annual per capita taxable retail sales for the local geographic area by the state average per capita sales which have occurred over the same time period.

It is frequently used to identify and measure leakage and/or capture of retail trade across political boundaries as well as identifying trends over time.

Interpreting the pull factor is straight-forward. If it is greater than 1.0, then the retail sales activity of that area has exceeded its own population in terms of customer equivalents.

That geographic area has experienced some retail capture beyond the level inferred by its population base. And the greater the area's pull factor exceeds 1.0, the more viable is its retailing activity in relative terms. Conversely, if the pull factor for the area is less than 1.0, that area is losing potential retail activity to other places, and is experiencing trade leakage, with the pull factor falling as leakage grows greater.

• Average Wage:

From 2002 through 2008, Perkins County (numbers for Grant alone n/a) had a 37 percent increase in average wage per job.

This ranks Perkins County at 36th in rate of increase amongst the 116 reporting counties and metropolitan areas in the state, and significantly higher than the state average of 28 percent.

Our neighboring counties of Chase and Keith had gains of 39 percent and 32 percent respectively during the same time frame.

It is worth noting that Keith County had no active, funded economic development program during this time frame.

It would be hard to conclude that the City of Grant Economic Development Program hasn't had an impact on these numbers. How much impact would require more in-depth analysis than available.

For the first quarter 2012 (most recent data available), Perkins County had average employment of 1,097 people and ranked 27th out of the 93 counties in highest average annual wage. Chase County was 36th, while Keith County was 56th.

"It is also no secret that we have more employment available than housing for employees," said Deaver. "The Connect Perkins County group in surveying businesses this year found two things in common to most: lack of qualified job applicants and lack of housing for applicants."

"Not to be overlooked is the sense of optimism fostered with a bustling downtown and business community," concludes Deaver.