



ECONOMIC DEVELOPMENT AUTHORITY

Annual Report

2015

January 11, 2016

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Fairmont Economic Development Authority Board of Directors:

- Thomas Lytle, Bank Midwest Market President/Chief Risk Officer; FEDA President
- Andy Noll, First Farmers & Merchants National Bank President; FEDA Vice President
- Wes Clerc, McDonald's Owner/Fairmont City Councilor; FEDA Secretary
- Chad Askeland, Martin County Implement Parts Manager/Fairmont City Councilor; FEDA Board Member
- Bill Crawford, Preferred Capital Management Consultant; FEDA Board Member
- Bob Bartingale, Mayo Clinic Health System – Fairmont Administrator; FEDA Board Member
- Rich Johnson, Culligan Water Conditioning Owner; FEDA Board Member

Staff:

- Linsey Preuss, Economic Development Coordinator

Mission Statement:

'To maintain Fairmont as a quality community through business retention, expansion and a favorable business climate.'

The Fairmont Economic Development Authority (FEDA) created a strategic plan that includes six major economic development components, which coincide with the mission statement. These components include:

- Retention – Expansion: Provide the necessary human and financial resources to be successful in retaining and expanding local businesses and industries of all sizes.
- Financing: Develop the best possible tool box of financial resources available for growing area businesses of all types.
- Workforce Development: Be creative and collaborative in working with DEED , K-12 Education and Post-secondary options in Fairmont to maintain a sustainable workforce.
- Recruitment: Continue to work toward attracting businesses and people to Fairmont.
- Site Development: Have property available for businesses to easily access for future growth and development.
- Housing: Ensure Fairmont has a good inventory of safe, decent, quality housing for all income levels to retain and attract new residents.

Financial Projects:

During 2015, FEDA assisted numerous businesses by providing educational materials, direct support and financial assistance. As a result, approximately 194 jobs were retained, 31 jobs will be created and approximately \$7,750,000 in private investment was encouraged. Each project FEDA assisted includes at least one of the previously discussed major economic development components.

FEDA is excited to be a partner in all of these projects, and wishes to congratulate the businesses on their growth opportunities!

Albion & State:

This project used the financial tools of Tax Increment Financing (TIF) and FEDA's Revolving Loan Fund (RLF). The redevelopment TIF allowed for the demolition of a blighted property to be replaced with a newly constructed retail building, featuring a Frozen Yogurt and Coffee Shop. The FEDA board also approved a loan for the project. The project is expected to create 3 full-time and 12 part-time jobs. This TIF and loan will leverage approximately \$1.5M in private investment.



B&B Gas Piping Plus:

With the assistance of a FEDA loan, B&B Gas Piping Plus expanded their facility and made energy-efficient upgrades to their building. This expansion is projected to retain 20 jobs and create 6 full-time positions. This loan will leverage approximately \$250,000 in private investment.

Commodity Services:

This project used the financial tool of TIF. This redevelopment TIF assisted in the demolition of an old building to be replaced with a newly constructed 12,000 square foot, two-story office complex. Commodity Services, a professional transportation dispatch firm, will be housed on the second floor while Bolton & Menk, a multi office civil engineering firm, will lease the first floor. This project has helped redevelop an underutilized area of Fairmont. This TIF will leverage approximately \$3M in private investment.

**COMING
SOON**
**COMMODITY
SERVICES
INC.**



Fairmont Foods:

FEDA's immediate attention and response was necessary as news broke of a looming plant closure. FEDA members and City staff assisted a new firm to acquire the facility and keep it operational by providing information and offering state and local incentives. Ultimately, Downs Food Group, Inc. of Mankato, MN exclusively financed the project, while retaining 167 jobs in Fairmont.



Hilltop Chem Dry:

Proving to be a classic case of succession planning, the owner of Cleanrite Carpet Service was ready to exit the market, while Hilltop Chem Dry was looking to expand. A FEDA loan to Hilltop Chem Dry allowed for a smooth business transfer without disrupting operations and continued employment for 12 part-time employees. This loan will leverage approximately \$130,000 in private investment.

Ingleside:

This project used the financial tool of TIF. A housing TIF, the first of its kind initiated by FEDA, will assist in the development of an additional care unit to the current facility. This project will create an estimated 12 full-time equivalent positions, leverage \$2.5M in private investment and ensure Fairmont has a good inventory of safe, decent, quality housing options of all income levels.

Wiederhoeft Welding & Machine:

This project utilized the RLF to expand a business into a larger facility that was vacant and neglected. As a result of this loan, a property was refurbished, a business expanded, 3 employment positions were retained and 3 additional full-time jobs are projected. This loan will leverage approximately \$370,000 in private investment.

Additional Projects:

Area Career Exploration Event: This event offers students the opportunity to interact with businesses, non-profits and higher-education representatives on a wide range of careers and educational opportunities. The participating businesses utilize this event to educate young people regarding the job opportunities available in our area upon high school/college graduation.

Brain Gain: FEDA, in partnership with the Fairmont Area Chamber of Commerce, submitted and was awarded a grant from the Southern Minnesota Initiative Foundation (SMIF) to fund the Brain Gain project. This project is a media campaign geared towards attracting people to the Fairmont area. Currently, the committee is following the timeline proposed to market to our target audience, people ages 30-49, to encourage relocating to Fairmont to live, work and play. The marketing tools most heavily used will include social media platforms and the newly created website: Fairmontarealife.com.



Business Assistance: FEDA staff is available to assist area businesses in a variety of ways. Services offered include: helping businesses with building or site searches, providing financial assistance and answering questions pertaining to starting, expanding or relocating a business. This year, the Economic Development Coordinator worked with 30 businesses, with some success stories featured under the “Financial Projects” segment of this report.

Business Visits: Business visits are an important component of any economic development strategy. These visits can identify new opportunities for businesses in the community, build positive business relationships, and provide advanced warning about problems that may lead to facility closure. The information conveyed during these visits is very important, as FEDA can offer necessary support. In 2015, 42 business visits were performed by staff.

Creating a Building/Site Inventory: When a business considers relocating, the first information examined is available site and building information. City staff updates Fairmont’s inventory listing regularly, as this information needs to be accurate and readily available. The City of Fairmont is home to a 17+ acre site that has been Shovel Ready Certified by the State of Minnesota. This certification allows businesses to save time and money by eliminating the unknowns of the site search.



Martin County Broadband: The Blandin Broadband Communities Program is an intensive, two-year partnership between the Blandin Foundation and Martin County. The program provides planning, technical and financial support to communities that demonstrate the determination to bring the benefits of a broadband-enabled economy to their area. In 2015, projects supported by this program include App Camp, the Community Calendar, PCs for People and a number of specialized training courses.

Small Cities Development Program Grant Application: FEDA authored a preliminary grant application focusing on owner occupied residential rehabilitation. The preliminary application was submitted and Fairmont was selected to submit a full application. The full application will be written in the 2016 calendar year.



Tour of Manufacturing: The Economic Development Coordinator sits on the South Central Tour of Manufacturing Planning Committee. The Tour of Manufacturing event is an opportunity for the public to tour and learn about the local manufacturing firms. Participation in 2015 included Kahler Automation. We expect more participation on even numbered years, as the Tour of Manufacturing date rotates yearly from Thursday to Saturday, as most manufacturers prefer weekday tours.

Partnerships:

Department of Employment and Economic Development: Staff works closely with the Department of Employment and Economic Development to discuss potential projects and access state funding for eligible projects.

Fairmont Area Chamber of Commerce: The Chamber of Commerce has been a key partner on a number of projects including the Community Calendar, Brain Gain, the Area Career Exploration Event, Grow Minnesota business visits, job fairs and more.

Fairmont Area Convention and Visitor's Bureau: The Economic Development Coordinator sits on the Fairmont Area Convention and Visitor's Bureau Board to ensure collaboration and cooperation in the mission of enhancing the economic vitality of the Fairmont area.

Greater Minnesota Partnership: Participation in this organization ensures FEDA is devoted to advocating for state economic development policies and resources that benefit Greater Minnesota.

Martin County Economic Development Authority/ Martin County Ignite: FEDA partners with the Martin County Economic Development Authority to offer a variety of informative and educational programs to local businesses. They also work collaboratively on various projects including Brain Gain, ACE, job fairs and more.

Minnesota Marketing Partnership: This public-private partnership works to develop a broad-based marketing initiative to promote Minnesota at local, regional and national venues. Participation in this program allows FEDA to leverage marketing dollars and increase Minnesota's visibility to site selectors and corporate real estate managers regionally, statewide and nationally. Our City Administrator is a founding member and sits on the Executive Committee, which develops the Marketing Action Plan and determines the budget.

Project 1590: The Economic Development Coordinator attends the Project 1590 Steering Committee meetings and the Project 1590 Vacant Buildings – Reuse – Reimagine meetings. A windshield survey was completed and the information will be used in the Small Cities Development Program grant application for residential rehabilitation.

Project Ag Business Epicenter: The goal of this group is to build and develop the South Central Region of Minnesota into an area of ag business prominence and be the premier ag business epicenter in the United States - the most diverse, balanced and sustainable. Our City Administrator sits on the Business Development Committee, which researches and inventories businesses in the region to create an action plan focused on ag business and facilitates ag business development in the region.

Region Nine Economic Development Committee: Our Economic Development Coordinator chairs this committee, which oversees the Comprehensive Economic Development Strategy (CEDS) document. This document discusses the economic development strategy of the entire region and enables us the ability to access federal funds. If a project is not listed in the CEDS document, it is not eligible for federal funding opportunities.

Small Business Development Center: FEDA partners with the Small Business Development Center to provide customized support to businesses throughout their entire life cycle – from the idea stage and the launch of a business to the challenges of growth periods.

Southern Minnesota Initiative Foundation: The Southern Minnesota Initiative Foundation provides loans to businesses that create and support jobs and also provides grant opportunities to organizations. In 2015, SMIF awarded a grant to the City of Fairmont for the Brain Gain project.

Southern Minnesota Workforce Council: The South Central Workforce Council provides administration and oversight of workforce development in South Central Minnesota with a mission to develop and maintain a quality workforce for our area. The Economic Development Coordinator serves as a board member in an effort to represent the interests of local businesses.