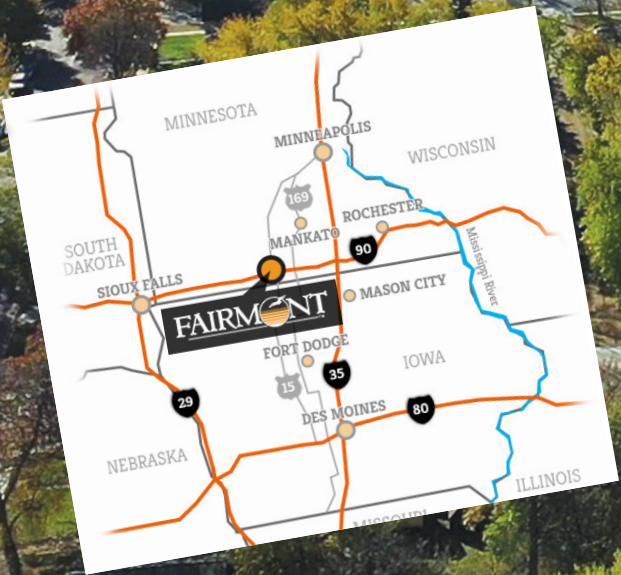


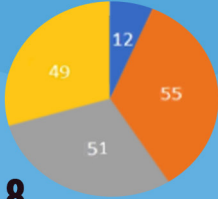
FAIRMONT T.M.

ECONOMIC DEVELOPMENT AUTHORITY
2019 ANNUAL REPORT
APRIL 2020

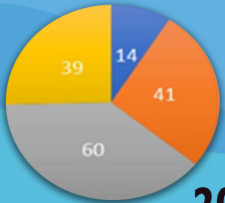


Home Values

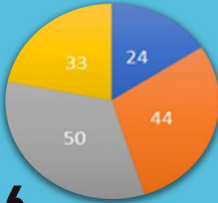
2019



2018



2017



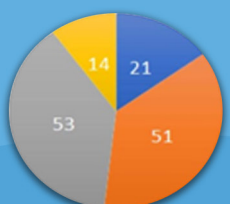
2016



2015



2014



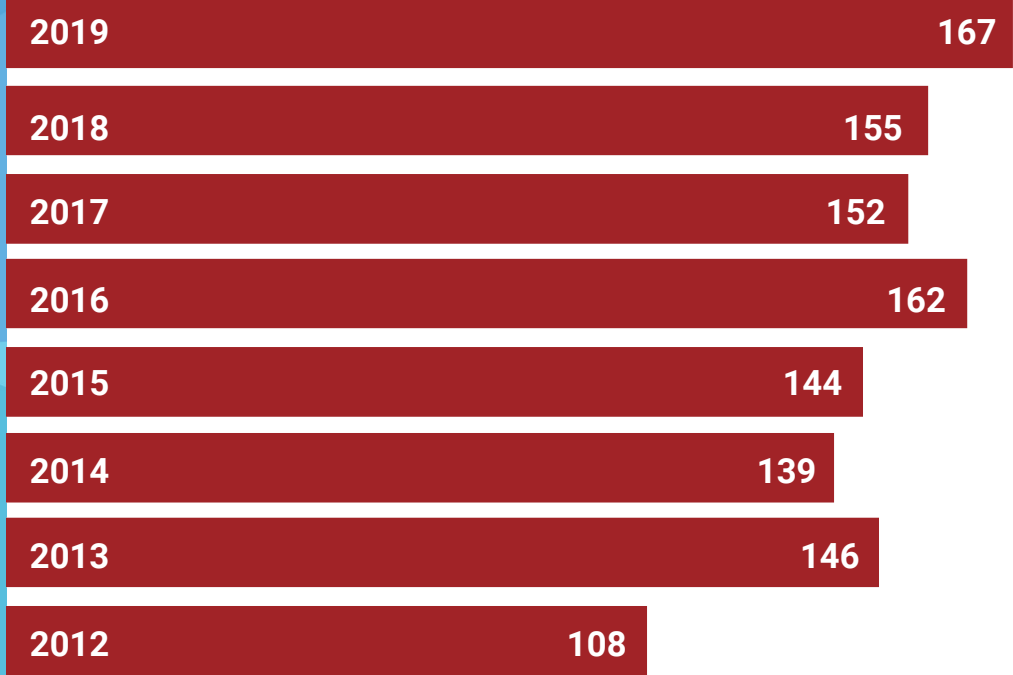
2013



- UNDER \$50,000
- \$50,000 - \$99,999
- \$100,000 - \$199,999
- OVER \$200,000



Home Sales



Most Valuable Permits in 2016

Name	Address	Valuation*	Description
Gold Cross	800 Medical Drive	\$ 1,200,000	New Ambulance Facility
Ingleside	2811 Roland Ave	\$ 2,112,000	Addition
Mayo Clinic Health Systems	800 Medical Drive	\$ 586,000	Pharmacy Remodel

Most Valuable Permits in 2017

Name	Address	Valuation*	Description
Fairmont Realty Group, LLC	First Street and Prairie Ave	\$ 931,000	Townhomes
Zierke Built Manufacturing	1500 Winnebago Ave	\$ 580,000	Building Renovation
Fairmont Foods	905 E 4 th Street	\$ 3,000,000	Expansion

Most Valuable Permits in 2018

Name	Address	Valuation*	Description
McDonalds	2217 State Street North	\$ 1,600,000	Demolition & Complete Rebuild
MidAmerica Distributing	1215 State Street North	\$ 818,938	Remodel for Tractor Supply
Hawkins Chevrolet	1411 E Blue Earth Ave	\$ 750,000	New Auto Body Shop





Most Valuable Permits in 2019

Name	Address	Valuation*	Description
CHS	1833 130th Street	\$14,291,679	Business Expansion
Mayo Clinic Health System - Fairmont	800 Medical Center Creek Drive	\$3,728,800	Renovation of the Lutz Wing and the MRI Suite
Great Plains Transportation Services	923 State Street North	\$3,321,731	Business Expansion

Source: Fairmont Building Permit Reports
 *These values represent the investment in property/building improvements only. They do not represent total investment with regards to machinery, equipment, etc.



Demographics and Employment

Population		10,513	
Total Employed		8,081	
Median Household Income		\$51,050	
Households		4,746	
Median Home Value		\$133,675	

Source: ESRI 2019-08-30

Residential Construction



The City of Fairmont had less residential alteration and addition permits issued in 2019 than prior years, primarily due to the Small Cities Development Program not being offered. Staff focused on finalizing the prior housing rehabilitation program and preparing for a grant opportunity in 2020.

A partnership between Martin County, the Fairmont Area School District ISD 2752, and the City of Fairmont was established to encourage construction of new multi-family housing units. The City of Fairmont has an extremely low vacancy rate between 2% and 2.5%. Many of our city's vacancies were noted to be in transition with new tenants ready to move in.

In 2019, of the 266 permits issued, three were for new construction of single-family homes. In 2018, the City issued 283 residential permits mirroring 2017 with 284 permits issued.

Commercial Development

In 2019, an astonishing 71 commercial building permits were issued with a total value over \$28M. When excluding the \$14M CHS permit from 2019's total, the value was still more than double the average value experienced over the past 3 years. View the Commercial Building Permit graph for historical information on issued permits and their total value.

	2016	2017	2018	2019
Number of Permits	41	35	40	71
Total Value of Permits	\$6,000,000	\$5,200,000	\$4,750,000	\$28,400,000

(Note: Building permit value does not include investment in machinery, equipment or workforce. It is strictly measuring the estimated value of the improvement to the property.)



Core Activities



1 Business Assistance: FEDA staff is available to advise area businesses on an array of business topics. Additionally, FEDA staff can assist businesses with building/site searches, provide financial assistance and answer questions pertaining to business start-up, expansion or relocation. This year, the Economic Development Coordinator consulted with 47 entrepreneurs and existing businesses on potential projects, compared to 42 in 2018 and 34 in 2017.

Business Visits: Business visits are an integral component of any economic development strategy. These visits identify new opportunities within the community, build positive business relationships and forewarn of business conditions that could lead to workforce decline or facility closure. Information conveyed during these visits is confidential, yet vital to determine the level of support FEDA could offer. In 2018, FEDA staff and board members conducted 38 business visits compared to 42 visits in 2017. During 2019, 31 businesses were visited by FEDA staff and the Community Development Intern serving at Fairmont City Hall through the Martin County Internship program.

3 Business Incubator Building: The Incubator Building, located at 426 Winnebago Avenue, Fairmont, is owned and operated by FEDA. The site provides office suites and work areas for seven businesses, currently operating at full capacity.

Building/Site Inventory: When a business considers relocating, one of the first steps is to examine available site/building information. City staff regularly monitors and updates Fairmont's site/building inventory to ensure accurate, up-to-date information. Additionally, Fairmont is home to a 17+ acre industrial site that is Shovel-Ready Certified by the State of Minnesota. This certification allows Fairmont to have a competitive edge over other locations; industries and businesses seeking relocation save time and money by selecting Shovel-Ready sites as planning, zoning, surveying, title work, environmental studies, and public infrastructure engineering have already been completed.

Presently, FEDA is focusing on the acquisition and infrastructure extensions to an additional industrial site, located at the intersection of I-90 and Bixby Road. This 37-acre site has easy interstate access and visibility, both of which are amenities businesses are seeking.

5 Business Attraction: To capture the largest return on business attraction investment, FEDA is a member of the Minnesota Marketing Partnership. Attendance at national/international trade shows are expensive and time consuming, membership of the Minnesota Marketing Partnership allows for the promotion of Fairmont at 30 annual events.

FEDA attended the following 2019 tradeshows:

Indoor Ag Con: an expo highlighting the indoor and vertical farming industry

FAM Tour - Dallas, Texas with the Minnesota Marketing Partnership: a familiarization tour where state, regional and local organizations met with site selectors and businesses to examine Minnesota's potential for growth

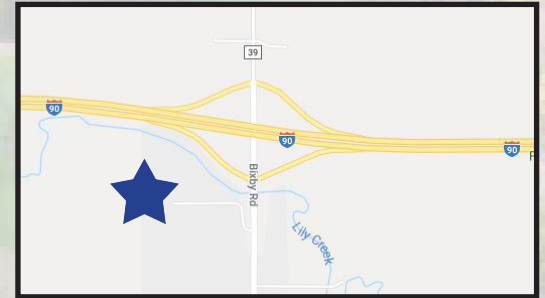
Consultants Forum 28: a convention of site selectors and industry experts providing education on site selection and various economic development strategies

National promotion for Fairmont sites appeared in the *Minnesota Magazine* and *Business XPansion Journal*.

Revolving Loan Fund (RLF): FEDA manages revolving loan funds of roughly \$1.7M. The RLF is a gap financing tool primarily used for the development and expansion of small businesses. As loans are repaid, the funds are used to issue new loans. FEDA is currently administering and servicing 22 loans, with the capacity to provide additional financing for qualifying businesses.

Special Projects

New Industrial Park Development: In 2017, FEDA obtained a real estate purchase option for a 37-acre parcel of bare, developable land at the intersection of Bixby Road and I-90. Easements were obtained and the preliminary infrastructure engineering has been completed. In 2019, the City of Fairmont applied for a grant to aid with infrastructure costs – with \$434,000 being awarded! The construction of infrastructure is slated for 2020. FEDA looks forward to certifying this site as “shovel-ready” in the near future.



Blandin Leadership: Preuss participated in the Blandin Community Leadership Program: Fairmont cohort in October. Community leadership differs from organizational leadership. Community leadership is more complex, requiring different skill sets. Within this context of leadership, how things get done in a community is as important as what gets done.

Child Care: FEDA has been heavily involved in childcare since 2018. Childcare is integral to a community’s health. Through our work, we found that 40% of survey respondents (parents) have had to reduce their hours or leave the workforce as a result of not being able to acquire childcare. This is a huge problem. To address this shortage, free local trainings have been offered through Parent Aware, due to the generous support of Profinium. In addition, FEDA created a Child Care Loan Program, offering financial support to current providers and to those entering the industry. Work on this important issue will continue.

Housing: The City of Fairmont is experiencing a very tight housing market, as is the rest of Minnesota. FEDA coordinated a housing leadership group consisting of lenders, real estate professionals and other community members to discuss the current housing market, locally and county-wide. As a result, the Multifamily Housing Tax Abatement program was approved by the City of Fairmont and Fairmont Area School District, and Martin County expanded the program to include tax abatement for single family housing.

The City of Fairmont hired Community Partners Research, Inc to conduct a housing study. FEDA, in partnership with the HRA will apply to be a part of the Housing Institute through the Minnesota Housing Partnership. This program will help prioritize the City’s housing efforts.

Fairmont Area Life: Fairmont Area Life is an effort to retain and attract workforce to the Fairmont community. This platform includes efforts such as the CareerWISE campaign to educate students and their parents on local career opportunities. Fairmont Area Life also promotes “Brain Gain” a movement focused on welcoming young professionals and their families to our community. The efforts of this program highlight what makes our community attractive and why people choose to live in Martin County. We will continue to build on these efforts in 2020 with an improved website, collaborating with various age ranges and increasing social media marketing.



Small Cities Development Program (SCDP) Grant: The City of Fairmont partnered with Minnesota Valley Action Council to apply for a comprehensive Small Cities Development Program Grant. Awarded funds will be used for commercial and single-family owner-occupied residential rehabilitation. This grant would provide funding for the rehabilitation of 18 single-family homes, occupied by low-to-moderate income households, and funding for 13 commercial business properties, within targeted areas of the city. The total grant amount requested is \$1,115,500.

FEDA Partnerships

AgriGrowth: FEDA became a member of AgriGrowth in 2017 to extend business recruitment efforts within the agribusiness industry. AgriGrowth offers great networking opportunities and hosts several events representing a broad spectrum of food systems and agriculture.



Fairmont Area Chamber of Commerce: FEDA has been a long-time partner of the Fairmont Chamber of Commerce collaborating on numerous projects and co-sponsoring events such as the Community Calendar, Martin County Leadership, Fairmont Area Life and the Area Career Exploration Fair. FEDA staff actively participates on the Ambassadors committee and regularly attends Bureau 14.

Area Career Exploration (ACE) Committee:

For the past 10 years, the ACE committee has organized and sponsored the Area Career Exploration Fair. This event encourages area high-school juniors and seniors to interact with businesses, nonprofits, and higher-education representatives to discuss career exploration, job training, skill development and job opportunities available in our area upon high school/college graduation. FEDA is proud to be a supporter and financial partner in this worthwhile event.



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



Minnesota Department of Employment and Economic Development (DEED):

FEDA staff works closely with DEED to discuss potential projects, access state funding, and maintain our Shovel Ready certification. DEED staff coordinates the Southern Minnesota Business Development Network, which meets monthly to discuss opportunities in our region and inform of local trends and resources.



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.

& many more to build in 2020...

Minnesota Valley Action Council (MVAC):

FEDA works with MVAC to plan and apply for the Small Cities Development Program grants.

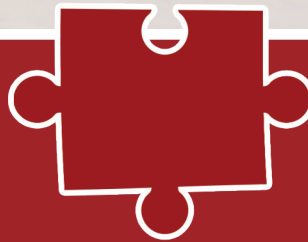


Small Business Development Center:

FEDA supports the Small Business Development Center to provide customized support to businesses throughout their entire life cycle – from the initial planning stage to the launch of a business and through the challenges of growth periods.



Green Seam: The goal of this organization is to 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. The Green Seam Business Development Committee researches and inventories businesses and facilitates ag business development throughout the region.



SOUTHERN MINNESOTA INITIATIVE FOUNDATION

Collaborating for Regional Vitality

Southern Minnesota Initiative Foundation (SMIF):

The Southern Minnesota Initiative Foundation provides loans to businesses for the creation and support of jobs and provides grant opportunities. SMIF has been a financial partner to some of our local businesses, such as the Butcher Block.

Southern Minnesota Workforce Council:

The Southern Minnesota Workforce Council provides administration and oversight of workforce development within the nine-county coverage area with a mission to develop and maintain a quality workforce. Preuss serves as the economic development representative of this board.



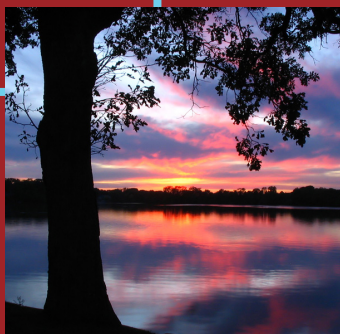
Economic Development Association of Minnesota (EDAM):

EDAM is professional association of individuals and organizations throughout the state of Minnesota who champion economic development through education, collaboration and advocacy. As a member of this organization, FEDA participates in forums for exchanging information and staying abreast of current economic development strategies and practices. We are provided with valuable networking and educational opportunities.



Visit Fairmont: The Economic Development Coordinator sits on the Visit Fairmont Board to ensure collaboration and cooperation in the mission of enhancing the economic vitality of the Fairmont area.





FAIRMONT ECONOMIC DEVELOPMENT AUTHORITY

Board of Directors:

- **Andy Noll**
First Farmers & Merchants National Bank President; FEDA President
- **Amy Long**
Mayo Clinic Health System – Fairmont Administrator; FEDA Vice President
- **Rich Johnson**
Culligan Water Conditioning Owner; FEDA Secretary/Treasurer
- **Tom Hawkins**
Hawkins Chevrolet Dealership Owner/Fairmont City Councilor; FEDA Board Member
- **Mike Wubbena**
Preferred Capital Management Financial Controller, FEDA Board Member
- **Bruce Peters**
Peters Insurance Agency Owner/Fairmont City Councilor; FEDA Board Member
- **Chantill Kahler Royer**
Kahler Automation Chief Financial Officer; FEDA Board Member



Staff:

Linsey Preuss
Economic Development Coordinator
lpreuss@fairmont.org
507-238-3925

ECONOMIC DEVELOPMENT AUTHORITY

Mission Statement:

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