



ECONOMIC DEVELOPMENT AUTHORITY

# Annual Report 2016

January 9, 2017

Prepared by: Linsey Preuss

Economic Development Coordinator

# Annual Report

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2016

## 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
- \*indicates outgoing Board of Directors

Incoming 2017 Board of Directors:

- Tom Hawkins, Hawkins Chevrolet Owner/Fairmont City Councilor
- Bruce Peters, Peters Insurance Agency Owner/Fairmont City Councilor
- Wendy Voss, 3M Human Resources Manager

## Staff:

- Linsey Preuss, Economic Development Coordinator

## Mission Statement:

'We support the successful growth and pride of the Fairmont Area Businesses and Citizens'

## Strategy:

During 2016, the Fairmont Economic Development Authority (FEDA) participated in a vigorous strategic planning process. This process resulted in the creation of four strategic priorities, consisting of:

- Collaborate – Leveraging the strengths of our partners towards the outcome we desire
- Educate – Increasing citizen's knowledge of Fairmont's successful economy and building community pride
- Facilitate – Placing FEDA in a position to become the preferred source that spearheads development
- Finance – Growing the business community by offering financial resources, knowledge and collaboration between public and private financial entities.

## Key Areas of Action:

- Building relationships
- Forming formal partnership outreach
- Including partners on potential projects and grant opportunities
- Developing business intelligence through enhancing the knowledge of FEDA's board and staff
- Disseminating information

- Creating and instilling community pride
- Educating businesses on FEDA's offerings
- Creating connections with supply chains
- Coordinating projects
- Reviewing current internal financial tools
- Investigating outside partnerships, collaborations, creative options, electric rates, etc.
- Communicating financial tools to the business community

### Financial Projects:

During 2016, FEDA assisted numerous businesses by providing educational materials, direct support and financial assistance. As a result, 69 full-time jobs will be created within the next 5 years and approximately \$4,000,000 in private investment was encouraged through our work.

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

#### **Zierke Built Manufacturing:**

This project allows for the relocation of 35 jobs from Winnebago, MN to Fairmont, MN and the creation of an additional 30 full-time jobs within the next 5 years. The business will be housed in the large, underutilized former US Foods building, vacant since 2012. Zierke Built Manufacturing is a local, family owned and operated business that provides custom fabricated products throughout the US and around the world. FEDA is excited to welcome Zierke Built Manufacturing and their employees to Fairmont in 2017.



This project used the financial tool of Tax Abatement through Martin County and the City of Fairmont. FEDA also acted as a conduit to the State of Minnesota in a Minnesota Investment Fund Loan Application for equipment.

#### **Fairmont Realty Group, LLC:**

Fairmont Realty Group, LLC saw an opportunity to demolish three blighted houses and build seven, three bedroom, multifamily rental housing units within a block from the Southern Minnesota Educational Campus and within walking distance of Fairmont's Historical Downtown. This redevelopment will ensure Fairmont has an ample inventory of safe, decent, quality housing for all income levels, with the intent to retain and attract new residents. This project used the financial tool of Tax Increment Financing to assist in the redevelopment costs for the rejuvenation of the area.

#### **Fairmont Butcher Block:**

This project includes the renovation and rejuvenation of the former Olson Locker building on Winnebago Avenue. Jeff Schmidt, a previous employee of the Lakefield Locker, purchased the site and is currently renovating the building with the anticipation of opening in early 2017. Not only will the Fairmont Butcher Block provide custom butcher services, which is currently unavailable in Fairmont, they will also provide a retail counter for the general public. The financial tool used for this project was the Revolving Loan Fund, which will create 4 full-time positions and has spurred private investment.



## Updates on 2015 Projects:

**Ingleside:** Ingleside is a family-owned 42 unit assisted living facility located on the south end of Fairmont near Hall Lake. By using the tool of Tax Increment Financing, Ingleside was able to add 20 additional memory care suites to the facility in 2016. This project will ultimately create an additional 13 FTEs.

**Graffiti Corner:** Using Tax Increment Financing, Graffiti Corner completed construction and officially opened in 2016. This frozen yogurt and coffee shop is owned and operated by John and Patti Kasper, both born and raised in Fairmont. This project has created 9 FTEs.



**Commodity Services:** Commodity Services, a transportation management service, redeveloped the corner of Albion Avenue and State Street with a 12,000 square foot office complex. This newly constructed space has allowed for Commodity Services and Bolton & Menk Engineering Firm, tenants of the facility, to expand, and allows for their former office spaces to be made available to existing and start-up businesses. This project utilized the tool of Tax Increment Financing.

## Special Projects:

**Fairmont Area Life:** FEDA, in partnership with the Fairmont Area Chamber of Commerce, was awarded a grant from the Southern Minnesota Initiative Foundation to fund the Brain Gain Project. Project developments include launching a website - FairmontAreaLife.com, conducting numerous social media campaigns and making numerous presentations to Martin County organizations and businesses, which aided in the recruitment of 4 families to Martin County. The goal of Fairmont Area Life is to recruit individuals between the ages of 30-49 to relocate to Martin County to live, work and play. Those choosing to relocate to the area bring connections, education and family; in all reality, the “tools” needed to sustain our community and ensure it will thrive into the future. The project’s branding of ‘All we’re missing is you’ is taking off in local marketing efforts, i.e. banners, rack cards, welcome bags. While this project focuses on recruiting people to our area, it can be used by businesses as they work to recruit workforce as Fairmont Area Life highlights our people and community as a whole.

**Small Cities Development Program Grant Application:** FEDA authored both a preliminary application and a full application to DEED for the SCDP which was awarded funding in the amount of \$305,250. With matching funds, coming from past programs and partnerships with Minnesota Valley Action Council and USDA Rural Development, the total amount available is \$517,500. These funds will be used to rehabilitate 15 owner-occupied, single family homes in the target area, south of Blue Earth Ave and east of Albion Avenue. Rehabilitation projects focusing on health, safety and weatherization are given top priority. The City of Fairmont is currently administering this program. More detailed information and maps of the target area are available at City Hall.



**Whitetail Ridge Housing Subdivision:** The Whitetail Ridge Subdivision is a cooperative effort between the City of Fairmont and the Fairmont Area School District. The School is putting up the land while the City is paying for the infrastructure. Both parties receive payment as the individual lots are sold - the lot price consists of the land value, infrastructure charges and development costs. This also benefits the buyer, as there are no special assessments leveraged on the parcel and the lot is 100% build ready. See the attached map that showcases the Whitetail Ridge.

## Additional Projects:

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

**Business Assistance:** FEDA staff is available to assist area businesses in a variety of ways. Services offered include: assisting with building/site searches, providing financial assistance and answering questions pertaining to starting, expanding or relocating a business. This year, the Economic Development Coordinator worked with 35 businesses. Success stories, featuring FEDA's assistance, are highlighted 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 and guidance. In 2016, 48 business visits were conducted.

**Building/Site Inventory:** Prior to contemplating relocation, a business first and foremost examines available sites and building information. City staff consistently updates Fairmont's inventory listing, 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 was an intensive, two-year partnership between the Blandin Foundation and the Martin County Broadband committee. This program provided planning, technical and financial support to communities that demonstrate the determination to bring the benefits of a broadband-enabled economy to their area. In 2016, the Martin County Broadband committee partnered with Frontier Communications to submit a 'Border to Border' broadband grant. This grant would allow for the buildout of broadband in Martin County to be more economically and financially feasible, which would allow more citizens better access to broadband.

## 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, i.e. the Community Calendar, Fairmont Area Life and the Area Career Exploration Event.

**Fairmont Area Convention and Visitor's Bureau:** The Economic Development Coordinator is a member of the Fairmont Area Convention and Visitor's Bureau Board, which allows for 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.

**GreenSeam:** GreenSeam’s mission is to build and develop the South Central Region of Minnesota into an area of ag-business prominence with a vision to become a premier ag-business epicenter in the United States - the most diverse, balanced and sustainable. Administrator Humpal is a board member of the GreenSeam Business Development Committee, which researches and inventories regional businesses to create an action plan focusing on ag-business and facilitating regional ag-business development.



**Martin County Manufacturing Group:** FEDA has partnered with manufacturing businesses to form the Martin County Manufacturing Group. FEDA’s involvement and coordination of this group has allowed for educational training events to take place that have highlighted the following topics; ‘The Workplace of the Millennial’, ‘Workforce’ and ‘Available Tax Credits’. An educational panel was held at Fairmont’s Southern Minnesota Educational Campus with representatives from Fairmont Area Schools, Minnesota West Community and Technical College, Minnesota State University - Mankato, Riverland Community College, Presentation College – Fairmont Campus and the Center for Business and Industry. This event enabled local manufacturers to speak with educators regarding their workforce needs and how educators can assist in meeting those needs.

**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 Fairmont Area Life and the Area Career Exploration Event.

**Minnesota Marketing Partnership:** This public-private partnership works to develop a broad-based marketing initiative to promote Minnesota at local, regional and national venues. Program participation allows FEDA to leverage marketing dollars and increase Minnesota’s visibility to site selectors and corporate real estate managers regionally, statewide and nationally. Michael Humpal, Fairmont City Administrator, is a founding member of this partnership. Currently, Administrator Humpal is a member of the Minnesota Marketing Partnership Executive Committee, which develops the organizations marketing action plan and budget.

**Project 1590:** Linsey Preuss, Fairmont Economic Development Coordinator, attends the Project 1590 Economic Development Committee meetings. The main focus of this group is workforce betterment, which includes discussions and partnerships with local schools and industries.



**Region Nine Economic Development Committee:** Fairmont Economic Development Coordinator Preuss chairs this committee, which oversees the Comprehensive Economic Development Strategy (CEDS) document. This document discusses the economic development strategy of the region and enables FEDA to access federal funds.

**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 to the launch of a business and through the challenges of growth periods.

**Southern Minnesota Initiative Foundation:** The Southern Minnesota Initiative Foundation provides grant opportunities to organizations and loans to businesses to aid in job creation and support. In 2015, SMIF awarded a grant to the City of Fairmont for the 2016-2017 Brain Gain project, now known as Fairmont Area Life. More information on Fairmont Area Life is listed under ‘Special Projects’.

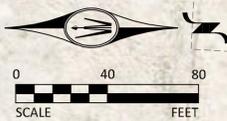
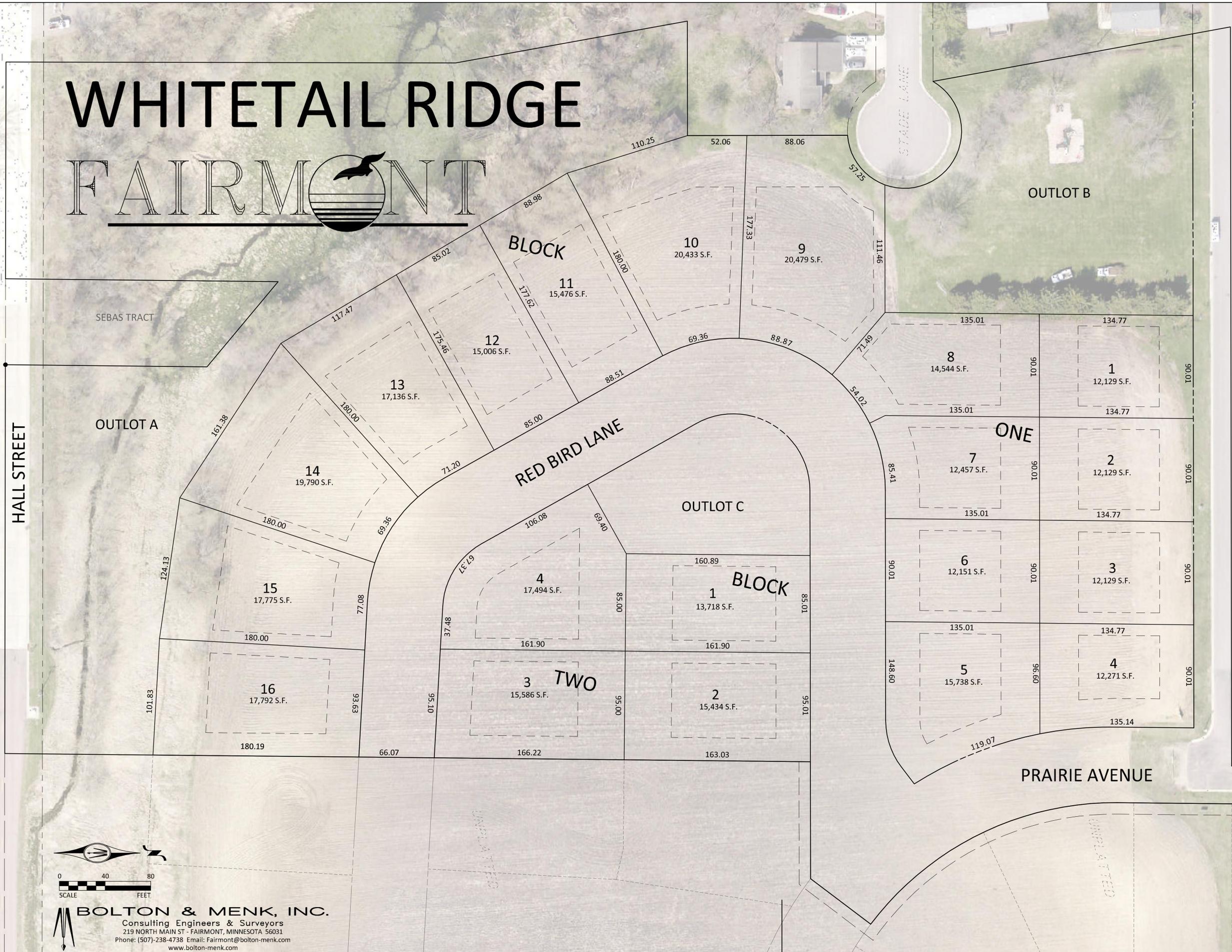
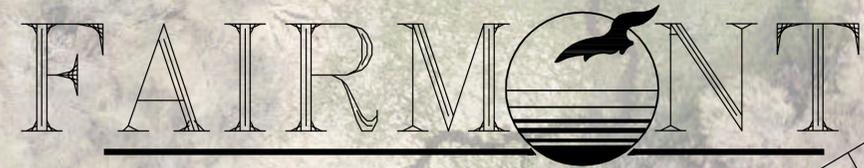


SOUTHERN MINNESOTA  
INITIATIVE FOUNDATION

Collaborating for Regional Vitality

**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. Fairmont Economic Development Coordinator Preuss, serves as a board member in an effort to represent the interests of local businesses. She is the only economic development representative, within our nine county region, to serve on this organization.

# WHITETAIL RIDGE



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