

2016

Annual Report



St. James Economic Development Authority

Prepared by: Jamie Scheffer, Director

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St. James Economic Development Authority (SJEDA)

Board of Directors:

- Pete Eggen, Chair
- Paul Harris, Vice Chair- Council Member
- Josh Haseman*- Council Member
- Terry Mace*
- Margaret Derksen*
- Myron Johnson
- David Krause
- Rich Olsen
- Scott Sanders- Watonwan County Commissioner

*indicates outgoing Board Director

Incoming 2017 Board Directors

- Ray Hahnfeldt- Council Member
- Jake Wegner

Involved Staff:

- Jamie Scheffer, EDA Director
- Gary Sturm, Mayor
- Joe McCabe, City Manager
- Sam Hansen, City Manager

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Building & Land Assets

SJEDA owns the St. James Industrial Park, the Mayberry Hills Sixth Addition residential development, five four-plex apartment buildings, the site of the old hospital, and three parcels of land on the North end of St. James Lake.

Industrial Park

In April 2016, DODA U.S.A., Inc., broke ground on an expansion. The new 31,000 square-foot building allows DODA to manufacture products right in St. James that were previously being sent piece-by-piece from Italy.



The expansion also provides additional office space and increased efficiency for shipment trucks. In 2015, SJEDA offered TIF and sold the land for \$1.00. The TIF agreement is for a nine year period and has the potential to generate \$433,595 in subsidy for DODA, depending on the actual amount of taxes paid. The agreement stipulates the creation of **seven additional jobs** at 120 percent or more of the state minimum wage by the end of seven years. DODA is planning a third building to showcase food waste equipment and bio gas mixers.

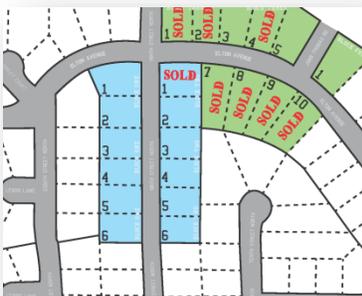


Tri-County Seed opened doors to its brand new 9,000 square foot facility in the St. James Industrial Park in January 2016. SJEDA sold the lot to Tri-County Seed for \$1.00 and will be reimbursing itself for the cost of the land through TIF. Per the development agreement signed in 2014, Tri-

County Seed will create **two full time equivalent jobs** at least two years from the date of occupancy of the structure. The owner, Chad Urevig, has expressed interest in the lot directly north of his current lot for future expansion.

In 2016, staff prepared marketing materials and a site selector packet to encourage sale of the three remaining lots.

Mayberry Hills 6th Addition



In 2016, staff worked with SJEDA to prepare marketing materials and establish incentives to encourage the sale of the remaining 14/22 lots in Mayberry Hills Sixth Addition. Smaller lots in blocks one and two were dropped to \$10,000 from \$28,000. Larger lots in blocks three and four were dropped to \$15,000 from \$37,330. With the new incentives, the allowed time to substantially complete building was increased from 12 months to 18 months. An additional offer was created for blocks one and two-- buyers could opt for a five year payment plan of \$2,000 per

year. Contractors could also buy a lot in blocks one or two and not pay for the lot until they built and sold a spec home (given two years to build and sell). Additionally, Pioneer Bank and First National Bank offered a special financing package. With these incentives, **one lot was sold**, and at the end of 2016, staff was in talks with two more potential buyers.

EDA Apartments

In 2016, the SJEDA approved a two year plan to raise rental rates to compensate for the rising costs of maintenance. Two-bedroom units saw an increase from \$625 to \$650 in September of 2016 and \$675 upcoming in September of 2017. Three-bedroom units saw an increase from \$660 to \$690 in September of 2016 and \$720 upcoming in September of 2017.



SJEDA also approved a plan to replace all windows & screen doors and install dehumidifiers in all units by the end of 2017. One four-plex was completed in 2016 and the remainder are set to be completed in 2017.

Old Hospital Redevelopment Site

In March 2015, the Department of Employment and Economic Development (DEED) awarded the City of St. James \$325,000 through its demolition loan program. Abatement and demolition was completed in 2016. When the SJEDA develops the site, DEED can forgive



up to 50% of the principal loan. The SJEDA paid for a housing study to be completed by Community Partners, to determine if there was a need for housing on the site, as it is in an R-1 zone. A need was shown and staff has followed different leads to seek housing development, including the development of a group home facility, which was tabled due to a state moratorium on new facilities. Staff, the SJEDA, and the Build

the Future Steering Committee will continue to make this site a priority in 2017.

Lake Parcels

City Staff worked in 2016 on the plans for a new campground on the SJEDA-owned lake parcels. The project is currently placed on hold while discussions with the DNR take place about options for the site.

Business Resources

SJEDA staff is available to provide direction and resources to current and potential businesses in St. James and the Western area of Watonwan County (see County partnership).

Loan Funds

SJEDA staff administers two revolving loan funds- the Watonwan County RLF and the Industrial & Manufacturing loan fund. In 2016, SJEDA staff worked with Karen Altenburg to purchase the Country Collage. The final package included a loan through the Watonwan County RLF and a loan through SMIF.

Staff also works to promote loan funds through regional partners such as DEED, Region 9 & SMIF, and the Façade Enhancement loan program through Pioneer Bank that was created in 2016, as an effort to support downtown revitalization efforts through the Community Growth Initiative.

Business Consulting



In 2016, Watonwan County contracted with the Regional Center for Entrepreneurial Facilitation (RCEF), to provide free business consulting services to any businesses in Watonwan County. SJEDA staff can send start up entrepreneurs or current businesses directly to RCEF staff for specialized business consulting services. A great success from 2016 was

SJEDA staff working with RCEF staff to help Karen Altenburg secure funding to purchase the Country Collage.

Kitchen Incubator

In 2013, SJEDA was awarded a \$20,000 grant from SMIF for a Commercial Kitchen Incubator Start-Up in Armstrong School. SJEDA staff works closely with School District 840 staff on the leasing of the kitchen. In 2016, one tenant used the kitchen to produce hot sauce.

Build the Future (BTF)

Build the Future is an initiative that the SJEDA is administering that involves community stakeholders in tackling basic economic development goals. Build the Future is tasked with collecting data about the community, marketing the community, training stakeholders to be prepared for prospective business visits, business retention and expansion, and business & resident recruitment.

Stakeholders

In 2016, a stakeholder meeting was held where attendees discussed goals of the initiative and were surveyed on ideas for moving forward. Surveys showed that stakeholders wanted to move forward with and/or assist with: a community marketing website, SJEDA staff applying for the Community Growth Initiative grant through SMIF, BR&E efforts, and business recruitment efforts.

Data Collection/Steering Committee

A data collection committee was formed and worked very hard throughout 2016. This committee turned into a steering committee to help guide the entire Build the Future initiative that is housed under the SJEDA.

Community Growth Initiative Grant

The Community Growth Initiative Grant is a \$20,000 grant, awarded from SMIF. A leadership team of twelve stakeholders was formed as part of the grant process. The team underwent training, marketed the “Bright Ideas Workshop,” and voted on which projects would be awarded money, centering on the mission of “Re-Energizing Downtown.” Two projects were each awarded \$10,000-- an Artwalk project and a Highway 60 Billboard project. Both projects are to be completed by May 1, 2017. The Artwalk project is working to install art sculptures downtown, paint electrical boxes downtown, and purchase matching planters for businesses downtown. The Highway 60 Billboard project will be a billboard with an electronic reader board that will showcase events to pull people into town off of Hwy 60.

“Discover St. James” Website

The SJEDA and the St. James Area Chamber of Commerce are funding a website that will go live in May 2017. A committee of stakeholders from both organizations was formed to work on site content and design with the website designer. The site will be managed by the SJEDA Director and the Chamber Director, in partnership. The main goal of the website is business and resident recruitment, with the additional goals of providing resources for current businesses, current residents, and visitors.

Future Plans- Business Retention & Expansion (BR&E) and Recruitment

As established in an approved three year plan, the BTF steering committee and the SJEDA will kick off a major BR&E program in fall 2017 that will involve 40 community members working as a team to visit 80 businesses in less than a month. City staff will respond to any concerns that come out of the visits, and then the task force will work on priority projects for the community based on the feedback given by the businesses. Once the project sunsets, a BR&E plan will be put in place for moving forward. In addition, the BTF steering committee and SJEDA will begin work on targeted recruitment projects and efforts, and train business owner stakeholders to visit with businesses considering St. James.

Southwest Minnesota Housing Partnership (SWMHP) – Collaborative Projects

Southwest Minnesota Housing Partnership was awarded a \$3 million, three-year ArtPlace Community Development Initiative (CDI) grant from Artplace America. SWMHP chose three communities to work with (starting with St. James) to work on bringing art into everyday community development strategies. SWMHP has been working with community members on creative projects for the community. Specifically with the SJEDA, SWMHP has volunteered to facilitate a housing committee that will work on priorities from the 2016 housing study, and will be applying for the Small Cities Development Program Grant (SCDP) on behalf of the City of St. James.

St. James Area Chamber of Commerce and Convention & Visitors Bureau- Collaborative Projects

Business after Hours (BAH)

SJEDA staff worked with Chamber staff on facilitating Business after Hours each month in 2016.

Street Map

SJEDA staff worked with Chamber board members and staff on a Street Map brochure for the community.

CVB Projects

SJEDA staff has a permanent position on the CVB Board, representing the Campground. In 2016, the CVB Board created a new logo, installed a brochure rack at the Highway 60 Rest Stop, established a committee to work on business promotions during Highway 4 construction, and worked on a visitor kiosk that will be unveiled in 2017.

Shop St. James First

The SJEDA partners with the Chamber of Commerce on a shop local campaign called “Shop St. James First” with a tagline of “Make the Choice.” This year the logo was updated and a display was created in the old Pollos building. In addition a Facebook group was created and a Facebook training was held.



Miscellaneous Projects

Clean it Up, Keep it Up

SJEDA staff facilitated the creation and choosing of a new City Logo, with City staff, in conjunction with the Mayor's Clean it Up project.

SMIF Child Care Grant

SJEDA staff is collaborating with Community ED and daycare providers in the County on a \$10,000 Child Care Grant that is working to promote more daycare services in the County.

Holiday Decoration Committee

SJEDA staff is working with other City staff and community members on fundraising and choosing additional holiday decorations for the community.

HF2 & Lakeside Outdoor Fitness

SJEDA staff serves as the secretary on the Healthy Families, Healthy Future board and sits on the Lakeside Outdoor Fitness Committee.

Water Sports Project

City staff is assisting with plans for the St. James Water Sports Project.

Regional Partnerships

The SJEDA maintains relationships with many regional partners, attends a bi-monthly South Central Business Development Network meeting in Mankato, sits on the Region 9 Economic Development Committee, and attends SMTA regional meetings.

Watonwan County- SJEDA receives an annual stipend from Watonwan County to provide economic development assistance to the communities in the Western Half of Watonwan County, as needed.

Southwest Minnesota Housing Partnership (SWMHP)

Department of Employment and Economic Development (DEED)

Region 9 Development Commission

Southern Minnesota Initiative Foundation (SMIF)

Southern Minnesota Tourism Association (SMTA)

