

C E D A

Community and Economic
Development Associates



2016 Annual Report



A Year of Outreach & Growth

Thank you to everyone who helped us grow our communities, counties, organizations, as well as CEDA in 2016. The year marks a period of significant investment in our staff and brand, with the goal of bolstering our service repertoire while increasing regional and national awareness. This balance of incremental growth represents an overarching strategy we believe will continuously improve service to the communities, counties, and organizations we support. To this end, we spent much of 2016 expanding our regional marketing and engaging in community outreach and networking initiatives. These programs already are increasing external awareness of the many benefits the region offers, and are designed to attract new investment dollars into our communities from outside the region. These programs have laid the groundwork for an exciting 2017, and we are glad you are part of it!

Introduction of the Expanded Marketing Plan is one such effort. There are many facets to the plan that involve showcasing our region to a national audience, internal and external marketing, workforce solutions, elevated communications, new grants for both communities, organizations and staff, completion of a statewide land resource inventory, establishing a governmental relations aspect and much more.

All of these things happen because of the great people that we work with and for. From our investors who have confidence in us, to our Board of Directors who provide the guidance for us, to our great contract holders that work with us, to our team of dedicated professionals that have a passion for making a difference in rural America, our organization looks forward with great confidence to the coming year.

Our team is very proud of the many great things that are happening in each and every contract. I recently received a very humbling comment that I am extremely proud of. A representative from a statewide organization recently told me it is easy to see the difference between CEDA communities and communities that don't utilize CEDA because CEDA communities have a positive outlook to the future and the things that are happening in the community.

With continued support from our Board of Directors and enthusiastic team members, CEDA moves into this year with a momentum I believe will translate into creative solutions for our contract holders and investors in 2017. We look forward to working with you and for you in 2017.

Sincerely,



Ron Zeigler
CEO/President

Community Highlights

Bloomington

- Partnered with other Steele County cities to complete a countywide comprehensive housing study and saving approximately \$10,000 in research costs
- Loaned \$100,000 from the local Small Cities fund to Eagle Prairie Insurance redeveloping a dilapidated gas station on US Highway 218 and creating one and saving three FTE jobs
- Completed a comprehensive plan update with CEDA support
- Made 46 business retention and expansion visits

Boscobel

- Completed construction of a new \$750,000 airport terminal; the airport now serves 21 locally based planes, along with other traffic, and averages 12,410 aircraft operations per year
- Received \$17,000 second-year Joint-Effort Marketing (JEM) Grant from Wisconsin Department of Tourism to assist with rebranding as Wisconsin's Outdoor Recreation Destination.
- Partnered with nonprofit Wisconsin River Trail Organization to continue work on a \$500,000 paved bicycle-pedestrian trail that connects the city with a Wisconsin River boat landing
- Assisted with development of several enterprises, including a family martial arts and wellness center and a dance studio

Chatfield

- Administered \$5.4 million in state bonding grant for Phase I renovations of Chatfield Center for the Arts
- Negotiated \$840,000 assistance package and entered into preliminary development agreement to convert property into 40-room hotel; ownership structure currently being discussed
- Made \$22,000 in façade improvement grants to five downtown businesses in collaboration with the Chatfield Heritage Preservation Commission; renovations totaled \$37,000
- Processed two revolving loan applications totaling \$75,000, creating/retaining six FTE jobs

Claremont

- Awarded \$500,000 BDPI grant from DEED, \$590,000 low-interest bond from Steele-Waseca Coop, \$3,700 Rural Feasibility Study Grant from AgStar, and issued a \$1.8 million TIF for street improvements for Al-Corn Clean Fuel expansion
- Al-Corn Clean Fuel expansion awarded \$38,000 JCF from DEED and \$150,000 VAPG from MDA creating up to 14 new FTE jobs, approximately 300 construction jobs, and increasing city tax base by a projected 60%
- Sold 1 house lot in Claremont Housing Development
- Made 20 business retention and expansion visits

Dodge County

- Made 126 business retention and expansion visits, and provided business counseling to 11 different small businesses
- Donated lot to Rochester Area Habitat for Humanity allowing for construction of new, owner-occupied home in Mantorville
- Approved tax abatement to Al-Corn Clean Fuel for \$146 million expansion creating up to 14 new permanent FTE jobs and increasing tax base by a projected \$14 million.
- Hosted Housing Summit in February, featuring Realtor, developer, HRA services, and nonprofit home construction speakers covering a continuum of stakeholders

Elgin

- Secured \$5,000 grant from the Minnesota Twins Foundation and \$5,250 from Rochester Area Foundation to install ballfields at Hoenk Park
- Awarded \$1,940 from the Wabasha County SHIP grant program for trail equipment at Hoenk Park
- Received \$9,000 from People's Energy Cooperative for signage at Elgin Business Park
- Created a City brochure, Business Community brochure and a business directory

Eyota

- Issued \$65,000 incentive package to establish dental practice, creating 3 new jobs and opening the city's only dentist office
- Partnered with MN Design Team and People's Energy Cooperative to develop short, mid, and long-term goals
- Helped secure \$50,000 USDA Value-added Producer and \$48,000 MN Value-added grants for job retention and expansion of Burt's Meats
- Launched facade improvement program with Rochester sales tax; \$42,000 was awarded and \$10,000 used

Fillmore County

- Partnered with SMIF and CEDA to issue \$13,000 loan to retain Lanesboro grocery store and expand to add the city's only year-round coffee shop
- Established Broadband Alliance to assess need and incentivize investment in telecommunications infrastructure
- Approved \$75,000 (0%) loan to AcenTek, bolstering \$1.8M Border-to-Border Grant for 475 rural internet connections
- Restarted revolving loan program and conversion of existing funds into USDA grant application to be submitted in 2017

Goodhue County

- Hosted the annual Goodhue County EDA Summit emphasizing arts as an economic driver
- Worked with prospects looking at investing within the County

Goodview

- Created and implemented a Business Façade Improvement Program to encourage business exterior improvements
- Began tracking inventory of development opportunities
- Participated in Goodview Economic Design day, allowing community stakeholders to exchange ideas on economic development needs
- Established a leadership committee to contribute thoughts and ideas on future economic development projects

Harmony

- Processed five revolving loans totaling \$109,000, including negotiation of \$55,000 in assistance and land for a new micro-distillery, creating \$125,000 tax base and four new FTE jobs
- Awarded \$50,000 USDA Community Facilities grant for emergency management gear and \$27,000 in housing rebates
- Sold lot in industrial park for new business, creating \$48,000 in new tax base and two new FTE jobs
- Lobbied for state funding to connect Harmony Stateline Trail to Howard County, Iowa trail system

Houston County

- Issued a total of \$65,000 in loans for expansions of three growing businesses in Houston County
- Closed on a \$192,000 Minnesota Investment Fund loan for Crest Precast, a precast concrete company, completing a \$1.1 million expansion project and adding eight new jobs
- Provided \$32,000 in direct tax subsidies for two expanding businesses: LaX Fabricating, Inc. and Kids Corner of Caledonia Daycare
- Created a Regional Tourism Initiative and hosted three public meetings to develop a framework for branding and marketing the area to potential visitors, residents, and entrepreneurs

Howard County Business & Tourism

- Issued \$18,000 in revolving loan funds creating five new jobs and assisted Shopko Hometown Cresco to fill a vacant building
- Generated \$4.6 million in travel expenditures and \$500,000 in local tax receipts
- Realized more than \$363,400 in improvements to housing through Northeast Iowa Housing Trust Fund
- Authored and received more than \$21,000 in grant funding for various projects and facilitated county-wide flood relief that raised more than \$20,000 for Howard County flood victims

Lake City

- Created TIF District for a new \$1.5 million Hearth & Home Technologies engineering laboratory, creating five new jobs
- Finalized two new business loans to renovate a centrally located downtown property and update refrigeration equipment at Huettl's Locker & Dressing Plant
- Continued efforts to support a multi-million dollar hotel and conference center development on the lakefront
- Completed research into child care gap and employee satisfaction; planning to address gap begins in 2017

LeRoy

- Purchased a 31-passenger bus to operate as LeRoy City Lines for daily transport to Rochester
- Purchased a 5,000 sq. ft. substandard building on Main St./Hwy 56 to renovate and possibly use as an incubator building. Demolished an adjacent substandard building.
- First Certified Nursing Assistant (CNA) class was taught at LeRoy-Ostrander High School to junior and senior students, as a collaboration among LeRoy EDA, L-O High School, Riverland Technical College, and Wildwood Senior Living
- Awarded a \$534,420 Small Cities Grant for residential and commercial rehab

Lewiston

- Began annexation program to expand city's footprint and offer services beyond current constraints
- Launched phase I of converting remediated sewage treatment settling ponds into shovel-ready industrial park
- Hosted site visit for international manufacturer and developed \$3 million infrastructure and tax incentive package
- Approved \$40,000 loan from city and negotiated \$200,000 loan from Winona County to support \$1.2 million purchase and renovation of vacant assisted living facility

Mabel

- Awarded an \$85,000 Rural Business Development Grant (RBDG) to seed a Revolving Loan Fund; majority of funds are designated for a new Day Care Center
- Sold EDA property to launch new lumberyard; issued \$5,000 RLF loan to assist with start-up costs
- Awarded RLF loan to assist with rehab of mixed-use commercial/apartment building
- Demolished two substandard buildings on Main St. owned by the EDA to prepare property for development

People's Energy Cooperative

- Granted \$100,288 to community organizations through Operation Roundup, and \$3,275 to service territory communities for regional economic development projects
- Provided \$87,500 expansion financing to Briese Iron Works, leveraging a \$200,000 investment and adding 5 new jobs
- Hosted 26 participants at EmPowering Energy Efficient Design workshop, which featured PEC economic development programs, energy rebates, and B3 and LEED Design Standards
- Invited 186 local businesses to participate in Co-op Connections, a program that allows businesses to market exclusive offers to cooperative members nationally

Preston

- Sold two lots in new industrial park, creating 10 new jobs
- Assisted with succession planning for \$3.7 million ownership transfer of Old Barn Resort
- Assisted with procurement of \$615,600 in Small Cities Development Program funds
- Administered five new housing incentives and approved five new revolving loans, which total \$31,000

Rushford

- Reconfigured revolving loan program to increase efficiencies and transparency, and to recover funds when necessary
- Facilitated conversations to assist the new Il Luigi owners to open new restaurant
- Conducted a gap analysis of opportunities to self-identify available services and attract retail to the city
- Updated EDA toolkit, including current EDA projects, identifying businesses needs within the community, and continuing downtown revitalization

Spring Grove

- Implemented the Spring Grove Pilot Program, a new CEDA contract to increase service offerings to 32 hours per week through collaborative funding partnerships
- Began first development phase for city's only shovel-ready industrial park, securing easements, completing engineering, and pursuing grant funding for extension of city infrastructure
- Worked with two local manufacturers to prepare for expansions, issuing a preliminary \$32,000 in tax incentive and providing support for the creation of 15 new jobs
- Launched the "Pretty Neat Small Town" Story Series, an innovative marketing project illustrating how people live, work, and play in Spring Grove

Spring Valley

- Completed \$1 million Small Cities Block Grant Program, supporting 19 commercial and 15 rental units
- Issued \$15,000 in new-construction housing incentives with Spring Valley Public Utilities
- Funded renovation of fifteen downtown apartments, including eight vacancies above commercial buildings
- Issued \$115,800 through 6 revolving loans, 5 of which leveraged SCDP to improve 19 downtown buildings

St. Charles

- Assisted Cutting Edge Fitness in acquiring neighboring building for expansion with \$21,000 revolving loan
- Received \$178,000 award from DEED's Minnesota Job Creation Fund for Envirolastech Inc., a new manufacturer locating in the Chattanooga Innovation Park on I-90
- Issued \$60,000 loan and offered 4-acre parcel as part of Envirolastech incentive package
- Supported construction of 26 new homes through St. Charles Housing Incentive program, which waives the cost of water sewer hook-up and building permit fees for new construction

Stewartville

- Received \$1,000 grant from Kwik Trip and \$1,000 grant from People's Energy Cooperative's Operation Round Up® program to assist with the purchase and installation of handicapped accessible playground equipment in a city park
- Received \$6,000 grant from the Minnesota Twins Foundation for renovation of fences for Little League ballfields
- Closed on a \$40,000 revolving loan to support new ownership of long-time local veterinary clinic, which will offer expanded services and create one new job
- Evaluated and approved \$15,323 in matching grants for six businesses to produce new signage and/or improve the aesthetics of the building exteriors

West Concord

- Sold two house lots and re-platted Mathias Subdivision
- Completed 38 business retention and expansion visits and published seven business highlights
- Completed major updates to optimize revolving loan fund reporting, filing, application, closing documents, and servicing procedures

SCDP Small Cities Development Program

CEDA continues to work with Minnesota's Department of Employment and Economic Development to administer the Small Cities Development Program, which distributes federal block grant dollars to communities with fewer than 50,000 residents to eliminate slum and blight, in addition to eliminating urgent threats to public safety. Altogether, the program includes nearly \$7 million in federal, state, and local matching dollars.

Harmony continued administration of the 2015 grant to rehab eight owner-occupied housing units with \$182,400 from SCDP and \$25,000 from Harmony Utilities.

Red Wing completed a 30 month SCDP grant, including 14 commercial and eight housing rehabs using \$683,184 from SCDP and \$365,185 matching funds. Also processed 3 commercial projects with \$100,000 HRA Program Income funds and \$64,000 from Port Authority.

LeRoy was awarded \$534,420 in SCDP funds and \$57,000 in leverage funds, including an EDA revolving loan, to rehab 15 owner-occupied housing units, administered by Semcac staff, and 7 commercial projects administered by CEDA staff.

Dodge Center submitted a CEDA-authored preliminary proposal and full application, requesting \$278,300 SCDP and leveraging \$22,000 in matching funds to rehab 15 owner-occupied housing units for low-to-moderate income households.

Lanesboro continued to offer business support through revolving loan funds, which CEDA administers.

Spring Valley completed its \$538,885 grant work at the end of 2015, having rehabilitated 19 blighted commercial buildings and 15 substandard rental units. The program leveraged \$380,820 additional funds for a nearly \$1M impact.

Preston received \$615,600 and \$180,000 leverage funds, including Greater Minnesota Housing funds, to rehab 12 commercial and 22 rental units.

Houston proposed a \$942,900 SCDP and \$1,952,760 leverage to rehab 15 owner occupied housing units and a Radium Treatment Plant in partnership with Semcac. State has authorized complete application submission in 2017.

Special Projects

Our diverse expertise and local experiences position us as leaders in moving the regional economy forward and improving the lives of people who live and work in the area.

We are constantly searching for new opportunities that can unite the region and energize business. This not only adds value for our communities but more importantly rises the tides for all.

Expanded Marketing Program

We are making bold strides to cultivate statewide and national interest in our region with the Regional Marketing Initiative. 2016 marked the project's second operational year and included many activities designed to attract outside interest. Here are a few highlights:

- Attended several national trade shows: BIO, Fabtech, Medical Design and Manufacturing Minneapolis
- Conducted best practice visits to Fargo, Social Tilt in Brookings, and West Des Moines
- Organized first Regional Development Tour covering the communities of Stewartville, Blooming Prairie, West Concord, and Byron
- Attended MAEDC Site Selectors Conference in Chicago, allowing access to database of over 2,000 national selectors
- Hosted quarterly business breakfast series called Marketing in the Morning
- Joined Community Venture Network

High-speed Internet for Southeast Minnesota

CEDA led authorship and submission of a Border-to-Border Grant application by local telecommunications cooperative AcenTek to Minnesota's Department of Employment and Economic Development. DEED recently awarded AcenTek \$1.8 million to support buildout of a fiber optic network through a large portion of rural Fillmore County.

The project will bring internet speeds faster and more reliable than cable to homes, farms, businesses, and anchor institutions with few other options. In addition to DEED, Fillmore County is contributing \$75,000, and AcenTek is investing \$2.8 million for a total \$4.7 million project.

Highlights include:

- 431 households, 41 businesses, one anchor institution
- Fourth-largest award in Minnesota, from among 42 grant recipients
- Build complete and service available by mid-2018

The projects outlined below represent an overview of this type of work, highlighting the regional, team-based approach that only CEDA is able to provide. You'll note the diverse teams and skill sets brought to bear on these projects, a testament to our talented staff and the dedication they have to southeast Minnesota, southwest Wisconsin, and northern Iowa.

Small Business Development Counseling

As a local and regional partner of America's Small Business Development Center

initiative, CEDA specialists provide free one-on-one counseling for current and aspiring business owners.

In 2016, we worked with 25 clients for 157 hours of in-

25 businesses
157 hours

dividualized small-business counseling.

Free services include business

planning, manufacturing efficiency, financial planning, export and import, disaster recovery, procurement, market research, and more.

Land Inventory for Emerging Farmers

Supported by generous grants from AgStar and AgriBank, CEDA completed Minnesota's first statewide inventory of publicly owned, farmable land. This comprehensive resource is designed to help reduce land leasing or acquisition expenses for people who are interested in agriculture as a profession but unable to secure the land needed to get started.

The inventory was generated by filtering publicly held parcels that meet certain criteria from among the records kept in assessors' and recorders' offices throughout the state. It is free to download and will be maintained quarterly. Highlights from 2016 include:

- Publicly launched in December, along with supporting resources, and is available on CEDA's website
- Published on the Minnesota Department of Agriculture Beginning and Transitioning Farmer Resources Directory
- CEDA team members met with and presented the tool to over a dozen prospective resource partners
- More than 13,000 parcels are currently listed in the inventory, along with 132 resource organizations and a checklist guide to land negotiation

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Financial Statements

	2016	2015
Total Revenue	\$1,142,502	\$1,231,518
Total Expenses	\$1,203,614	\$1,079,465
Net Operating Revenue (Loss) (Before depreciation)	(\$61,112)	\$152,053

our investors

Thank you for your commitment to CEDA and your communities



Anderson
Rural
Network

