

Gretna started shortly after the Burlington Railroad built a short line between Omaha and Ashland in the summer of 1886. Advent of the village of Gretna on this new laid rail line was the cue for the exit of the nearby trading post of Forest City, which had existed since 1856. In its day, Forest City, located 2.5 miles southwest of where Gretna now stands, was a flourishing and busy place, but it was doomed by the rail road which passed it by. The only marker that exists today to show the site of old Forest City is the cemetery (Holy Sepulcher) which is located a little the east of what was the center of activity in the settlement. Names that were prominent in the beginnings of Forest city were the families of William Langdon, John Thomas and John Conner.

The Lincoln Land Company, recognizing the potential of the site, surveyed and plotted the town site of Gretna in 1887. The village was incorporated by July 10, 1889. The name suggest Scotland's Gretna Green, the ancestral county of some of the earliest settlers.