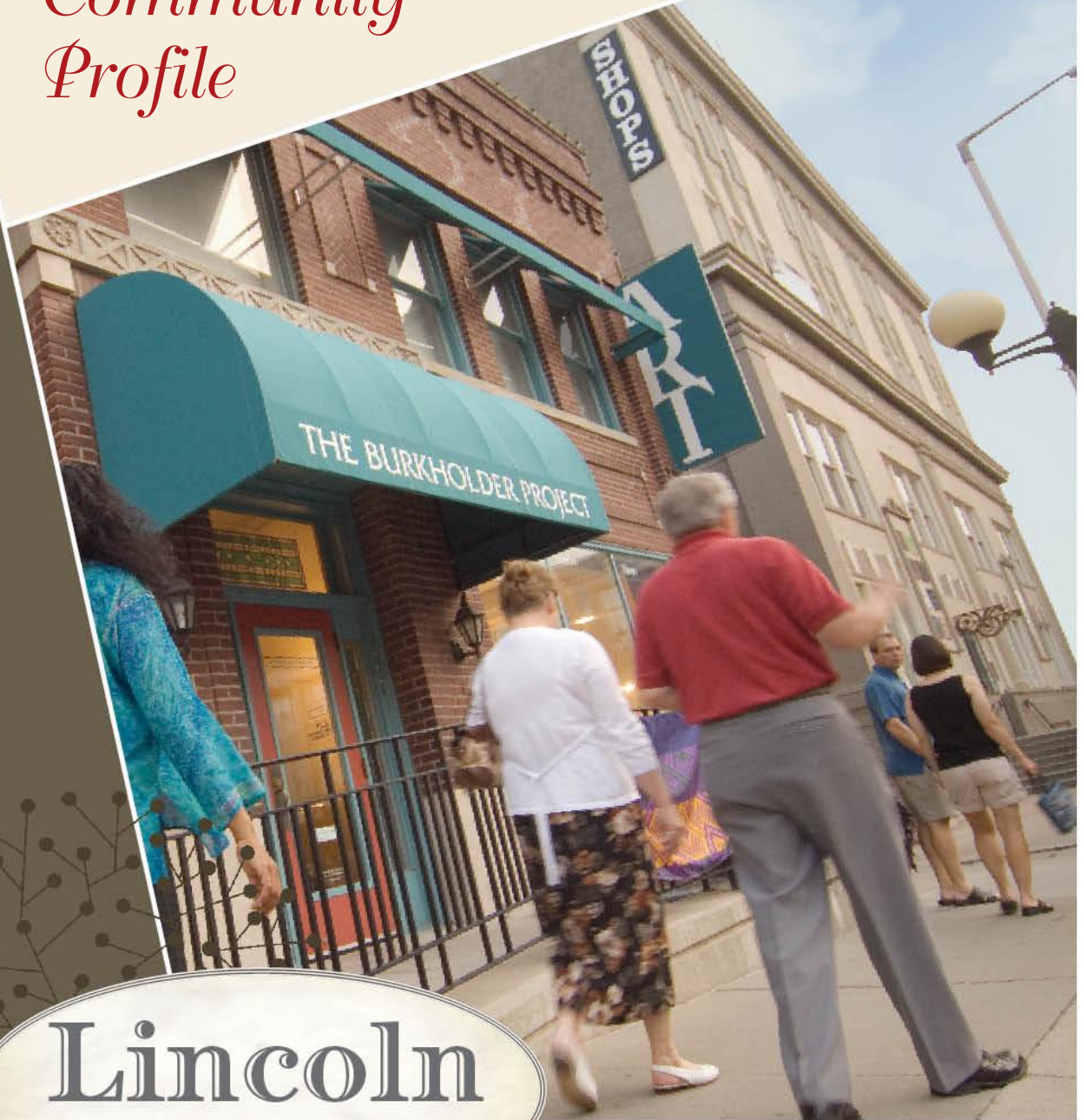


Community Profile

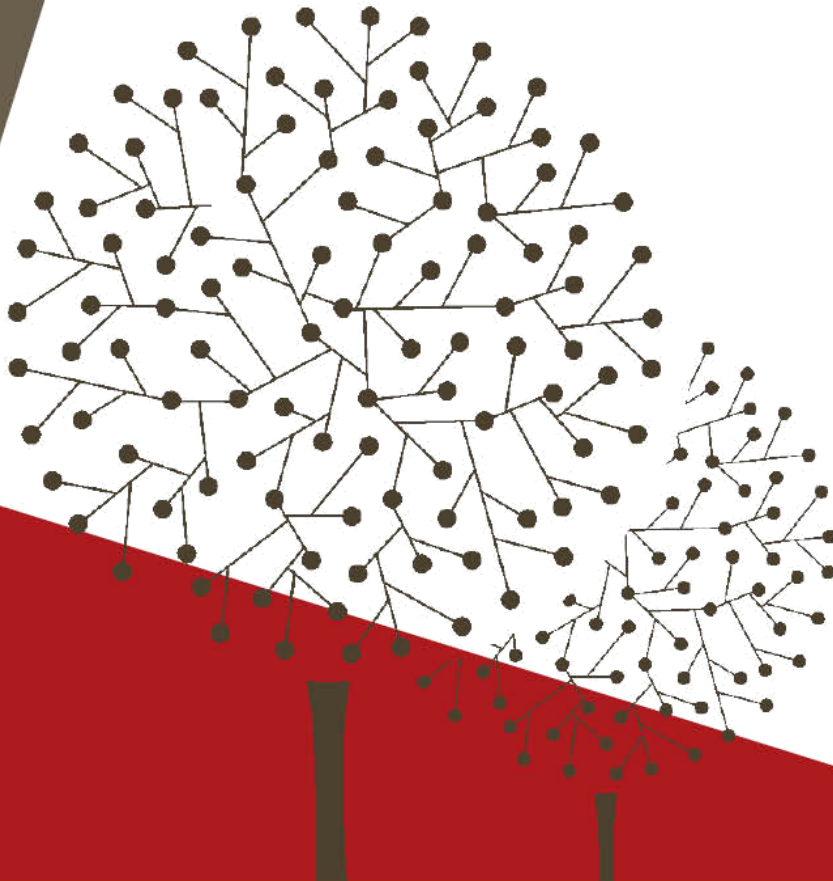


Lincoln
NEBRASKA

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Welcome to

Lincoln, Nebraska

People less familiar with this Midwestern community may wonder exactly what draws so many businesses and families to the area. A closer look at this growing city, however, reveals plenty of opportunities for success. It's a great place to start or expand your business—and a great place to call home.

What makes Lincoln so great? The answer can't be narrowed down to just one thing. The city offers an array of benefits including:

A Productive Workforce

"We have a unique culture where people are engaged in their work and have strong bonds with each other. The cooperation and commitment to growth that we share together has allowed us to achieve the amazing success we have enjoyed over the years. The work ethic, productivity, and quality focus of the labor force in Lincoln is unmatched."

— Marc LeBaron, Chairman and CEO of Lincoln Industries

An Innovative Spirit

"Lincoln ... creates a sense of being in a place where intellectual pursuit is normal. The presence of the Tech Park and now the potential of a second technology park will create the needed atmosphere in Lincoln. For GeneSeek, being in the Tech Park with other technology companies created the atmosphere for innovation."

— Abe Oommen, Ph.D., President and CEO of GeneSeek

Affordable Business Costs

"Lincoln's public officials are responsive to the community's needs and desires and work actively to sustain pro-business legislation. At Duncan Aviation we are able to grow and expand due to the support of business programs and tax incentives. In addition, Lincoln is the ideal location for business – it's smack-dab in the middle of everything."

— Todd Duncan, President and CEO of Duncan Aviation.

Quality of Life

"Lincoln is a wonderful place to live, work, and raise a family. We have a great public and private school system. And there are lots of opportunities in our city."

— JoAnn Martin, Chair, President, and CEO
of Ameritas Life Insurance Corp.

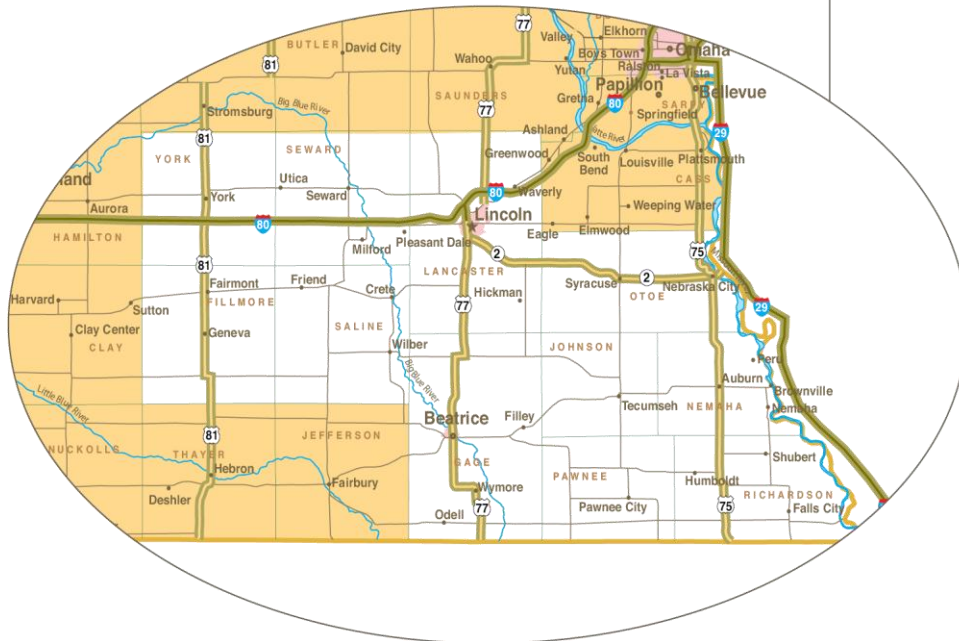
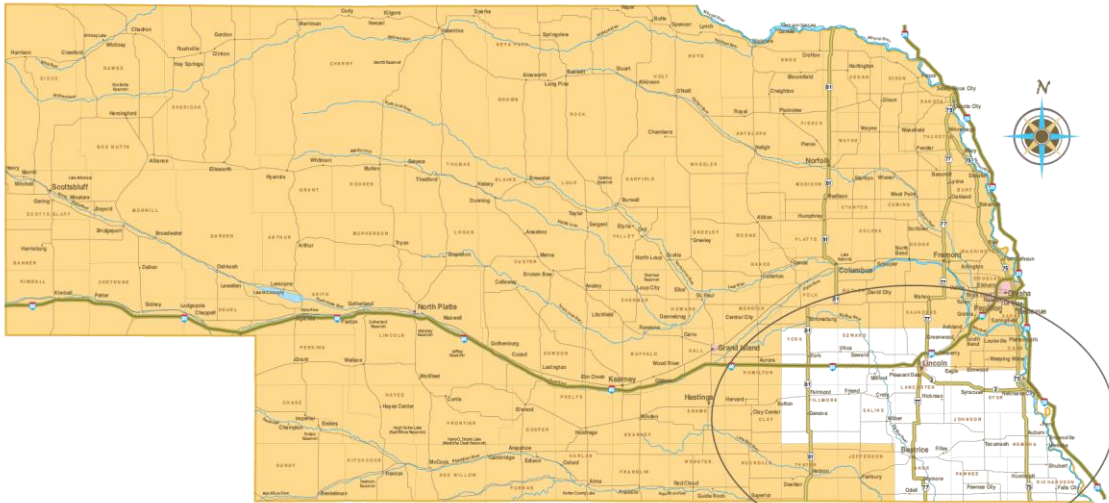
*With so many advantages,
Lincoln can make all the difference
for your business.*



Location

Lincoln is located nearly equidistant between New York and Los Angeles on Interstate 80 the only coast-to-coast interstate.

Given its central location, all major Midwestern markets are accessible within a single day's drive. In addition, Lincoln is less than three hours from anywhere in the United States via direct air flight.



Transportation

HIGHWAYS

Major interstates and highways running through and adjacent to Lincoln include Interstate 80 (east-west), and US highways 2, 6, 34, and 77. Access to Interstate 29 (north-south) is less than one hour from Lincoln. A bypass routes U.S. 77 around Lincoln on the west, and plans for construction of east and south bypasses are underway.¹

SHIPPING AND DISTRIBUTION

More than 1,000 long-haul trucking firms are accessible within a 100 mile radius of Lincoln.² Full truckload service is available from Lincoln to anywhere in the nation within 3 days. Package Delivery is available through a variety of vendors including United States Postal Service, UPS, Fed Ex, and several local courier companies.



AIR TRANSPORTATION

Lincoln is served by two commercial airports with daily shuttle service available between locations. The Lincoln Municipal Airport is located less than 10 minutes from downtown and has daily departures to Atlanta, Chicago, Denver, Minneapolis, and Memphis. Eppley Airfield located in east Omaha is 65 minutes from downtown Lincoln and offers service from 19 airlines. Together the two airports offer more than 100 arrivals and 100 departures daily. A metro shuttle service provides easy access to both locations. In addition, Kansas City International Airport is accessible in approximately 2.5 hours via Interstate 29.

The Lincoln Municipal Airport also offers General Aviation services. The General Aviation runway is 8,649 feet long, elevation is 1,219 feet, and the runway is lit dusk to dawn.

RAIL TRANSPORTATION

Rail service is provided by Burlington Northern/Santa Fe Railroad and the Union Pacific Railroad. Both maintain yards in Lincoln. Daily passenger service and package express is provided by Amtrak. Any domestic destination is accessible by rail within 4 days of shipment from Lincoln.

GROUND TRANSPORTATION

Lincoln residents have numerous options for ground transportation including an Amtrak railway system, taxi, and local StarTran bus services.

The average commute in the Lincoln area is 18 minutes and nearly 18 percent of area commuters spend less than 10 minutes on the road.³

¹ Transportation Division, City of Lincoln Public Works Department

² Nebraska Trucking Association

³ US Bureau of the Census, American Community Survey, 2009, <http://factfinder.census.gov>

Demographic Profile

Total Population

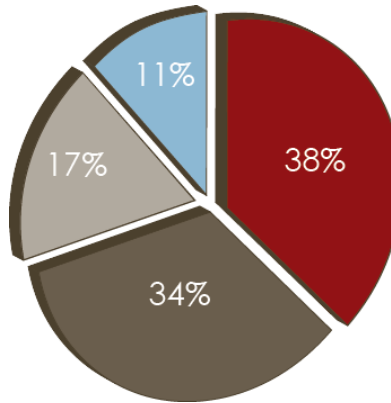
City of Lincoln	258,379
Lincoln MSA (Lancaster & Seward Counties)	302,157

Lincoln's total population grew from 11.7 percent from 2000 to 2009.

Population growth is expected to average from 1.6 to 1.8 percent annually through 2020.

Age Distribution

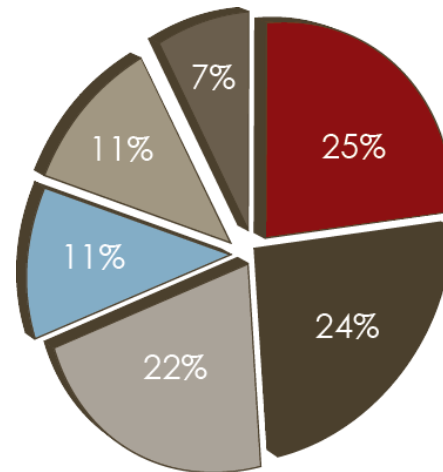
19 and under	34%
20 – 44	38%
45 – 64	17%
65 and over	11%



Lincoln's median age is 33 years.

Educational Attainment (Persons 25 years and over)

Nongraduate	7%
High School Graduate	25%
Some College, No Degree	22%
Assoc. Degree	11%
Bach. Degree	24%
Grad./Prof. Degree	11%



Income

Per Capita Income, 2009	\$24,679
Median Household Income, 2010	\$47,933
Median Family Income, 2009	\$64,342

93% of adults in Lincoln have at least a high school diploma.

35% have at least a Bachelor's degree, compared to the U.S. average of 27 percent.

US Bureau of the Census. 2010, <http://factfinder.census.gov>

Employment and Wages

Lincoln offers a highly educated and motivated labor force. The work ethic and productivity of the Lincoln employees are cited by local employers as two key advantages of doing business in Lincoln.

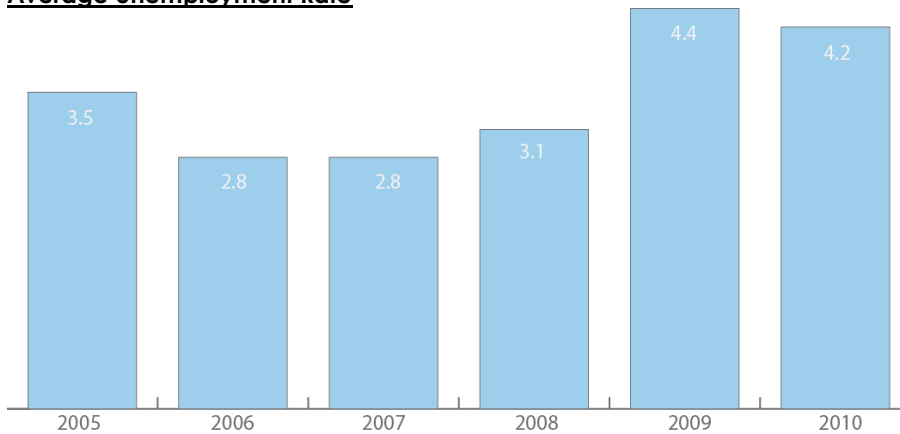
Largest Private Sector Employers

Ameritas Life Insurance	Insurance
BryanLGH Health System	Health Care
BNSF Railroad	Transportation
Dell Services	Business Services
Duncan Aviation, Inc.	Aviation Service/Sales
Kawasaki Motors Manufacturing, USA	Recreational Vehicles Mfg.
Lincoln Benefit Life	Insurance
Madonna Rehabilitation Hospital	Health Care
Molex, Inc.	Electronics Mfg.
Nelnet	Financial Services
Saint Elizabeth Regional Medical Center	Health Care
State Farm Insurance	Insurance
Verizon Wireless	Telecommunications

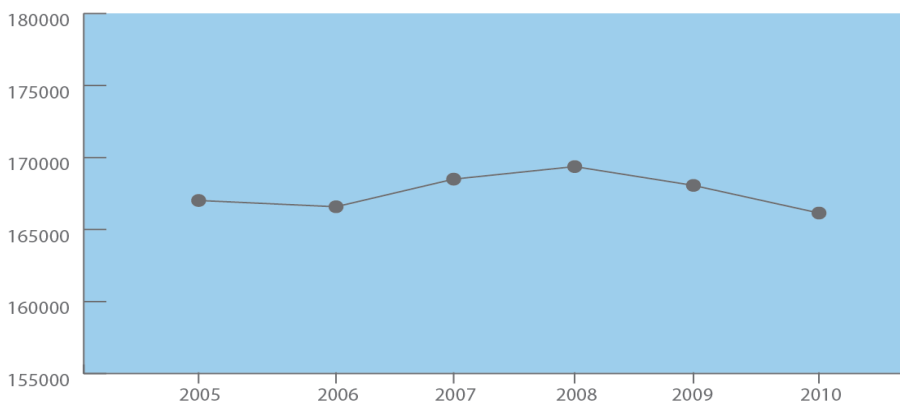
Employment by Industry	
Government	22%
Education & Health Services	15%
Retail & Wholesale Trade	13%
Professional & Business Services	10%
Leisure & Hospitality	9%
Financial Activities	8%
Manufacturing	7%
Trans, Warehousing & Utilities	6%
Construction & Natural Resources	5%
Other Services	4%
Information	1%
	100%

CURRENT LABOR MARKET DATA⁴

Average Unemployment Rate



Average Annual Employment



UNDEREMPLOYMENT

Underemployed individuals are those workers who possess the education, skills and experience to merit a better job, but are not working at their desired capacity. A recent Gallup study indicated that Nebraska ranks third in the nation for lowest underemployment rate.⁵ Nebraska currently sits at 12-14 percent, compared to the 18.9 percent national average.

UNEMPLOYMENT INSURANCE

The 2011 unemployment insurance combined tax rate for non-construction employers who are not eligible for an assigned experience rate is 2.50%. These rates will be recalculated each year so an employer cannot expect to have the same rate each of the two years it takes to qualify for experience rating. The rate can go up or down from the initial rate based upon the employer's experience with the unemployment insurance program.

The taxable wage base is \$9,000. The \$9,000 taxable wage base is set in statute and so will remain at \$9,000 every year for the foreseeable future. For more information link to:

<http://www.dol.state.ne.us/nwd> (Click on Employer Services; Unemployment Insurance).

⁴ Nebraska Workforce Development, Labor Market Information, <http://www.dol.state.ne.us/lwfw.htm>

⁵ Gallup, Underemployment Study 2011, <http://www.gallup.com>

Annual Wages by Occupation⁵

Occupations	Entry Level	Experience	Median
Total all occupations	30,299	51,445	44,859
Management Occupations	51,894	99,554	77,626
Architecture and Engineering Occupations	39,925	63,482	54,319
Legal Occupations	31,965	97,665	52,220
Computer and Mathematical Occupations	40,878	72,871	57,946
Business and Financial Operations Occupations	36,290	64,985	51,266
Healthcare Practitioners and Technical Occupations	32,310	76,735	50,835
Life, Physical, and Social Science Occupations	37,522	59,731	49,882
Education, Training, and Library Occupations	22,670	52,440	40,515
Installation, Maintenance, and Repair Occupations	30,248	50,093	42,168
Arts, Design, Entertainment, Sports, and Media Occupations	18,395	52,765	35,940
Transportation and Material Moving Occupations	21,010	36,039	28,931
Community and Social Services Occupations	21,525	41,635	32,920
Construction and Extraction Occupations	23,535	41,850	32,230
Production Occupations	23,131	34,977	30,283
Protective Service Occupations	19,370	42,310	29,995
Farming, Fishing, and Forestry Occupations	15,745	37,540	28,835
Office and Administrative Support Occupations	24,209	35,191	30,812
Healthcare Support Occupations	20,850	28,595	24,500
Building and Grounds Cleaning and Maintenance Occupations	16,060	26,390	20,775
Sales and Related Occupations	25,122	55,556	37,501
Personal Care and Service Occupations	14,265	23,145	18,630
Food Preparation and Serving-Related Occupations	14,110	20,315	16,105

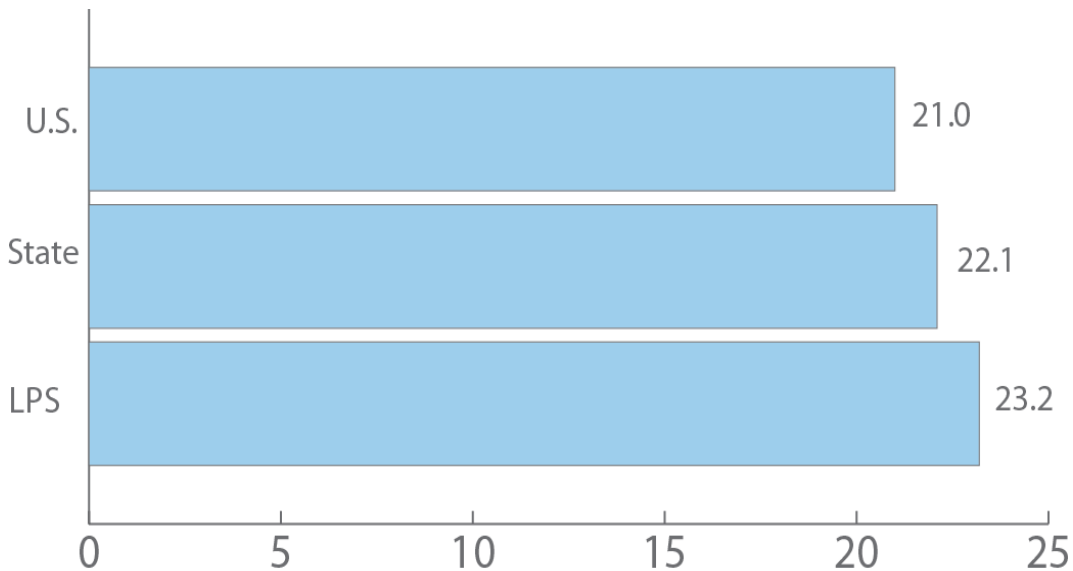
⁵ Nebraska Workforce Development, Labor Market Information, <http://nebslwages.nwd.ne.gov>, May 2011 ECI Factors

Education

ELEMENTARY & SECONDARY EDUCATION

The Lincoln Public Schools (LPS) consist of 37 elementary schools, 11 middle schools, 6 high schools, 1 alternative high school, and focus programs in science, arts and humanities, technology, and entrepreneurship. LPS, which enrolls roughly 35,000 annually, was ranked among the top five in the nation for quality of education by Expansion Management Magazine.

Composite ACT Scores, 2009-10



LPS students score above state and national averages on a variety of standardized tests including the ACT.⁶ Two-thirds of LPS seniors take the ACT; on average 17 percent scored above 28 as compared to 10 percent nationally.

LPS graduation rates are consistently high. Since 2001 an average of 80 percent of 12th graders have received diplomas.⁷ Sixty four percent of LPS graduates pursue postsecondary education.

Lincoln is home to nearly 30 private and parochial schools ranging from pre-K to high school. Affiliations include Roman Catholic, Lutheran, SDA, and non-denominational Christian.

⁶ Source: Lincoln Public Schools, Evaluation Unit, <http://misc.lps.org/misc/post/index.cfm?collection=90>, ACT High School Profiles - 5 Year History link.

⁷ Source: Lincoln Public Schools, Evaluation Unit, <http://misc.lps.org/misc/post/index.cfm?collection=98>, Graduation Rate link.

POSTSECONDARY EDUCATION

Lincoln is home to the flagship institution of the University of Nebraska system. Founded in 1869, the University of Nebraska-Lincoln is the state's only land-grant university and primary research and doctoral-degree granting institution. UNL enrolls nearly 23,000 students annually. Areas of excellence include materials research, electronics engineering and testing, remote sensing technology, bioinformatics, nanotechnology, plant genomics, and entrepreneurship.

Other postsecondary institutions in the Lincoln area include:

Southeast Community College

Provides quality applied technology and academic educational opportunities for the students, businesses and communities in the district.

Nebraska Wesleyan University

Ranked the number one liberal arts college in Nebraska by U.S. News & World Report.

Kaplan University

Offering quality programs that integrate general education, professional skills and career-focused education.

Doane College

An independent four-year college offering traditional liberal arts and non-traditional/adult undergraduate and graduate education.

Concordia University (Seward)

Private four-year institution consistently ranked in the top tiers of Midwest colleges by U.S. News & World Report.

Union College

An independent four-year college offering degrees in the liberal arts and sciences.

BryanLGH College of Health Sciences

Affiliated with BryanLGH medical center, the college offers various associates, bachelor's and master's degree programs in health related fields.

Incentives and Business Climate

A variety of state and local incentives, training and financing assistance are designed to attract and retain businesses in Lincoln.

NEBRASKA ADVANTAGE

The Nebraska Advantage package was designed to create a business climate that makes Nebraska the preferred location for starting and growing your business. The Nebraska Advantage rewards businesses that invest in the state and hire Nebraskans. In this progressive, pro-business tax climate, corporate income and sales taxes are reduced or virtually eliminated. Nebraska Advantage contains 6 tiers of benefit:

Tier 1 - \$1 million investment/10 new jobs

Refund of ½ the sales tax paid on project's capital purchases, the full sliding scale job credit of 3, 4, 5 or 6% depending on wage level, and a 3% investment tax credit.

Tier 2 - \$3 million investment/30 new jobs

Refund on all sales tax paid on project's capital purchases, the full sliding scale job credit of 3, 4, 5 or 6% depending on wage level, and a 10% investment credit.

Tier 3 - No investment/30 new jobs

Requires creation of 30 new jobs. Companies receive the full sliding scale job credit of 3, 4, 5 or 6% depending on wage level. No capital investment is required.

Tier 4 - \$11 million investment/100 new jobs

Refund on all sales tax paid on project's capital purchases, the full sliding scale job credit of 3, 4, 5 or 6% depending on wage level, a 10% investment credit, and a personal property tax exemption on turbine-powered aircraft, computers systems, agricultural processing machinery and personal property used in distribution facilities for up to 10 years.

Tier 5 - \$33 million investment/Maintain Employment

Refund of all sales tax paid on project's capital purchases and a personal property tax exemption on computer systems for internet web portal for up to 10 years.

Super Tier 6 - \$10 million investment/75 jobs or \$100 million investment/50 jobs

Refund of all sales tax paid on project's capital purchases, a 10% job credit on wages above specific threshold, a 15% investment credit, and a personal property tax exemption for up to 10 years.

ADDITIONAL COMPONENTS OF NEBRASKA ADVANTAGE PACKAGE

Nebraska Research and Development Advantage

Provides a tax credit for research and development activities by any qualified business entity. Allows a research tax credit to business firms that increase research expenditures in Nebraska. The credit is equal to 15% of any research and development expenditures that are greater than the average of the previous two years research and development spending. An important feature is that business with little or no income may take advantage of the income tax credit by receiving a sales tax refund or a refundable income tax credit.

State and local sales tax exemptions of manufacturing machinery, equipment, and related services

Manufacturing machinery and equipment is defined to include: equipment for transporting raw materials or components, molds and dies for forming cast or injected products or its packaging materials, machinery to maintain the integrity of the product or environmental conditions, testing equipment for quality control, computers that control a manufacturing process, machinery used to produce steam, electricity, catalysts, and solutions, repair or replacement parts, and all installation, repair and maintenance service performed on such equipment.

Customized Job Training Program

Provides training assistance to qualifying companies that sell goods/services primarily to a non-Nebraska market. Eligible training projects include new investment in Nebraska that create full-time jobs or require retraining of existing full-time positions in order to retain those positions in Nebraska. Program details available at: <http://www.nebraskaadvantage.biz/customizedjobtraining.htm>

Talent & Innovation Initiative (T12)

Put forth to develop and attract businesses rooted in technology and innovation. Key elements of the initiative include internship opportunities, funding for new technologies, site and building development, and Nebraska Angel Investment Tax Credit.

For more information contact Jason Smith, jsmith@lcc.com, 402.436.2373 or link to www.nebraskaadvantage.biz.

ADDITIONAL INCENTIVES AVAILABLE IN LINCOLN

Community Improvement Financing

Tax increment financing (TIF) of the cost of public improvements for projects located in blighted and substandard areas. Its purpose is to reduce developer capitalization to a level that makes investment feasible. Public improvements include land purchase, clearance and sale, construction of streets, sidewalks, utilities, parks or other similar public spaces necessary in site preparation.

New Market Tax Credits (NMTc)

The New Markets program helps revitalize targeted urban and rural geographic areas through the retention and creation of jobs, the renovation and expansion of vacant business properties, community facilities, and the purchase of major equipment for business expansion. Eligible borrowers can obtain loans with lower interest rates and terms up to 25 years, creating a lower monthly payment and allowing borrowers to keep more cash in their businesses. The New Markets loan enables borrowers to expand and renovate their existing properties, buy the properties outright, or purchase additional property for business expansion. For loan information link to: <http://www.cdr-nebraska.org/nmtcbusiness.pdf>

Capital Gains Exemption

One-time exemption from state personal income tax on gains realized from selling or exchanging stock of a corporation acquired by an employee with the corporation. The corporation must do business in Nebraska for at least three years and must have a minimum of five shareholders. The provision is an excellent recruitment tool for growth-

oriented companies that use company stock options as part of employee compensation or retirement programs.

Industrial Development Bonds

Designed to encourage economic and industrial development through the investment of private capital. Industry targets include manufacturing, warehousing, transportation, and tourism.

City/County Economic Development Loan Program

Job creation and building improvement loans.

Community Development Resources (CDR)

Technical assistance, training and access to capital for new and existing businesses. Link to <http://www.cdr-nebraska.org>

Nebraska Economic Development Corporation (NEDCO)

State-chartered nonprofit corporation that provides long-term capital loans to businesses unable to secure regular bank credit. NEDCO can make long-term loans (up to 20 years) to eligible small businesses for fixed asset projects. Financing is limited to 40 percent of the project's total cost up to \$750,000 or \$35,000 per job created or retained. Revolving loan fund financing is limited to \$150,000 or 75 percent of the project cost not to exceed \$15,000 per job created or retained. Link to <http://www.nedcolans.org>

Nebraska Worker Training Program

Provides grants to assist firms in the retraining and upgrading of existing employees. Grants are awarded on a quarterly cycle. A match of at least one dollar of employer's funds (including wages for participating employees) for each dollar of state funds is required. Use of program funds is extremely flexible. The type and length of training programs, training vendors and materials are chosen by the company. Link to: <http://www.dol.state.ne.us/nwd> (click on Employer Services, Worker Training)

Work Opportunity Tax Credit (WOTC)

Provides a credit against federal income tax liability of up to \$2,400 for each qualified hire. Qualified employees include 18 to 24 year old food stamp recipients, disabled persons, low-income ex-felons, and persons receiving SSI benefits. Link to: <http://www.dol.state.ne.us/nwd> (click on: Employer Services)

BUSINESS ASSISTANCE PROGRAMS

Lincoln has numerous assistance programs to help businesses stay competitive or find financing. Programs include:

- Nebraska Business Development Center (NBDC) which assists in business planning, analysis, market research, feasibility studies and microcomputer training.
- Link to <http://nbdc.unomaha.edu/About/lincoln.cfm>
- The Food Processing Center at UNL provides expertise for the food processing industry in manufacturing, technology, marketing and business development.
- Link to <http://www.fpc.unl.edu/index.htm>
- In addition to specific incentives, the business climate is enhanced by:
- No state-levied property tax.
- 'Sales-only' corporate income tax apportionment factor.
- No property tax on business inventories.
- No tax on intangibles.
- Performance-based state and local sales tax credits and refunds for qualifying firms.
- Personal property tax depreciation schedules permitting full 100% depreciation.
- No sales tax on electricity, coal, gas and fuel oils when more than one-half used directly in processing or manufacturing.
- No sales or use tax on ingredients used in manufacturing or processing of a product destined for ultimate retail use.
- No sales tax on most food or prescription drugs.
- No sales tax on common carriers' vehicles and replacement parts.
- Sales tax refund on air and water pollution control equipment.

Taxes

SALES TAX

The State of Nebraska and the City of Lincoln levy sales and use tax. State and local levies currently produce a combined 7.0 percent tax levy for Lincoln. The local rate in Lincoln of 1.5% has not increased since 1985.⁸

INCOME TAX

Individual income tax rates are established by the Nebraska Legislature. Taxable income for individuals in Nebraska is determined by the following formula:

- Federal AGI +
- Non-Nebraska tax exempt bonds —
- Federal standard deduction or federal itemized deduction, less state or local income taxes included in the deduction —
- U.S. government interest

Individual income tax rates range from 2.56 to 6.84 percent of income. There are no local income taxes in Lincoln.⁹

The Nebraska corporate tax rate¹⁰ is 5.58% for the first \$100,000 of the federal taxable amount and \$2,790 + 7.81% in excess of \$100,000.

PROPERTY TAX

Taxes on real estate and personal property are levied by local government subdivisions in Nebraska. Property tax on land, buildings and improvements is based on 100% of appraised valuation. The value of personal property is based on the recapture period. Personal property tax depreciation schedules permit full 100% depreciation.

Property tax levies (real and personal) have remained relatively stable in recent years. A comparison of 2009 and 2010 consolidated levy rates on \$100 of assessed value for the City of Lincoln is shown below.¹¹

	2009	2010	% Change
Rate per \$100 of value	2.0119440	1.9959500	-0.79%

The following resources provide detailed information on valuation and taxation in Nebraska:

Nebraska Department of Revenue: <http://www.revenue.state.ne.us>

Property Assessment & Taxation Division: <http://pat.nol.org/personalProperty>

⁸ Nebraska Department of Revenue, <http://www.revenue.state.ne.us/research/4-607table5.pdf>

⁹ Nebraska Department of Revenue, http://www.revenue.state.ne.us/question/iit_rates_08.htm

¹⁰ Nebraska Department of Revenue, <http://www.revenue.state.ne.us/question/business.htm#c12>

¹¹ Lancaster County Assessor, <http://www.lincoln.ne.gov/cnty/assess/LevyRates.htm>

Utilities

ELECTRIC

The Lincoln Electric System (LES), a publicly owned utility supplies electric service to Lincoln and surrounding communities. For more than 20 years, a survey by KPMG LLP has ranked the rates paid by LES customers among the lowest 10 percent in the country¹². The system's reliability (the fraction of time that an LES customer has power) is 99.997 percent.

System Average Interruption Duration Index (SAIDI)¹³: 32.9 min. (2010) U.S. average: 180 min.
System Average Interruption Frequency (SAIFI): 0.64 interruptions/year (5-yr average) U.S. average: 1.33
Average Cost per kWh: varies by type of service; see Appendix 1, p 29

NATURAL GAS

Black Hills Energy, a full-service natural gas distribution company, is the retail supplier of natural gas in Lincoln. Commercial customers can select pricing options to stabilize their rates. In addition, Black Hills assists large volume users with customized services tailored to their specific needs. Black Hills Energy allows open transportation on its system for commercial and industrial customers by certified marketers.

Current Natural Gas Rates ^{14*}	Residential	Commercial
Customer charge	\$13.50/mo	\$18.50/mo
Avg. Price/Therm (recent 12 mos.)	\$0.74162	\$ 0.71907
*Rates vary slightly due to seasonal fluctuation. Average does not include taxes or regulatory assessments.		

TELEPHONE

Local residential and business wireline service is provided by **Windstream Communications**. Time-Warner Cable provides residential and business class digital phone service locally. Windstream has more than 240 route miles of cable fiber and 11,600 fiber strand miles in Lincoln. Fiber is generally available within 1/2 mile of a business site. **Unite Private Networks** provides dark fiber, lit fiber (1-10 gig), private line, metro optical Ethernet (MOE) Internet, VOIP, storage area networks for business customers and fiber WANS.

INTERNET

In addition to Windstream and Time-Warner Cable, which offer a full spectrum of internet services, Lincoln is served by a number of local and national internet service providers.

¹² Lincoln Electric System (LES), <http://www.les.com/pdf/RateSurvey.pdf>

¹³ Lincoln Electric System (LES), 2006 Outage Summary

¹⁴Mary Simmons, Black Hills Energy

WATER & WASTEWATER¹⁵

The City of Lincoln provides water and wastewater services.

Daily Water Capacity:	131 mil gallons/day
Average Daily Demand:	41.9 mil gallons/day
Daily Peak Demand:	113 mil gallons
Fees for Non-Residential Customers:	Two levels of rates based on use; see Appendix 2, p 30

The existing Lincoln wastewater collection system service area covers 13 drainage basins encompassing over 80 square miles. The system includes over 900 miles of wastewater collection pipelines ranging in size from 8-inch to 90-inch in diameter

Wastewater System Capacity:	38.0 million gallons/day
Average Daily Demand:	24.3 million gallons/day
Fees for Non-Residential Customers:	Based on monthly water use. Surcharge for high-strength waste.

¹⁵ City of Lincoln Public Works/Utilities Department, Water Division

Commercial Real Estate ¹⁶

(Rent/square foot/year)	Low	High	Effective Avg.	Vacancy
Downtown Office				
Class A (Prime)	\$14.75	\$20.00	\$17.07	10.2%
Class B (Secondary)	\$10.00	\$21.00	\$15.41	12.6%
Suburban Office				
New Construction (AAA)	\$12.50	\$21.00	\$18.45	28.3%
Class A (Prime)	\$17.00	\$22.00	\$20.70	6.4%
Class B (Secondary)	\$8.00	\$22.00	\$16.02	11.1%
Industrial				
Bulk Warehouse	\$2.00	\$6.25	\$3.62	16.7%
Manufacturing	\$2.00	\$6.00	\$2.72	6.9%
High Tech / R&D	\$3.50	\$10.00	\$6.75	10.6%
Retail				
Downtown	\$4.00	\$25.75	\$8.58	13.6%
Neighborhood Service Centers	\$6.00	\$25.00	\$13.27	11.5%
Community Power Center	\$6.00	\$25.00	\$11.91	10.8%
Regional Malls	\$20.00	\$35.00	\$25.13	17.5%

Development Land	Low (Price/Acre)	High (Price/Acre)
Office in CBD	\$25	\$35
Land in Office Parks	\$120,000	\$400,000
Land in Industrial Parks	\$55,000	\$160,000
Office/Industrial Land - Non-park	\$65,000	\$275,000
Retail/Commercial Land	\$165,000	\$1,150,000
Residential	\$30,000	\$50,000

LOCATELINCOLN.COM

[Locatelincoln.com](http://locatelincoln.com) is a site that enables users to conduct a detailed search for available sites and buildings. Users have the option to print a short report about each property directly from the site, or have a more detailed report sent via email. The system interfaces with the Midlands Multiple Listing Service (MLS) a service of the REALTORS Association of Lincoln, and incorporates key infrastructure data (utilities, roads, communication, zoning, etc.) from the City of Lincoln and other cooperating agencies. The system's core mapping function enables users to view sites along with associated map layers such as roads, schools, rail lines, and electrical substations.

The system includes two search options. The Simple Site Search option quickly generates a list of suitable sites based only on site type and size. The Advanced Site Search offers a list of site variables including drive times to airports, proximity to water and sewer lines, and zone types. The system also reports demographic characteristics within a specified radius of a given site.

¹⁶ Source: NAI Global Commercial Real Estate Services, Market Research, http://www.nairect.com/market_research/html/502510_marketrep.aspx?pageTitle=Market%20Research, accessed 6/15/09

Technology Park

The University of Nebraska Technology Park is located in a 130-acre high amenity, master-planned development in northwest Lincoln. It is adjacent to Interstate 80, and five minutes from the University of Nebraska-Lincoln campuses, downtown and the Lincoln Municipal Airport. Since its inception in 1997 the Park has grown to house high-tech companies employing a total of more than 1,000 people.

The mission of the Technology Park is to promote synergy between the University of Nebraska and park tenants by facilitating technology transfer and interaction with the private sector via basic and applied research of technology based projects and services. The results are intended to foster economic development and new jobs for the state.

All potential occupants of the Technology Park are evaluated by the Park's executive committee in accordance with a list of permitted activities. Permitted activities include but are not limited to:

1. Laboratories and related facilities intended for basic and applied research, development of technology-based products and services or testing of technology-based products and services.
2. Facilities intended for production or assembly of products of a technological nature.
3. Pilot plants in which prototype production processes can be tested and used for assembly of products of a technological nature.
4. Corporate, regional and divisional headquarters of technology-based or knowledge-driven companies and organizations.
5. Technology-dependent or computer-based facilities dedicated to the processing of data or analysis of information, provided that these information services are supported by on-site research or product development.

Key features of the park include a 23,000 square foot Technology Development Center that provides incubator space for new technology-based companies as well as One Technology Place and the Cabela's Technology Center, multi-tenant facilities designed specifically for midsize companies and Technology Development Center graduates. The park also is home to Verizon Wireless's Technical Customer Support Center serving a multi-state region.

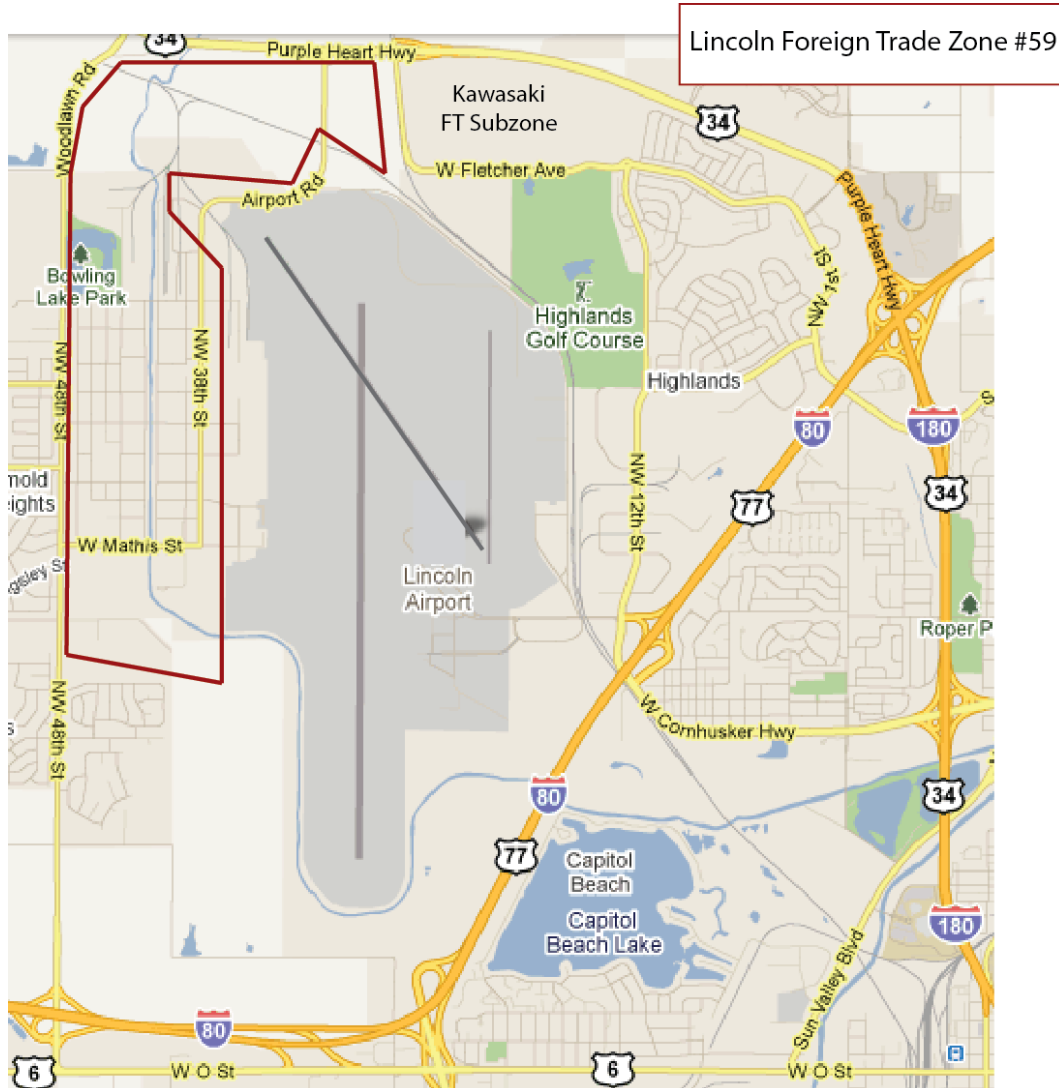
Advantages include redundant fiber optic telecommunications service, an on-site OC-12 Sonet Node, fiber optic interconnectivity of park buildings, an on-site co-location facility for mission critical data storage, a "smart" auditorium available for internet based training, videoconferencing, access to University of Nebraska facilities, a student internship program, and an Affiliate Incubator Program for off-site companies.

A particularly unique component of the Park is the Nebraska Center for Excellence in Electronics (NCEE), a full-service electronics testing and training laboratory providing regulatory compliance testing to the Federal Communications Commission (FCC), the European Union, and other appropriate emissions and immunity standards.

For more information visit the Tech Park web site at <http://www.nutechpark.com>

Foreign Trade Zone

Lincoln has a 372-acre general purpose Foreign Trade Zone (FTZ) located in the northwest quadrant of the city, adjacent to the Lincoln Municipal Airport. The zone is administered by the Lincoln Partnership for Economic Development.



Foreign Trade Zones are designed to encourage economic growth and make domestic companies more competitive against foreign counterparts. The fundamental advantage offered by the FTZ program is the ability to defer, reduce, or in some cases, eliminate Customs duties on products admitted to the zone. Other benefits include:

- Elimination of quota restrictions on goods admitted to the zone.
- Improved manufacturing and distribution logistics.
- Improved security and potentially lower insurance costs.

Quality Living

Lincoln is known for providing a high quality of life for its residents. Lincoln has a number of advantages including an extensive park and trail system, world-class golf courses, a strong arts and humanities center and plenty of shopping opportunities.

However, what sometimes go unnoticed are the quality of life factors that are positive for the business climate.

Lincoln was recently ranked No. 1 by Men's Health Magazine as having the best roads in the U.S. This ranking was determined based on commute times, auto insurance costs, and quality of highways.

Lincoln also provides advantages to companies based on health and health costs. The Center for Disease Control (CDC) recently ranked Lincoln as the healthiest city in the U.S. Companies have been able to reap the benefits of the "active" lifestyle of Lincoln residents.

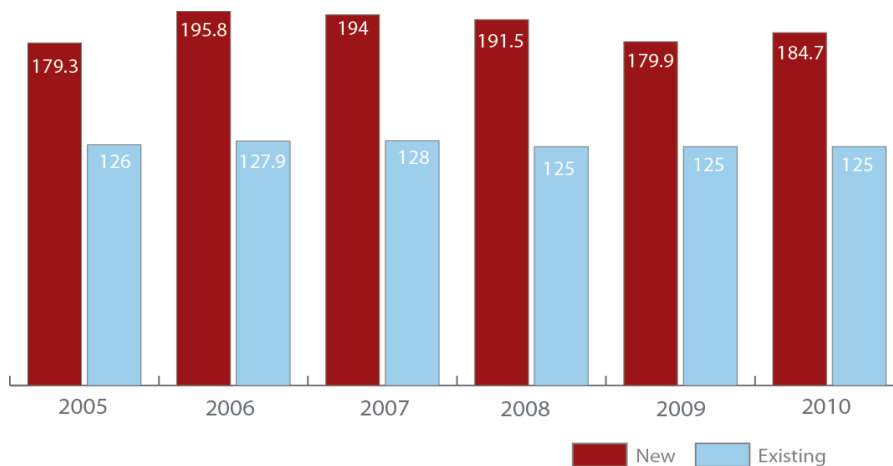
One local manufacturer reports health insurance costs at 50% of the national average for its industry.

This is a combination of healthy workers and affordable and available health care providers. BryanLGH and Saint Elizabeth's Health Systems are major providers of health care for not just Lincoln, but a multi-state region.

Finally, quality of life for Lincoln workers is defined by spending power and the ability to make income last longer. According to Sperling's Best Places, the overall cost of living in Lincoln is 81 compared to a national average of 100.

HOUSING¹⁷

Median Sale Price, New and Existing Homes 2005 to 2010 (\$000)

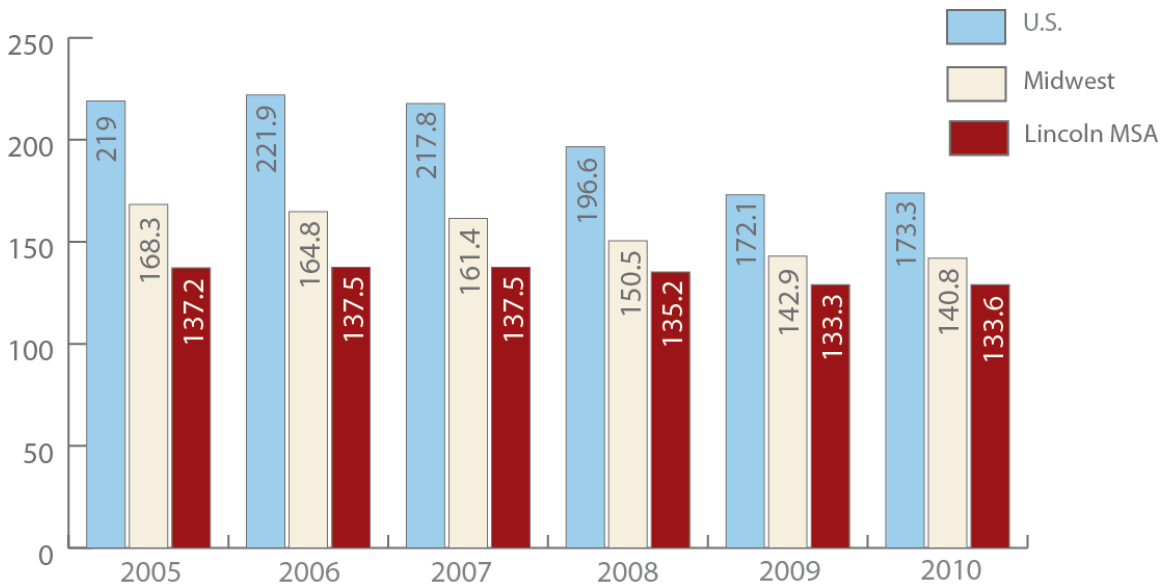


¹⁷ Sources: REALTORS Association of Lincoln, Breakdown of Detached Home Sales, <http://www.lincolnrealtors.com>

Average Rents for Multi-Family Units, 2008
(Avg. low – Avg. high \$)

AREA	West	East
1-br	417-480	560-615
2-br	509-584	662-746
Average Vacancy Rate	6.50%	

Median Cost of Single-Family Homes
(\$000)



CLIMATE

Lincoln is located in the upper Midwest region of the country, an area that enjoys the full range of seasons. Seasonal averages are 51°F in spring, 75 in summer, 52 in fall and 26 in winter.¹⁸

January High	32°
January Low	13°
July High	89°
July Low	68°
Average Temperature	51°
Average Clear Days	212 Annually
Annual Precipitation	29 Inches
Average Growing Season	180 Days

AIR AND WATER QUALITY

Lincoln's air quality gets grades of "A" on ozone pollution and "B" on particle pollution from the American Lung Association¹⁹ in its State of the Air 2006 Report. Lincoln consistently ranks among the cleanest cities in the nation for ozone pollution.

Lincoln receives its water from a groundwater aquifer, a self-replenishing source naturally high in quality. Lincoln's drinking water meets or exceeds all State and Federal drinking water regulations.

HEALTH CARE

Lincoln is home to three full-service medical centers, a hospital specializing in heart surgery, and a premier rehabilitation hospital specializing in stroke, brain and spinal cord injury. The Lincoln health care system also provides a 24-hour information and services line; an extended-hour illness and injury clinic; eight nursing homes and several in-home-care agencies; and a community blood bank. Lincoln was ranked as a five star community for healthcare by Expansion Management.

¹⁸ University of Nebraska-Lincoln High Plains Regional Climate Center, <http://www.hprcc.unl.edu/nebraska/lincoln.html>

¹⁹ http://lungaction.org/reports/sota06_full.html



CULTURAL AMENITIES, RECREATION AND SPORTS

Lincoln is home to a 2,400 seat performing arts center, a professional symphony, chamber orchestra, jazz orchestra and ballet company. Lincoln also boasts the Sheldon Memorial Art Gallery renowned for its significant collection of 20th century American art. In addition, a state-of-the-art film center offers a variety of quality presentations from American independent and foreign films, to classics, documentaries and experimental films for public viewing.

There are dozens of golf courses, parks and playgrounds located throughout the Lincoln area. There are also several public swimming pools, including a water park, a children's zoo and a public observatory. Fishing and boating are plentiful at the many state recreation areas in and around the Lincoln area. Racing enthusiasts enjoy events at three local raceways from April to September.

Lincoln has an extensive hiker-biker trail system. Considered one of the best in the region, the trail system uses converted rail lines to make an enjoyable way for bikers and pedestrians to tour the city and surrounding region at their leisure.

The area is home to a professional baseball team, a Tier I Junior league ice hockey team and nationally ranked college athletic programs. Lincoln hosts numerous state high school championships and NCAA regional tournaments. Lincoln also offers four large soccer venues, premier junior volleyball facilities, and a variety of recreational and club leagues for children of all ages.

Selected Web Resources

ECONOMIC DEVELOPMENT

- Downtown Lincoln Association
<http://www.downtownlincoln.org>
- Partnership for Economic Development
<http://www.LINCOLNecdev.com>
- NE Department of Economic Development
<http://www.neded.org>

EDUCATION

- BryanLGH College of Health Sciences
www.bryanlghcollege.org
- Kaplan University
<http://www.kucampus.edu/kucampusPortal/kucampusCampuses/Nebraska/Lincoln/>
- Lincoln Public Schools (LPS)
<http://www.lps.org>
- Nebraska Wesleyan University
<http://www.nebrwesleyan.edu>
- Southeast Community College
<http://www.southeast.edu>
- University of Nebraska-Lincoln
<http://www.unl.edu>

GENERAL INFORMATION

- City of Lincoln
<http://www.lincoln.ne.gov>
- Lincoln Chamber of Commerce
<http://www.lcoc.com>
- Lincoln Convention & Visitors Bureau
<http://www.lincoln.org>
- State of Nebraska/State Agencies
<http://www.nebraska.gov>

MEDICAL SERVICES

- BryanLGH Medical Center
<http://www.bryanlgh.org>
- Locate Physicians
<http://lincoln.specialtycare.org>
- Madonna Rehabilitation Hospital
<http://www.madonna.org>
- Saint Elizabeth Regional Medical Center
<http://www.saintelizabethonline.com>

PROPERTY INFORMATION

- Locate Sites & Buildings
<http://www.LOCATELINCOLN.com>
- REALTORS Association of Lincoln
<http://www.lincolnrealtors.com>

UTILITIES

- Black Hills Energy (Natural Gas)
<http://www.blackhillscorp.com>
- Windstream Communications
(Local Phone Service)
<http://www.Windstream.com>
- Lincoln Electric System (LES)
<http://www.les.com>
- Lincoln Public Works
<http://www.lincoln.ne.gov/city/pworks/index.htm>
- Time Warner Cable
(Cable & residential phone)
<http://www.twcnebraska.com>

LABOR FORCE & EMPLOYMENT

- Lincoln Jobs
<http://www.lincolnjobs.com>
- Nebraska Job Link
<http://nejoblink.dol.state.ne.us>

Appendix 1: Electric Service Rates

(Effective January 1, 2010)	Small	Medium	Large
	28% Load Factor	28% Load Factor	28% Load Factor
Industrial Low Load	150 kW & 30,000 kWh	500 kW & 100,000 kWh	1,000 kW & 200,000 kWh
Primary	9.25¢	10.85¢	10.72¢
Secondary	10.05¢	11.29¢	11.16¢
	Small	Medium	Large
	90% Load Factor	90% Load Factor	90% Load Factor
Industrial High Load	150 kW & 97,000 kWh	500 kW & 325,000 kWh	1,000 kW & 650,000 kWh
Primary	4.66¢	4.89¢	4.85¢
Secondary	5.01¢	5.07¢	5.03¢
	Small	Medium	Large
	42% Load Factor	42% Load Factor	42% Load Factor
Commercial Low Load	150 kW & 45,000 kWh	300 kW & 90,000 kWh	500 kW & 150,000 kWh
Primary	7.03¢	7.00¢	7.98¢
Secondary	7.61¢	7.58¢	8.30¢
	Small	Medium	Large
	50% Load Factor	50% Load Factor	50% Load Factor
Commercial High Load	100 kW & 36,000 kWh	280 kW & 100,000 kWh	500 kW & 180,000 kWh
Primary	6.33¢	7.18¢	7.02¢
Secondary	6.84¢	7.45¢	7.30¢

Source: Lincoln Electric System (LES), June 2011

To calculate specific costs for your company link to: http://www.les.com/your_business/bill_calculator.asp?look=b

Appendix 2: Non-Residential Water & Wastewater Fees

WATER

Water is sold by the unit. One unit equals 100 cubic feet (748 gallons.) There are two levels of non-resident users.

1. Customers who used less than 12 million cubic feet the previous calendar year pay:

Price Blocks	\$1.28/unit	\$1.82/unit
Monthly	1-80 units	all additional units
Bi-monthly	1-160 units	all additional units

2. Customers who used more than 12 million cubic feet the previous calendar year are billed according to a high user schedule. On a calendar year, a "base usage" of each high user customer is determined. The base usage is an average of the water usage of each high user customer for the previous three calendar years. Rates are as follows:

- \$1.215 per unit for usage less than base to 5% above base
- \$1.26 per unit for usage 5% - 15% above base
- \$1.30 per unit for usage 15% - 25% above base
- \$1.34 per unit for usage more than 25% above base

WASTEWATER

The wastewater rate is based on a flat fee of \$1.77 per unit. This fee remains the same even in the summer months when water use normally increases. Wastewater fees for non-residential users are determined by each month's water use. In addition some industries pay a surcharge for high-strength waste.

Source: Lincoln Water System, <http://www.lincoln.ne.gov/city/pworks/business/wtsbill/rates/index.htm>, accessed June 2011