

# FAIRMONT T.M.

MARCH 15, 2021 | PREPARED BY: LINSEY PREUSS | ECONOMIC DEVELOPMENT COORDINATOR



ECONOMIC DEVELOPMENT AUTHORITY  
**2020 ANNUAL REPORT**

## FAIRMONT ECONOMIC DEVELOPMENT AUTHORITY

### Board of Directors:

- **Andy Noll** (President) - First Farmers & Merchants National Bank President
- **Amy Long** (Vice President) - Mayo Clinic Health System – Fairmont Administrator
- **Chantill Kahler Royer** (Secretary/Treasurer)- Kahler Automation Chief Financial Officer
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- **Bruce Peters** - Peters Insurance Agency Owner/Fairmont City Councilor
- **Sarah Gerhard** - Erpelding Voigt & Co, LLP Partner

## ECONOMIC DEVELOPMENT AUTHORITY

### Mission Statement:

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



# Thoughts from Linsey

It is safe to say that nearly everyone was happy to see 2020 end. It was an especially challenging year with little certainty for many. Fortunately, we have heard from businesses that even though it was a challenging year, many felt genuinely supported by the local community.

Much of staff time and effort was spent working towards assisting businesses through the hardships created by the COVID-19 pandemic. This report includes a section dedicated to that important work.

Albeit the many challenges we faced this year, there were also many hopeful indicators for a prosperous recovery and economic future. We saw home sales increase substantially, with most of the activity in homes valued higher than they have been in the past. In commercial development, we still see strong investment occurring with many larger commercial and industrial projects that were in the pipeline and halted due to uncertainty, starting to move again.

Looking to 2021, as we begin work to revitalize downtown, create an Art, Culture and Innovation Center, and foster entrepreneurial growth, we are starting to see more positive movement and opportunities unfold. The excitement and positive momentum is imperative for a healthy, vibrant and prosperous community.

While working to recruit businesses and capital to our community, one of the most effective techniques is community storytelling and publicity. Every single community tells a story, whether intentional or not. If we want our community to grow and prosper, we need to build on our strengths. We need to shed a positive light on all the great things our community has to offer. We have a Minnesota certified shovel ready site and are developing a new site with visibility and access to I-90. We boast a diverse business economy, a school that is expanding their programming in the trades, and beautiful outdoor spaces featuring numerous lakes, trails, and parks. We have fantastic dining opportunities, including lakeside dining and prosperous arts and culture facilities.

For Fairmont to maintain and boost economic vitality, we must persuade businesses, investors, and entrepreneurs to locate, expand and remain in our area rather than a competing location. If we want to achieve the goal of being a place where business wants to be, we need to tell a positive story about ourselves that businesses cannot wait to be a part of.



**Linsey Preuss**

Economic Development Coordinator

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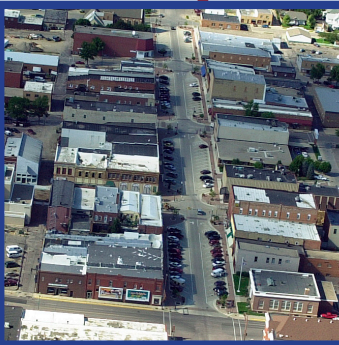
# About Fairmont



Fairmont features an expansive industrial park, with MN Shovel-Ready certified sites, accessible by plane, rail, and interstate travel. Our convenient location is one of the many reasons businesses choose to locate to our community. With a variety of businesses including; Mayo Clinic Health System – Fairmont, Hy-Vee, Walmart, Fairmont Foods, 3M, Avery Weigh-Tronix, ADS Hancor, Green Plains, CHS, Kahler Automation and a host of others, our strong industrial and commercial sectors confirm Fairmont is a business-friendly environment.



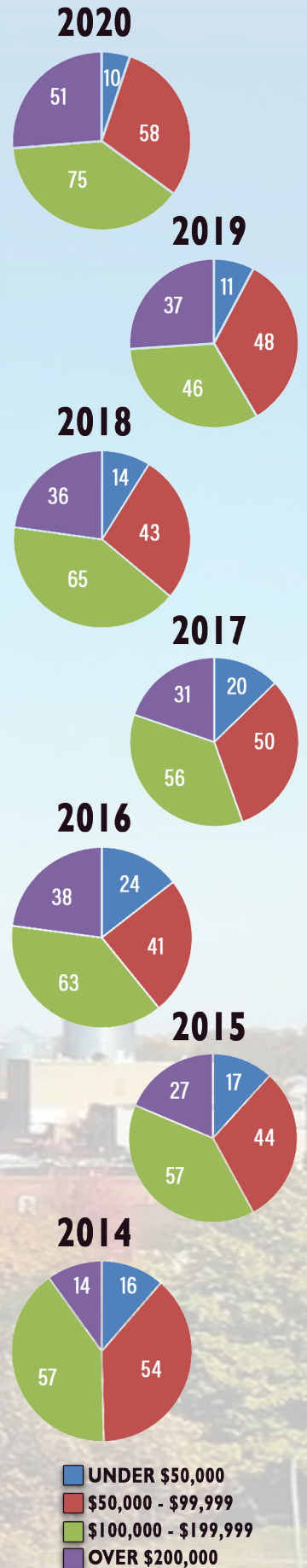
Fairmont is also family friendly. With affordable housing, quality public and parochial education options, highly ranked healthcare facilities, and an abundance of community assets promoting well-being, Fairmont is a beautiful place to call home.



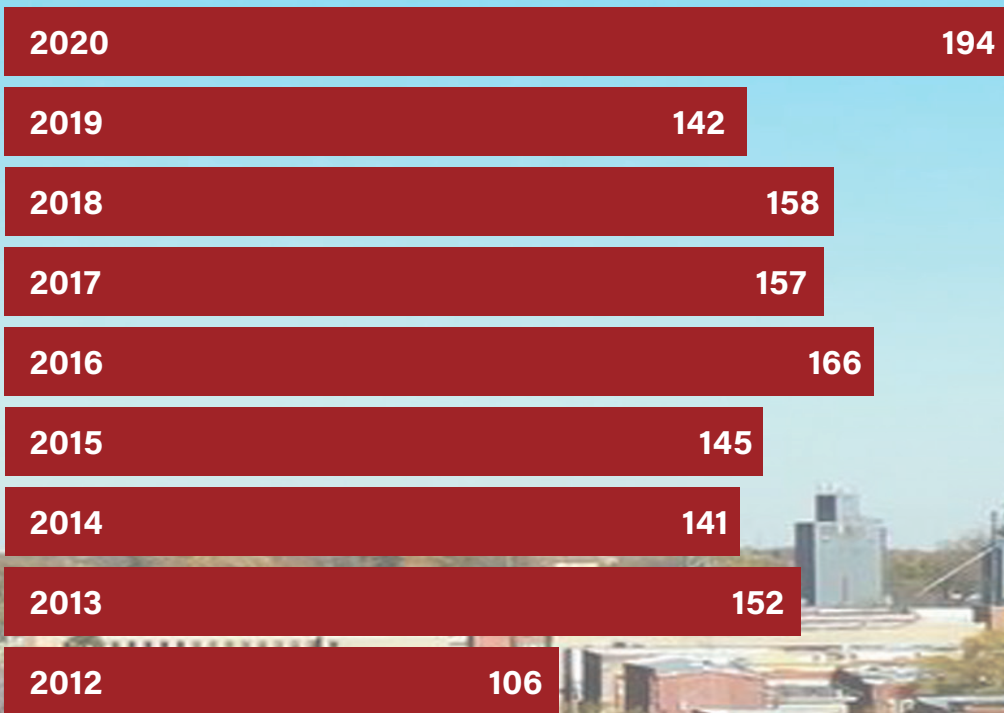
# Demographics and Employment

Population	10,395
Total Employed	7,701
Median Household Income	\$48,297
Households	4,691
Median Home Value	\$134,750

# Home Values



# 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 Avenue	\$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 Avenue	\$931,000	Townhomes
Zierke Built Manufacturing	1500 Winnebago Avenue	\$580,000	Building Renovation
Fairmont Foods	905 E 4 <sup>th</sup> Street	\$3,000,000	Expansion

## Most Valuable Permits in 2018

Name	Address	Valuation*	Description
McDonalds	2217 North State Street	\$1,600,000	Demolition & Complete Rebuild
MidAmerica Distributing	1215 North State Street	\$818,938	Remodel for Tractor Supply
Hawkins Chevrolet	1411 E Blue Earth Avenue	\$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 North State Street	\$3,321,731	Business Expansion

## Most Valuable Permits in 2020

Name	Address	Valuation*	Description
CHS	1833 130th Street	\$6,924,276	Business Expansion
Martin County	201 Lake Avenue	\$2,626,565	Roof and Renovation
Live Fit Sport and Wellness Center	1215 North State Street, Suite 2	\$934,923	Business Expansion/Renovation

There were also some notable projects that were not permitted through Fairmont's Building Department. These projects are required to be permitted and inspected through the Department of Labor and Industry as they are considered public buildings and state-licensed facilities. Nonetheless, we want to recognize and credit them for their ongoing investment in our community!

Name	Address	Valuation*	Description
Southern Plains Educational Cooperative	1200 Park Street North	\$1,208,575	Rehabilitation, Renovation and Relocation
Lakeview Health Services	610 Summit Drive	\$19,562,492	Business Expansion

Source: Fairmont Building Permit Reports & Minnesota Department of Labor and Industry

\*These values represent the investment in property/building improvements only. They do not represent total investment with regards to machinery, equipment, etc.

# Residential Construction



Residential construction held steady through 2020. There were 282 building permits issued in 2020 and 4 new single-family homes were constructed.

No new multifamily housing has been built since 2017, and before that, the most recently constructed multifamily housing was in 2006.



	2017	2018	2019	2020
Number of Permits	284	283	266	282
New Single Family Homes	5	7	3	4



# Commercial Development

There were 67 commercial building permits issued in 2020 through the Fairmont Building Department, with a total value of \$15M. There was an additional \$20M in building permits issued through the Minnesota Department of Labor and Industry, bringing the total value of building permits in 2020 to \$35M!

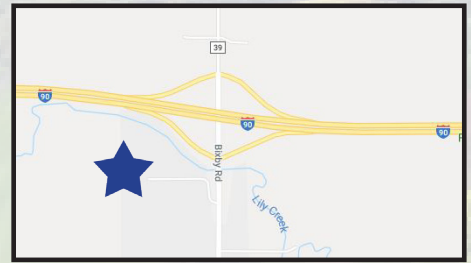
The Commercial Building Permit graph below shows historical information on number of issued permits and their total value.

	2016	2017	2018	2019	2020
Number of Permits	41	35	40	71	67
Total Value of Permits	\$6,000,000	\$5,200,000	\$4,750,000	\$28,400,000	\$15,000,000

(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.)



# 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 was slated for 2020, but with the uncertainty of the year, the project was delayed. The project will be bid in the spring of 2021 for fall 2021 construction.

**Census 2020:** Census 2020 marketing efforts were made to ensure an accurate count of all Fairmont residents. These efforts included radio advertising, marketing on Prairie Lakes Transit bus, social media, handouts, brochures and educating professionals about the importance of the census and to recruit them to encourage citizens to respond.



**Blandin Leadership:** Preuss participated in the Blandin Community Leadership Program: Fairmont cohort in October 2019. Due to COVID, the remainder of the program was virtual, and graduation was delayed until late 2020.

Community leadership is different from organization 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:** City staff has worked in conjunction with several partners to find a solution to the childcare shortage. Through this work, Prosper, was created. Prosper is a program aimed at providing the necessary tools and training for a childcare provider to run a successful business. Prosper training is available to new and existing family childcare providers. Along with business training and resources, participants are provided all the technology needed to operate a business; such as a laptop, printer, software, etc.

**Housing:** Housing has been one of Fairmont's toughest challenges. In response, FEDA coordinated a housing workgroup that ultimately requested an official Housing Study to be completed. The Study was conducted in 2019 by Community Partners Research, Inc and released in January 2020. The Study discusses specific findings and recommendations for the City of Fairmont that have been formulated through the analysis of the information provided in the study. The findings and recommendations address rental housing issues, home ownership issues and rehabilitation and preservations issues. The complete study can be found at FedamN.com.

City staff has been working with interested developers on an array of projects that would address a variety of the housing need recommendations. Additionally, City staff has been collaborating with the Housing and Redevelopment Authority (HRA) to create ways the HRA can make the largest impact on the housing shortage, while being fiscally responsible.

Fairmont also has a cohort involved in the Housing Institute through Minnesota Housing Partnership that offers valuable resources and provides best practices to develop creative solutions to expand the safe and quality housing options in our community.

**Fairmont Area Life:** This project has a goal of resident recruitment and retention. Resident retention is geared towards educating the parents of area students about the career opportunities available locally. We do this by creating an annual 'CareerWise' brochure, which showcases some of our local employers and their career opportunities.



The opportunities can include job shadowing, tuition support, etc. We utilize this piece by including the brochure in event programs at high school events such as orchestra concerts and sporting events. Guidance counselors also have copies to distribute and explain to students and parents.

Resident recruitment is done through a geofencing campaign targeting the seven-county metropolitan area in Minnesota. Currently, the target is females between the ages of 25-54, having an income of 40K+, children and some undergraduate education. Recruitment ads have been served on top websites such as HGTV, Weather, Target, News websites, Realtor.com, Travel websites, etc. This campaign content will continue and will be refreshed every six weeks.



**Small Cities Development Program (SCDP) Grant:** Fairmont was thrilled to learn we were awarded \$885,500 for a comprehensive Small Cities Development Program Grant for commercial and single-family owner-occupied residential rehabilitation. Most of these projects will undergo construction during the 2021 season.

# COVID-19 Response

The COVID-19 pandemic brought challenges and hardship to many of Fairmont's residents and businesses. City staff worked tirelessly to help businesses navigate the heightened uncertainty over the economy, employment, finances and business environment during the unprecedented COVID-19 pandemic. Some ways the City and FEDA responded include:

**CARES Act Small Business Grants:** The City of Fairmont in collaboration with Martin County established a Small Business CARES Act Grant. Fairmont City Council authorized the use of \$250,000 of their allocated funds, while Martin County authorized \$750,000 of their allocated funds. With \$1M allocated to this program, the City of Fairmont awarded 26 grants to small business in Fairmont and Martin County awarded 89 grants to businesses and nonprofits located in Martin County, totaling 115 grants.

**CARES Act Small Business Loans:** FEDA applied for and received \$610,000 available for lending to all businesses in Martin County who were negatively affected by COVID-19. These loans are offered to qualifying businesses with favorable loan terms, including no origination fees and zero percent interest over a five-year term. These funds are through July 27, 2022 or until all the funds are exhausted.

**Business Support/Resources:** FEDA was a primary resource for businesses trying to interpret ever changing business restrictions and financial assistance options. FEDA worked with Visit Fairmont, the Fairmont Area Chamber of Commerce, and the Fairmont CareerForce to create a one-stop resource shop for local businesses to access an array of information on FedamN.com.

**Emergency Ordinance for COVID-19 Declared Local Emergency:** The City of Fairmont approved an emergency ordinance to allow for temporary outdoor dining areas and the use of public parking spaces for use by restaurants. This ordinance remains in effect until repealed by council action, or until the termination of the state of emergency.

**Emergency Housing Grant:** FEDA worked closely with Human Services of Martin & Faribault Counties to co-author a grant application to Minnesota Housing. The application requested \$701,500 be awarded to aid persons negatively affected by COVID-19 pay past due rent/mortgage and utility bills. The award received was \$566,000.

*FEDA was great to work with through the process of getting approved for the Small Business Emergency Relief Grant. They answered all questions we had and helped us get them the correct information for our situation. Being shut down for a total of 4 months in 2020, the grant money really helped us get back on our feet and got our business back up and running at full capacity.*

*- C.J. Johnson, Cutting Edge Fitness of Fairmont*

*Applying for and receiving the Small Business Emergency Relief Grant eased the stress of these uncertain times. Securing these funds was made easy with Linsey's knowledge and promptness in answering any questions or concerns that I had through the application process. For myself, and I am sure many others, this helped to ensure we stayed moving forward and eased some worry.*

*- Sara Cyphers, D&S Trophies & Embroidery*

*I am so grateful to FEDA and the work they've done to help get much needed money out to small businesses impacted by COVID-19. After the initial shutdown on March 17, 2020 there were a lot of unknowns. We applied for the first round of PPP money but it ran out of funds before we were able to get help. We were thankful for the Small Business Emergency Relief Grant to help us with expenses that were incurred while our business was closed. FEDA truly cares about the success of local business. They were great to work with and quick to respond to our needs. Thank you!!*

*- Tina Jette, Bean Town Grill*

# Core Activities

**Business Incubator Building:** The Incubator Building, located at 426 Winnebago Avenue, Fairmont, is owned and operated by FEDA. The site provides office space and work areas for local businesses. In 2021, a facility evaluation will be conducted to determine necessary repairs for several City owned facilities. This building will be included in that evaluation.

**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, amenities businesses are seeking. Construction of the utility extension is planned for fall 2021.

**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 28 loans, with the capacity to provide additional financing for qualifying businesses.

# Partnerships

## **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. This year, DEED was an especially vital partner as weekly meetings were held to assist communities in understanding the ever-changing rules, regulations, and funding opportunities around the COVID-19 pandemic.



**Economic Development Association of Minnesota (EDAM):** EDAM is a 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 to exchange information and stay abreast of current economic development strategies and practices. We are provided with valuable networking and educational opportunities. Linsey Preuss is a board member of this statewide association.

**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.



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



**Minnesota Valley Action Council (MVAC):**

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

**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.



**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.

**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.



**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.



**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.

**& many more to build  
in 2021...**



