

Hutchinson Economic Development Authority



2008

Annual Report

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EXECUTIVE SUMMARY

The Hutchinson EDA had a busy year in 2008. Several important projects were completed and a number of important economic development initiatives were advanced. In summary:

- A new company, Customer Elation, opened for business
- The city obtained a \$500,000 grant from the Minnesota Investment Fund so that an equipment loan could be made to Customer Elation
- Warrior Mfg achieved all of its job creation and wage goals
- Buildings on the Cenex fertilizer site were demolished and contaminated soils were removed from the site
- The EDA celebrated its origins by honoring the founders of “Hutchinson Growth”
- Initial steps were taken to form a County EDA
- Significant research & development was done to establish a small business incubator
- The EDA continued its strong support of downtown Hutchinson by providing:
 - 3 Storefront Revitalization Matching grants, totaling \$12,350
 - 11 Sign & Awning grants, totaling \$16,425.74
 - 2 Downtown loans, totaling \$176,703
- In addition, the EDA initiated a project to establish an attractive downtown “Gateway”
- The city purchased 68.07 acres of land to establish a new industrial park
- The EDA conducted 17 Business Retention & Expansion visits
- Further research was done on renewable energy and the biosciences to evaluate their potential as drivers of local economic development

A number of these projects were still “in process” at year-end. 2009 should see the final steps taken in the clean-up of the Cenex site, the installation of infrastructure in the new industrial park, establishment of a small business incubator and the outcome of efforts to establish a county-wide economic development authority.

GOVERNANCE

The Hutchinson Economic Development Authority is governed by a 7 member board of directors, each serving a 6-year term. Marc Vaillancourt joined the EDA Board at the beginning of the year, replacing Duane Hoversten. The EDA Board members at the close of 2008 are shown in Table 1, below.

Table 1 – EDA Board of Directors, 2008

<u>Member</u>	<u>Position</u>	<u>Affiliation</u>
Tim Ulrich	EDA President	Citizens Bank
Mike McGraw	Vice-president	State Farm Insurance
Steve Jansick	Treasurer	Wells Fargo Bank
Jim Haugen*	Member	City Council / Architect
Casey Stotts*	Member	City Council
Diane Gordon	Member	Attorney
Marc Vaillancourt	Member	Southwest Initiative Foundation

* City Council representatives

Assisting the EDA Board of Directors is an 8 member Finance Team. The Finance Team is tasked with reviewing all EDA financial transactions and monitoring the EDA's annual budget. Table 2, below, lists the members of the 2008 EDA Finance Team:

Table 2 – EDA Finance Team, 2008

<u>Member</u>	<u>Position</u>	<u>Affiliation</u>
Jim Young	Chair	James Young & Associates
Mike Cannon	Member	Citizens Bank & Trust
Anthony Hanson	Member	Wells Fargo Bank
Don Walser	Member	Kraft, Walser, Hettig & Honsey
Tim Ulrich	Member	Citizens Bank
Steve Jansick	Member	Wells Fargo Bank
Gus Wurdell	Member	

INTERNSHIP PROGRAM

The Hutchinson EDA continued its successful internship program in 2008. Two St. Cloud State University students, Lee Miller and Mike Solinger interned with the EDA over the course of the year. Upon his graduation, Lee Miller was hired as the economic development director for the Region 5 Development Commission, headquartered in Staples. Mike Solinger decided to take some time off and is considering going to graduate school to get his Master's degree in Finance.



Lee Miller – now on staff with Region 5.

ECONOMIC DEVELOPMENT STRATEGY

The economic development strategy of the Hutchinson EDA is a simple and time proven one. It includes the following elements & priorities:

- Take care of our existing business base
- Maintain a strong downtown
- Utilize all available resources
 - State & federal grant programs
 - JOBZ & other economic development tools
- Be ready for opportunities when they come
 - Industrial park space
 - Building space
 - Project financing
 - Trained workforce
- Emphasize technology
 - Utilize internet for marketing
- Reinforce success
- Be progressive & proactive
- Capitalize on emerging trends
 - Renewable energy
 - Bio-Sciences
- Emphasize our strengths

- Ridgewater College
- Outstanding workforce
- Existing business base
- Proximity to the Twin Cities
- Outstanding park system
- Progressive community

The principle we want to follow is “Reinforce Success.” Hutchinson has an existing high-tech, precision-manufacturing industry cluster. A strong family of technology-based manufactures and the necessary support structures (e.g. Ridgewater College) are already in place. The ideal economic development strategy, consequently, is to reinforce and build upon our existing strengths.

ACTIVITY REPORT

Business Retention & Expansion Program

The Hutchinson EDA continues to emphasize the retention and expansion of the communities existing business base as a key economic development strategy. It is an established fact that it is far easier to nurture and grow the existing business base than it is to recruit new businesses to the community. In addition, most new job growth comes from existing businesses. In recognition of this, the Hutchinson EDA places retention and expansion of existing businesses at the top of its priority list each year. In 2008 staff visited 17 local companies, as listed in Table 3, below.

Table 3 – Business Retention & Expansion (BR&E) Visits, 2008

	<u>Company</u>	<u>Contact</u>	<u>Date of Visit</u>
1	Hutch Iron & Metal	Jay Friedland	1/9/08
2	Ashwill Industries	Tony Ashwill	1/16/08
3	Hilliard Floor Care	Scott Haag	2/7/08
4	Warrior Mfg.	Paul Soukup	4/25/08
5	Hutchinson Manufacturing	Tom Daggett	5/21/08
6	RD Machine, Inc.	Jeff Leway	8/14/08
7	Hutchinson Mall	Kris Peterson	8/20/08
8	3D C-N-C	Mike Getzke	8/2/08
9	Nordic Components	Jarmo Kumpula	10/15/08
10	RHC Plating	Mike Rozeske	10/16/08
11	Ohly	Chad Gunderson	10/17/08
12	Dock-Rite	Jim Gillman	10/24/08
13	Haugen Furniture Company., Inc.	Darrell Haugen	10/29/08
14	Hutchinson Technology Inc.	Connie Pautz	11/13/08
15	Phoenix Solutions	Len Frame	11/13/08
16	Target	Larry	12/2/08
17	Goebel Fixture Company	Dick Goebel	12/3/08

Recognition Event

On June 26th the Hutchinson EDA paid tribute to its founding fathers by hosting an open house and reception in honor of the original members of "Hutchinson Growth."

Founded on December 12th, 1961, Hutchinson Growth initiated the city's first formal economic development effort and was a forerunner of the Hutchinson Community Development Commission, which, in turn, led to the formation of the EDA.

Plaques were presented to Emanuel Albrecht and Virgil Goebel in recognition of their leadership and vision as two of the founders of Hutchinson Growth. A third plaque was hung in the City Council Chambers to commemorate the achievements of Hutchinson's first economic development group. Finally, a very nice story on the event appeared in the Hutchinson Leader newspaper.



Emanuel Albrecht & Virgil Goebel honored for their role in forming Hutchinson Growth.

Renewable Energy and the Biosciences

The Hutchinson EDA continues to research the potential of renewable energy and the Biosciences as viable local economic development strategies. To that end, staff attended a number of conferences and seminars throughout the year to learn more about these emerging fields and their potential to promote economic development. Some of the events attended included:

- Economic Development Association of Minnesota – Seminar on renewable energy as an economic development tool (Jan 17-18, 2008)
- 4th Annual Regional Bioscience Conference – Worthington (March 27-28, 2008)
- Open House at the U of M Academic & Corporate Relations Center (July, 2008)
- BioBusiness Alliance of Minnesota – Mankato (September 29th, 2008)
- Southwest Initiative Foundation seminar on local energy initiatives

The 4th Annual Bioscience Conference is geared towards forging links between the agricultural biosciences and human health bioscience and is held annually in Worthington.

The BioBusiness Alliance of Minnesota is an industry-led not-for-profit organization dedicated to the advancement of bioscience-related industries to create jobs for the citizens of Minnesota. In 2008 they hosted the "International Bioscience Days" conference held in Mankato.

In 2009 EDA staff will continue its research into the renewable energy and bioscience fields with an eye towards identifying and taking advantage of any opportunities they might provide to foster economic development here in Hutchinson.

Grant Writing

No new grants were authored in 2008. A \$500,000 Minnesota Investment Fund (MIF) grant written in late 2007 was implemented. The State of Minnesota awarded the grant to the City of Hutchinson, which in turn loaned it at to Customer Elation for equipment. As the loan is repaid, the funds will become a permanent part of the city's industrial park revolving loan fund. At year end, assets in the MIF loan fund were \$707,735.

County EDA

Throughout 2008 the Hutchinson EDA spearheaded an effort to establish a county-wide economic development organization following the steps laid out in Minnesota Statutes 469.1082 and 469.091.

Presentations were made to 8 cities, 3 chambers of commerce and 3 other business groups around the county, resulting in 14 resolutions of support. This was followed by a presentation to the County Board at which permission was obtained to establish a 15-member "EDA Exploratory Committee."

EDA staff then recruited 15 people from around the county and nominated them to be on the Exploration Committee. A workshop was held with the County Board to review the list of nominees and discuss their scope of work. It will be the committees' role to evaluate all the key issues relating to the formation of a county EDA; in addition they will formulate a set of recommendations on these issues for the County Board to consider.

Among the questions the Exploratory Committee will consider are:

- What are the track records of county economic development efforts and / or County EDA's? Do they actually work?
- Is there a need for county-wide economic development in McLeod County? (identify specific examples)
- What would be areas of emphasis and / or projects to work on for a county economic development organization?
- What options exist for providing economic development services?
- Which option makes the most sense for McLeod County? Why?
- Depending on the option, what should the organizational structure be?
- What options exist for funding county-wide economic development?
- What is the best option for McLeod County? Why?

A list of the exploratory committee members is included in Appendix "H."

The Exploratory Committee will have 90 days from its initial meeting to finish its work and issue a report to the County Board. From there, the process of formally establishing a County EDA is as follows:

1. All cities in county pass a resolution electing to participate (or not)
2. County Board holds a public hearing
3. County Board passes an enabling resolution
 - County EDA Board of Directors appointed
 - County Board considers establishing a levy to fund the EDA levy
 - County board considers hiring of EDA staff

Although there is significant grass-roots support, it remains to be seen if the political support exists at the county level for establishing an economic development authority. In any case, Hutchinson staff should complete this process by mid-year 2009.

Industrial Park

The bulk of the EDA's efforts in 2008 were focused on the city's industrial park. In addition to facilitating the opening of a new business (Customer Elation) the EDA managed several properties, worked on the development of the Stritesky Property as the city's new industrial park, purchased 68 acres from Marvin Hackbarth for industrial development and worked on the development of a small business incubator with Ridgewater College and the Hutchinson Area Chamber of Commerce.

Property Management

The EDA owns three properties in the industrial park – the 1.79 acre Wetherell property, 3.86 acres of the former Goebel Property and the 77.76-acre Stritesky Property.

The Wetherell property, which includes a house and barn, was leased out and generated \$6,000 of rental income for the EDA over the course of the year.

The former Goebel property was seeded down with a grass mixture to prevent the emergence of weeds, but was otherwise un-leased. Due to its small size, it is not attractive to rent for agricultural purposes.

The Stritesky parcel was leased out for the year, contributing significant revenue to the EDA operations budget. A total of 7 bids were received with a local farmer bidding \$203.80 per acre to rent the parcel for the year. A total of \$15,048.59 was earned from the property in 2008.

Customer Elation Opens

Customer Elation opened its new 22,200 square foot customer service center in July on a 3.89 acre lot in the industrial park.

Recruited in late 2007, Customer Elation is an in-bound customer service center that contracts with companies to provide their customer support services. Clients include companies such as United Health Networks, Medtronic, HealthPartners, Toro, Minnesota Public Radio, Wendy's Restaurants, the Walker Art Center and MGI Pharma Inc., among many others.

The company had been seriously considering building a new facility in Racine, Wisconsin; but with JOBZ, the land write-



Customer Elation's new 22,200 customer service center opened in July.

down program, and by obtaining a \$500,000 grant from the state (which was then loaned to the company), it was possible to bring Customer Elation's new facility to Hutchinson.

Initially, only the south half of the building was finished out, as this will provide sufficient space for the first 100 customer service representatives to be hired. As the company grows, the north half interior of the building will be completed and the facility will be able to accommodate a total of 200 operatives.

Within two months of opening Customer Elation had hired 26 employees; they should have about 75 on staff by mid-2009. The company has committed to create 100 new jobs within two years of opening the new facility.

Warrior Mfg. Update

Recruited to Hutchinson in 2005, Warrior Mfg. built a 92,000 square foot production facility on a 10.85 acre parcel in the industrial park. JOBZ, the land write-down program and a \$200,000 grant from the state (loaned to the company for equipment purchases) were used to bring the project to Hutchinson.

Warrior committed to create a minimum of 10 jobs with a total compensation of \$10.23 / hour. Since that time, the company has met and exceeded all required goals, as shown in Table 4, below:

Table 4 – Warrior Job Creation & Wages

	<u>Jobs</u>	<u>Wages</u>	<u>Total Compensation</u>
Goal	10	\$9.30 / hour	\$10.23 / hour
Actual	24	\$15.41 / hour	\$18.58 / hour

Business Incubator Project

Over the course of the year, EDA staff worked with Ridgewater College and members of the former CALP (Community Advantage Leadership Program) Business Incubator Team on the development of a small business incubator. The facility would be housed in the "Ridgewater East" building, located in the in the industrial park.

Meetings were held throughout the spring and summer, and EDA staff attended the National Business Incubator Conference in San Antonio, Texas to learn more about establishing a successful incubator program.

Ridgewater College allocated \$250,000 to renovate the building and get it ready for occupancy. When ready, the facility will house the college's Small Business Management and Farm Business Management programs, the Minnesota Workforce Center and an office of the state's Department of Employment and Economic Development (DEED).

Finally, there will be about 7,500 square feet of industrial space available in the building for small, incubation-stage companies.

Industrial Park Development

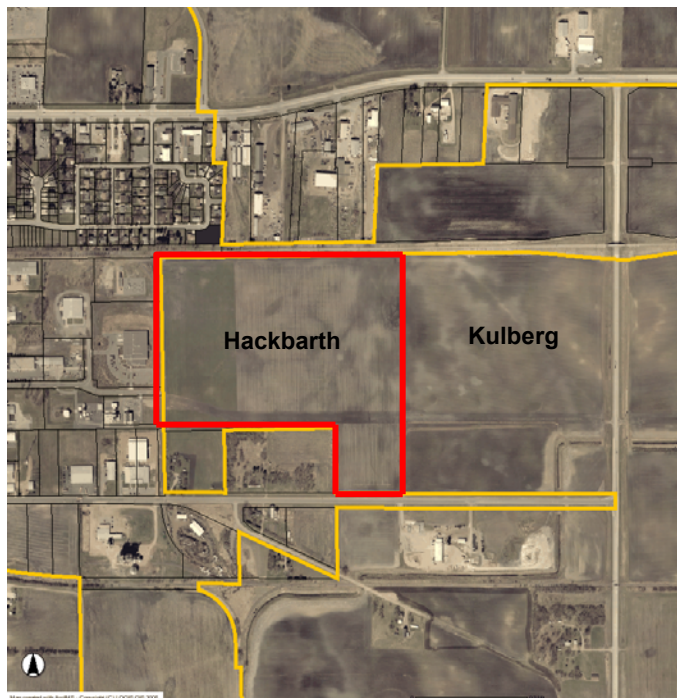
Up until August of 2008 the EDA had planned on developing its 77.76-acre “Stritesky parcel” as the city’s next industrial park.

The EDA contracted with SEH, Inc. to do the preliminary engineering and design work for the new industrial park. Included in the work was soils testing, wetland delineation, infrastructure design, lot layout, sustainability, building standards, site access, phasing and projected construction costs. In addition, the EDA obtained the right-of-way needed to construct an access road to the property south from 5th Avenue SE. Plans called for Phase I of the project to be constructed in early 2009 – providing the infrastructure needed to open the north 40 acres of the industrial park for development.

In August, Mayor Steve Cook was able to re-open long-stalled negotiations with Mr. Marvin Hackbarth on the possible acquisition of 68 acres that he owned just to the east of the existing industrial park. After several weeks of negotiations, an agreement was reached in which the city would purchase the Hackbarth Property for \$15,441 per acre. The appraised value of the land was \$23,958 per acre, with \$8,517 per acre being recognized as a gift to the city.

Purchase of the land was done on a five year contact-for-deed at 5% interest. \$200,000 was paid at signing with the remaining balance to be paid in five annual installments of \$192,487.

Plans call for the immediate development of the new industrial park, with construction of streets and city water & sewer lines in the Spring of 2009.



Purchase of the 68-acre Hackbarth Property was completed in December, 2008

Further development of the EDA-owned Stritesky Property will be on hold for the time being.

Opportunity Lost: Moventas

Lack of ready-to-go industrial park space was the primary culprit in the failure to recruit a Finnish company called “Moventas” in the spring of the year.

A manufacturer of gear boxes for wind turbines, Moventas was looking for a location in which to establish its North American headquarters and assembly plant. Later phases of the project would have seen expansion of the plant to include the manufacture of gear box components. The company needed a 10-acre site on which to build a 75,000 square foot facility; initial employment would have been about 77 people. Later phases of the project would have seen the plant grow to 150,000 square feet and employment expand to 250.

Initially, the company was looking at two or three other states as well as several cities within Minnesota as potential locations. The EDA made a very strong effort to recruit the company and after several visits to the city, Hutchinson was identified as one of the final three cities under consideration.

Ultimately the company chose Faribault as the location for its North American operations. EDA staff did have an opportunity to visit with representatives of the company following the decision and they indicated that they had a difficult time imagining their North American headquarters on that site (referring to the Stritesky Property). Company perceptions of the city, as well as recommendations, are as follows:

PROS

- First 2 visits to Hutchinson went very well
- Presentation & incentives were great
- Mike Retterath / labor force was great
- Highly stabilized business district w/ 3M & HTI was very attractive
- 10 acres free was helpful but not critical
- Proposed financial assistance & story are competitive

CONS

- Could not imagine North American HQ at that site (Stritesky property) *“one step removed from the business district”*
- Scrap yard was a turn-off *“creates a tough first impression”*
- Freeway helped Faribault
- “Turn Key” industrial park helped Iowa
- *“Image thing was significant”*

RECOMMENDATION

- Having developed industrial park space will help a lot – more of a “turn key” approach

At this point it is difficult to say if having developed industrial park space available would have “tipped the balance” in Hutchinson’s favor. It is entirely possible that other factors may have led Moventas to make the same decision regardless. The key thing is to learn what we can from the experience, make the improvements suggested and prepare for the next opportunity.

Downtown Redevelopment

Cenex Project

Site redevelopment of the former Hutchinson Co-op fertilizer plant was the focus of the EDA’s downtown efforts during 2008.



The site had been used by Cenex for many years for the receiving, mixing and shipping of agricultural fertilizer products and prior to that a portion of the site a gas station. As a result, there was significant on-site contamination from both agricultural chemicals and petroleum.

Working closely with the Hutchinson Co-op, the EDA coordinated investigation and clean-up of the site by utilizing two state programs: the Petrofund Program, sponsored by the Minnesota Pollution Control Agency, and the AG-VIC Program offered by the Minnesota Department of Agriculture. These programs provide a 90% and 80% reimbursement respectively for the investigation and cleanup of site contamination.

Working with Braun Intertec, the environmental consultant hired by Cenex to work on the project, the EDA coordinated the inspection for and removal of hazardous materials (asbestos) in the buildings on the site. In addition, the EDA coordinated all building demolition activities and the excavation of contaminated soils. At present, the site is a bare gravel pad.

Next steps are to: 1) coordinate for the installation of monitoring wells on the site and, 2) obtain documentation from the MPCA and the Department of Agriculture that the EDA and city would not be held responsible for any future clean-up activities. Once that documentation is obtained, ownership of the property will be transferred to the city.

For 2009, the section of Les Kouba Parkway directly behind the site will be vacated and the entire site will be replatted, combining four lots and the right-of-way into one 2.08 acre lot.

The EDA will be marketing the site utilizing its own website and MNPRO (a state wide property-listing service provided by DEED) in an effort to identify appropriate redevelopment opportunities.



Demolition of the buildings on the site of the former Hutchinson Co-op fertilizer plant.

Downtown Gateway Project

In an effort to further beautify Main Street, the Hutchinson EDA is partnering with the Hutchinson Downtown Association on the development of a “gateway” to the downtown.

Utilizing an otherwise undevelopable lot that the EDA acquired in 2005, the concept is to establish an attractive and useful downtown feature to



Concept for signage to be installed in the Downtown Gateway.

effectively “tie together” all of the elements present in Hutchinson’s downtown: parks, trails, historic places, attractions, dining establishments and shopping opportunities.

When fully developed, elements of the Downtown Gateway will include public parking, a public restroom, an informational kiosk and, hopefully, a significant piece of public art. The goal is to create a gathering place that ties together all of downtown Hutchinson’s existing assets and becomes a regionally known landmark.

Thus far the EDA has allocated a total of \$6,000 for the project and the HDA has committed \$4,000 over four years.

Downtown Grant & Loan Programs

The Hutchinson EDA continued its strong support of Main Street in 2008 through its downtown grant and loan programs.

The EDA facilitated the development of a new “fine dining” restaurant downtown with a loan to Zella’s Restaurant. The project also benefitted from the EDA’s Storefront Revitalization Matching Grant program and the Sign & Awning grant program.

Additional improvements were also made to the historic Jorgenson Hotel with the addition of an Oral-Facial Surgeon to the mix of businesses in residence there. With this newest occupant, the entire ground floor of the hotel is now renovated and occupied.

Sign & Awning Grant Program

As shown in Table 5, below, a total of 10 Sign & Awning grants were awarded in 2008, totaling \$16,425.74. In addition, program rules were updated to require two bids on all grant applications.

Table 5 – Sign & Awning Grants, 2008

<u>Approved</u>	<u>Recipient</u>	<u>Grant Amount</u>
1/25/2008	Home Sweet Home Quilt Design	\$600.00
1/25/2008	Lang's Meat Market	\$1,980.34
1/25/2008	Pearson School of Music	\$2,000.00
2/22/2008	Wendling Insurance Services	\$2,000.00
4/4/2008	Hope Center	\$1,000.00
4/25/2008	Independent Order of Odd Fellows	\$2,000.00
7/25/2008	Zella's Restaurant	\$2,000.00
8/26/2008	Oral-Facial Surgery, PA	\$1,321.50
12/3/2008	Wild Prairie Coin	\$1,537.67
12/3/2008	Hairy Edge	\$1,986.23
TOTAL		<u>\$16,425.74</u>

Storefront Revitalization Matching Grant Program

Three Storefront Matching Grants were awarded during the year, totaling \$12,350. These are shown in Table 6, below.

Table 6 – Storefront Revitalization Matching Grants, 2008

<u>Approved</u>	<u>Recipient</u>	<u>Amount</u>
4/25/2008	Henke Insurance	\$5,000.00
4/25/2008	Pipe Dreams	\$2,350.00
10/29/2008	Zella's Restaurant	<u>\$5,000.00</u>
TOTAL		<u>\$12,350.00</u>

Downtown Loan Program

As depicted in Table 7, below, two Downtown loans were provided in 2008, totaling \$176,703. At year-end the EDA held 43 downtown loans with a total value of \$764,219. Loan payments each month total \$10,476 and all loans are performing as required.

Table 7 – Downtown Loans, 2008

DOWNTOWN LOAN FUND

<u>Approved</u>	<u>Recipient</u>	<u>Amount</u>
4/25/2008	Zella's Restaurant	\$130,000
6/27/2008	Jorgensen Hotel	<u>\$46,703</u>
TOTAL		<u>\$176,703</u>

Economic Development Loan Programs

In addition to the downtown grant and loan programs, the EDA maintains two revolving loan funds that focus on industrial park and manufacturing uses.

Economic Development Loan Fund

The Economic Development Loan Fund had two loans outstanding during 2008, to Warrior Mfg. and Ashwill Industries. Both loans performed as required throughout the year. Please refer to Appendix "B," the Economic Development Loan Fund Status Report, for additional details.

MIF Loan Fund

The city's new Minnesota Investment Fund (MIF) loan fund continued to grow in 2008. The \$500,000 Customer Elation grant was received from the State of Minnesota in several payments throughout the late summer and fall of the year and the entire amount was disbursed to the company for the purchase of new equipment.

At year-end the MIF loan fund had a cash balance of \$67,003 and total assets of \$707,337. Appendix "C" provides more detailed information.

HUTCHINSON DOWNTOWN ASSOCIATION

With 44 members, the Hutchinson Downtown Association (HDA) had another successful year in 2008. Activities of the HDA include sponsorship of the Popcorn Wagon and the Farmer's Market, as well as downtown events such as Picnic in the Park and Main Street Christmas. In addition, the HDA provides plantings for flower pots in the downtown as well as decorative treetops in the winter.

The HDA is governed by a seven member Board of Directors along with four liaisons who have full voting rights. Membership is shown in Table 8, below.

Table 8 – Downtown Association Board Members, 2008

<u>Director</u>	<u>Position</u>	<u>Affiliation</u>	<u>Term</u>
Mike Cannon	President	Citizens Bank & Trust	2009
Mark Cormier	Vice President	Hagar's Jewelry	2008
Joanne Willmert	Treasurer	The Village Shop	2009
Gus Wurdell	Director	Unity Stamp Company	2008
Tina McMillan	Director	Hutchinson Leader	2010
Chad Czmowski	Director	Outdoor Motion	2010
Matt Pulkrabek	Director	Hometown Realty	2008
Bill Corby	Liaison	Chamber of Commerce	open
George Quast	Liaison	Historic Hutchinson	open
Hugo Rusch	Liaison	Farmer's Market	open
Jim Haugen	Liaison	City Council	open

Farmer's Market & Popcorn Wagon

In response to concerns raised by several downtown businesses, the HDA relocated the Downtown Farmer's Market in 2008. The twice-weekly closing of 1st Avenue SE between Main and Hassan Streets was proving to be increasingly disruptive to area businesses. It was felt that the needs of area property owners should take precedence over the needs of the more transitory Farmer's Market.

After considering several options, it was decided to relocate the Farmer's Market to the VFW parking lot on the corner of Washington Avenue and Adams Street, on the east edge of downtown.

The move was a very successful one, as the new location provided plenty of space for vendors and excellent visibility. The 18 season pass holders reported having excellent business in the new location, as employees of the nearby 3M plant would often stop in at the end of their work shift.

The HDA also once again sponsored the popcorn wagon; which in 2008 was run by volunteers from Maplewood Academy.

EDA FINANCES

Overall the finances of the EDA remain strong – although the overall equity position of the organization declined slightly from \$2.959 million at the end of 2007 to \$2.788 million by the end of 2008.

The decline was attributable to two factors: first, the downtown revolving loan fund provided a total of \$28,776 in grants over the course of the year, and secondly, the EDA's liabilities increased with the acquisition of the 68-acre Hackbarth property. While the EDA's real estate assets increased by the value of that property, its liabilities increased even more because they reflect both the principle *and the interest* owed on the property. The overall result was a slight decrease in the EDA's net equity.

The EDA's operations budget was essentially on target for the year. A total of \$146,187 of revenue came in from the EDA's tax levy and another \$21,049 was earned in rental income. Rent on the EDA's 77.76-acre Stritesky property (determined through a competitive bidding process) continues to be extraordinarily high.

For the most part operational expenditures were within the established budget parameters. One exception to this was the "Professional Services" line item, which came in at \$29,682, compared to a budgeted amount of \$6,000. The reason for this variance was that project expenses for the development for the Stritesky Property (preliminary engineering, etc.) were paid through the operations budget rather than through a dedicated project budget. In talking with the city's new Finance Director, Jeremy Carter, it was agreed that such expenses should be tracked in their own project budgets in the future. This will eliminate the phenomenon of having the EDA's operations budget skewed by project expenses, and will provide a better picture of how well the operations budget is being managed.

For the year, the EDA operations budget showed a deficit of \$21,037 – which is entirely attributable to the aforementioned professional services line item. Aside from that, EDA operations were in the black for the year.

SUMMARY

Overall it was a busy and good year in 2008. The EDA made significant progress in resolving its shortage of industrial park space; downtown development took a significant step forward with

the clean-up of the old Cenex fertilizer site on 3rd Avenue NW, and the growth of the MIF loan fund will provide significant new resources for the EDA in the years ahead. Finally, the EDA made significant investments in the future by continuing to research the emerging bioscience / renewable energy sectors, working with Ridgewater College on the development of a small business incubator and by promoting the development of a County Economic Development Authority.

Summary of Results: EDA 2008 Work Plan & Goals

BUSINESS RETENTION / EXPANSION

- 1) Conduct 15 BR & E visits, as many as possible in conjunction with the Chamber of Commerce **(VISITED 17)**

DOWNTOWN

- 2) Continue Cenex Site Redevelopment
 - Demo buildings **(DONE)**
 - Vacate roadway **(EARLY 2009)**
 - Soil corrections **(DONE)**
- 3) Start preliminary work on NAPA / site redevelopment project (Downtown Housing) **(YET TO DO)**

INDUSTRIAL PARK

- 4) Make Bio-Science & renewable energy projects a development priority
 - Research & evaluate existing projects in Minnesota **(IN PROGRESS)**
- 5) Complete Customer Elation expansion project **(DONE)**
- 6) Recruit at least 1 new company for the industrial park **(YET TO DO)**
- 7) Complete preliminary development work for "Hutchinson Energy Park" **(IN PROGRESS)**
 - Write proposal for infrastructure grant **(DONE)**
 - Obtain needed easement **(DONE)**
- 8) Develop a Business Incubator **(IN PROGRESS)**
- 9) Research & implement fence project at Hutch Iron & Metal **(PROJECT DEFERRED)**

MARKETING & PUBLIC RELATIONS

- 10) Put together a new marketing brochure **(YET TO DO)**
- 11) Update & revamp EDA web-site **(DONE)**
- 12) Host a recognition / celebrate success event **(DONE)**

GENERAL

- 13) Obtain \$100,000 in grants (various uses) **(YET TO DO)**
- 14) Pursue development of a McLeod County EDA **(IN PROGRESS)**
- 15) Do everything feasible to fill vacant "bog box" buildings **(IN PROGRESS)**

2009 Work Plan & Goals

BUSINESS RETENTION & EXPANSION

- 1) Conduct 15 BR & E visits, as many as possible in conjunction with the Chamber of Commerce

DOWNTOWN

- 2) Continue Cenex Site Redevelopment
- 3) Continue development of Downtown Gateway

INDUSTRIAL PARK

- 4) Make Bio-Science & renewable energy projects a development priority
 - Research & evaluate existing projects in Minnesota
- 5) Complete Industrial Park Infrastructure Project
- 6) Recruit at least 1 new company for the industrial park
- 7) Complete development of a small business incubator

MARKETING & PUBLIC RELATIONS

- 8) Evaluate the need for new marketing materials

GENERAL

- 9) Obtain \$100,000 in grants (various uses)
- 10) Pursue development of a McLeod County EDA
- 11) Do everything feasible to fill vacant “big box” buildings

APPENDIX A

**Downtown Revolving Loan Fund
2008 Status Report**

Loan	Borrower	Originated	Loan Amount	Term	Rate	Monthly Pymt.	Outstanding	Maturity	
							Balance as of 12/31/08		
1	A	2/1/1990	\$6,670.99	20	0.00%	\$16.81	\$436.47	2/1/2011	quade
2	B	3/10/1990	\$4,626.55	20	0.00%	\$19.28	\$57.19	3/10/2009	hassan lg
3	C	6/1/1991	\$4,965.91	20	0.00%	\$20.69	\$0.00	5/1/2007	quast
4	D	6/10/1991	\$30,101.37	20	0.00%	\$125.42	\$2,007.29	5/10/2010	hassan lg
5	E	12/1/1991	\$3,395.75	20	0.00%	\$14.15	\$225.61	4/1/2010	quast
6	F	5/1/1992	\$7,310.00	20	0.00%	\$30.46	\$1,584.39	5/1/2013	quast
7	G	2/10/1993	\$25,637.10	20	0.00%	\$106.82	\$6,195.86	11/10/2013	peterson
8	H	3/10/1993	\$1,772.95	20	0.00%	\$7.39	\$302.87	5/10/2012	dostal
9	I	6/1/1993	\$3,749.00	20	0.00%	\$15.62	\$821.39	6/1/2013	quast
10	J	1/1/1994	\$1,610.75	20	0.00%	\$6.71	\$402.95	1/1/2014	quast
11	K	5/10/1994	\$2,016.50	17	0.00%	\$59.28	\$69.06	10/10/2008	quast
12	L	1/1/1996	\$3,536.43	20	0.00%	\$14.74	\$1,236.99	12/1/2015	hassan lg
13	M	5/1/1998	\$17,625.26	12.7	0.00%	\$117.90	\$3,595.16	10/1/2010	jim fahey
14	N	8/1/1998	\$59,000.00	10	2.00%	\$542.88	\$0.00	7/1/2008	kerry jensen
15	O	4/1/2000	\$5,088.90	10	2.00%	\$48.44	\$578.56	2/1/2010	dostal
16	P	4/1/2000	\$3,000.57	10	2.00%	\$30.00	\$162.70	10/1/2009	labat
17	Q	3/1/2001	\$4,411.00	10	2.00%	\$40.59	\$977.12	12/1/2010	r elliot
18	R	4/10/2001	\$13,033.31	10	2.00%	\$119.92	\$0.00	3/10/2011	john schutt
19	S	5/1/2001	\$1,612.34	10	2.00%	\$14.84	\$386.29	3/1/2011	peterson
20	T	5/5/2001	\$53,855.00	10	2.00%	\$495.54	\$14,142.13	6/1/2011	hoseck
21	U	9/1/2001	\$4,110.00	10	2.00%	\$37.82	\$1,205.99	5/11/2011	barton
22	V	9/1/2001	\$33,580.50	10	2.00%	\$308.99	\$10,536.86	1/1/2011	janet valen
23	W	9/1/2001	\$8,105.00	10	2.00%	\$100.00	\$864.31	9/1/2009	barb wending
24	X	11/1/2001	\$2,960.00	10	2.00%	\$27.24	\$922.76	11/1/2011	quast
25	Y	12/1/2001	\$4,650.00	10	2.00%	\$45.00	\$1,248.86	9/1/2011	labat
26	Z	12/1/2001	\$59,820.00	10	2.00%	\$550.42	\$19,176.17	12/1/2011	quade
27	AA	3/1/2002	\$15,970.23	10	2.00%	\$146.95	\$5,397.42	2/1/2012	jensen
28	BB	4/1/2002	\$27,494.00	10	2.00%	\$252.98	\$10,916.74	9/1/2012	bob schleuter
29	CC	12/1/2002	\$17,060.00	10	2.00%	\$156.97	\$5,175.42	10/1/2011	quast
30	DD	1/1/2003	\$18,975.00	10	2.00%	\$250.00	\$4,103.09	1/1/2012	l meyer
31	EE	1/1/2003	\$3,000.00	10	2.00%	\$27.60	\$1,271.05	1/1/2013	peterson
32	FF	5/8/2003	\$65,000.00	10	2.00%	\$598.09	\$31,053.35	7/1/2013	quast
33	GG	7/1/2003	\$15,000.00	10	2.00%	\$138.02	\$0.00	10/1/2013	john schutt
34	HH	1/1/2004	\$130,000.00	10	2.00%	\$ 227.51**	\$120,060.24	5/1/2014	red
35	II	4/1/2004	\$11,055.52	10	2.00%	\$101.73	\$6,181.12	5/1/2014	dostal
36	JJ	9/10/2004	\$130,000.00	10	2.00%	\$1,196.17	\$78,036.20	9/1/2014	hagg/dag
37	KK	12/1/2004	\$65,000.00	15	4.50%	\$497.25	\$51,911.60	1/1/2020	mccarthy
38	LL	2/1/2005	\$130,000.00	10	2.75%	\$1,240.34	\$83,172.44	2/1/2015	mark schierman
39	MM	6/1/2006	\$3,950.00	10	5.75%	\$45.00	\$3,068.98	4/1/2016	labat
40	NN	3/23/2007	\$130,000.00	15	6.25%	\$1,114.65	\$120,538.65	3/23/2022	commons
41	OO	6/15/2007	\$6,400.00	10	6.25%	\$71.86	\$5,693.00	6/15/2017	lamprecht
42	PP	5/30/2008	\$130,000.00	10	3.25%	\$1,270.35	\$125,113.11	6/1/2018	haag
43	QQ	8/19/2008	\$46,703.00	10	3.00%	\$450.97	\$45,389.43	8/1/2018	haag/dagget
Totals			\$1,311,852.93			\$10,475.88	\$764,218.82		

**Payment is interest only

APPENDIX B

**Economic Development Loan Fund
2008 Status Report**

Loan	Borrower	Originated	Original Loan Amount	Term	Rate	Monthly Pymt.	Outstanding Balance as of 12/31/08	Maturity
1	A	10/5/2005	\$32,000	6	8.25%	\$564.98	\$17,078	10/4/2011
2	B	8/28/2007	\$50,000	7	4.00%	\$680.00	\$42,141	8/27/2014
TOTALS			<u>\$82,000</u>			<u>\$1,244.98</u>	<u>\$59,218</u>	

APPENDIX C

**MIF Loan Fund
2008 Status Report**

Loan	Borrower	Originated	Original Loan Amount	Term	Rate	Monthly Pymt.	Outstanding Balance as of 12/31/08	Maturity
1	A	8/28/2007	\$200,000	7	2.50%	\$2,600.00	\$164,142.14	8/27/2014
2	B	8/1/2008	\$500,000	7	0.00%	\$5,952.38	\$476,190.48	7/31/2015
TOTALS			<u>\$700,000</u>			<u>\$8,552.38</u>	<u>\$640,332.62</u>	

APPENDIX D

**Economic Development Authority
2008 Year End Financial Statements**

Hutchinson Community Development Corp - EDA (9109)

AS OF DECEMBER 31, 2008

BALANCE SHEET OPERATIONS

FULL ACCRUAL

INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 109,796
Due from Other Governments	945
TOTAL ASSETS	110,741
LIABILITIES	
Accounts Payable	1,233
Accrued Payroll & Vacation	1,495
TOTAL LIABILITIES	2,728
EQUITY	
Reserved - Land	56,736
Unreserved	51,277
TOTAL FUND BALANCE	108,013
TOTAL LIABILITIES & FUND BALANCE	\$ 110,741

Hutchinson Community Development Corp - EDA (9109)

AS OF DECEMBER 31, 2008

Statement of Revenues & Expenditures

FULL ACCRUAL

INTERNAL USE ONLY

Object Code	Description	Budget	December	YTD	Available Balance
REVENUES					
4011	TAXES	146,000	65,831	134,496	11,504
4012	DELINQUENT TAXES	-	319	1,189	
4013	PENALTIES & INTEREST	-	-	24	
4141	HOMESTEAD CREDIT	-	5,348	10,478	(10,478)
4316	RENTS	14,122	500	21,049	(6,927)
4340	SALES OF PROPERTY	-	-	-	-
4625	INTEREST INCOME	1,000	2,123	2,123	
4720	REFUNDS & REIMBURSEMENTS	1,000	-	1,500	(500)
	TOTAL REVENUES	162,122	74,121	170,858	-6,401
EXPENDITURES					
6110	WAGES REG.EMPLOYEES	79,089	6,651	73,294	5,795
6122	WAGES TEMPORARY EMPLOYEES	21,560	1,491	17,309	4,251
6131	VACATION PAY	-	322	3,725	(3,725)
6132	HOLIDAY PAY	-	402	3,342	(3,342)
6133	SICK PAY	-	101	1,068	(1,068)
6141	PERA-COORDINATED	5,368	486	5,286	82
6145	FICA-CITY PORTION	7,605	543	5,955	1,650
6150	MEDICARE	-	127	1,393	(1,393)
6160	EMPL.HEALTH & INS. BENEFIT	6,400	400	6,354	46
6170	WORKERS COMP INSURANCE	-	55	602	(602)
	TOTAL SALARIES & FRINGE BENEFITS	120,022	10,577	118,326	1,696
6205	OFFICE SUPPLIES	800	-	449	351
6210	OPERATING SUPPLIES	2,000	258	3,804	(1,804)
	TOTAL SUPPLIES, REPAIRS, & MAINT.	2,800	258	4,252	(1,452)
6301	PROFESSIONAL SERVICES	6,000	845	29,682	(23,682)
6305	OTHER CONTRACTUAL	3,000	-	450	2,550
	TOTAL CONSULTING	9,000	845	30,132	(21,132)
6310	COMMUNICATIONS	3,200	179	2,260	940
6311	POSTAGE	800	14	270	530
6320	TRAVEL SCHOOL CONFERENCE	2,500	-	4,494	(1,994)
6321	CAR ALLOWANCE - TRAVEL	1,500	104	1,138	362
6340	PRINTING & PUBLISHING	2,500	92	650	1,850
6370	CONTRACT REPAIR & MAINTENANCE	-	-	-	-
6385	DATA PROC EQUIPMENT RENTAL	950	-	-	950
	TOTAL OTHER SERVICE & CHARGES	11,450	389	8,812	2,638
6735	SOUTHWEST MN FOUNDATION	5,000	-	5,000	-
	TOTAL TRANSFERS	5,000	-	5,000	-
6901	DUES & SUBSCRIPTIONS	5,000	-	563	4,437
6902	TAXES	8,600	-	9,538	(938)
6909	MISCELLANEOUS	500	24	893	(393)
	TOTAL MISCELLANEOUS	14,100	24	10,994	3,106
7015	IMPROVEMENTS TO LAND	-	-	6,493	(6,493)
7030	MACHINERY & EQUIPMENT	600	-	-	600
	TOTAL CAPITAL OUTLAYS	600	-	6,493	(5,893)
	TOTAL EXPENDITURES	162,972	12,093	184,009	(21,037)
Revenues over (under) expenditures		\$ (850)	\$ 62,028	\$ (13,151)	\$ 14,636

Hutchinson Community Development Corp - EDA
AS OF DECEMBER 31, 2008
ECONOMIC DEVELOPMENT LOAN FUND (9114)
FULL ACCRUAL
INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 109,349
Notes Receivable	
Warrior Manufacturing	42,108
Ashwill Industries	17,077
Allied Mechanical	29,060
Deposits (MCCF)	25,000
Accrued Interest	-
TOTAL ASSETS	<u>222,594</u>
 LIABILITIES	
Accounts Payable	-
Deferred Revenues	113,245
TOTAL LIABILITIES	<u>113,245</u>
 EQUITY	
Fund Balance	
Reserved	-
Unreserved	109,349
TOTAL FUND BALANCE	<u>109,349</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 222,594</u>

ECONOMIC DEVELOPMENT LOAN FUND (9114)
Statement of Revenues & Expenditures
FULL ACCRUAL
INTERNAL USE ONLY

Object Code	Description	Budget	December	YTD	Available Balance
 REVENUES					
4625	INTEREST EARNED	2,500	2,450	2,339	161
4705	LOAN REPAYMENTS	5,000	680	8,725	(3,725)
4706	COMMERCIAL LOAN REPAYMENTS	-	-	5,650	(5,650)
	TOTAL REVENUES	7,500	3,130	16,713	(9,213)
 EXPENDITURES					
6650	LOAN	50,000	-	-	50,000
	TOTAL EXPENDITURES	50,000	-	-	50,000
 Revenues over (under) expenditures		<u>\$ 42,500</u>	<u>\$ 3,130</u>	<u>\$ 16,713</u>	<u>\$ 59,213</u>

Hutchinson Community Development Corp - EDA
AS OF DECEMBER 31, 2008
ENERGY LOAN FUND - DOWNTOWN LOAN FUND (9115)
FULL ACCRUAL
INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 324,140
Loans Receivable	713,067
TOTAL ASSETS	<u>1,037,207</u>
LIABILITIES	
Accounts Payable	-
Deferred Revenues (loans receivable)	713,067
TOTAL LIABILITIES	<u>713,067</u>
EQUITY	
Fund Balance	
Reserved	-
Unreserved	-
TOTAL FUND BALANCE	<u>324,140</u>
TOTAL LIABILITIES & FUND BALANCE	<u><u>\$ 1,037,207</u></u>

ENERGY LOAN FUND - DOWNTOWN LOAN FUND (9115)
Statement of Revenues & Expenditures
FULL ACCRUAL
INTERNAL USE ONLY

Object Code	Description	Budget	December	YTD	Available Balance
REVENUES					
4625	INTEREST EARNED	2,500	7,263	6,754	(4,254)
4706	COMMERCIAL LOAN REPAYMENTS	130,000	11,750	111,558	18,442
4720	REFUNDS & REIMB.	-	-	1,450	(1,450)
	TOTAL REVENUES	132,500	19,013	119,762	12,738
EXPENDITURES					
6370	CONTRACT REPAIR & MAINT.	-	-	3,260	(3,260)
6650	LOANS	200,000	-	216,006	(16,006)
6909	MISCELLANEOUS	-	-	649	(649)
7010	LAND	-	-	50,000	(50,000)
	TOTAL EXPENDITURES	200,000	-	269,915	(69,915)
Revenues over (under) expenditures		<u>(67,500)</u>	<u>19,013</u>	<u>(150,153)</u>	<u>82,653</u>

Hutchinson Community Development Corp - EDA
AS OF DECEMBER 31, 2008
MINN. INVEST. LOAN FUND (9120) - (Warrior Manuf. & Customer Elation)
FULL ACCRUAL
INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 67,003
Loans Receivable	
Loan (Warrior Manuf.)	164,146
Loan (Customer Elation.)	476,188
TOTAL ASSETS	<u>707,337</u>
LIABILITIES	
Accounts Payable	-
Deferred Revenues (note receivable)	640,334
TOTAL LIABILITIES	<u>640,334</u>
EQUITY	
Unreserved	67,003
Reserved	-
TOTAL FUND BALANCE	<u>67,003</u>
 TOTAL LIABILITIES & FUND BALANCE	 <u>\$ 707,337</u>

MINN. INVEST. LOAN FUND (9120) - (Warrior Manuf. & Customer Elation)
Statement of Revenues & Expenditures
FULL ACCRUAL
INTERNAL USE ONLY

Object Code	Description	Budget	December	YTD	Available Balance
REVENUES					
4625	INTEREST INCOME	-	1,501	1,501	(1,501)
4705	LOAN REPAYMENTS	-	8,553	55,012	(55,012)
4706	COMMERCIAL LOAN REPAYMENTS	-	8,922	500,000	(500,000)
4720	REFUNDS & REIMB.	-	-	-	-
	TOTAL REVENUES	-	18,976	556,513	(556,513)
 EXPENDITURES					
6650	LOANS	-	8,922	500,000	(500,000)
6909	MISCELLANEOUS	-	-	-	-
7010	LAND	-	-	-	-
	TOTAL EXPENDITURES	-	8,922	500,000	(500,000)
Revenues over (under) expenditures		-	10,054	56,513	(56,513)

APPENDIX E

Adopted EDA Budget, 2009

Hutchinson EDA 2010 Budget

Updated: 29 May 2009

Dept. Code 2950.

Object Code / Description

		2008	2009	2010	
		<u>Adopted</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Notes</u>
REVENUES					
4316	Rents	14,122	23,414	0	Stritesky = 73.37 acres @ \$237.35 = \$17,414.37
4625	Interest Earned	1,000	1,000	1,000	Wetherell = 12 mo @ \$500 / mo = \$6,000
4720	Refunds & Reimbursements	1,000	1,000	1,000	
4825	General Fund Transfer	0	0	0	
4830	EDA Levy	<u>146,000</u>	<u>155,145</u>	<u>165,024</u>	6.37% increase
TOTAL REVENUES		<u>162,122</u>	<u>180,559</u>	<u>167,024</u>	

		2008	2009	2009	
		<u>Adopted</u>	<u>Adopted</u>	<u>Adopted</u>	
EXPENDITURES					
6110	Wages Reg. Employees	79,089	83,834	83,834	wage freeze
6121	Wages, Intern	21,560	21,560	21,560	
6131	Vacation Pay	0	0	0	
6132	Holiday Pay	0	0	0	
6133	Sick Pay	0	0	0	
6141	PERA - Coordinated	5,368	5,690	5,690	
6145	FICA - City Portion	7,605	8,062	8,062	
6150	Medicare	0	0	0	
6160	Empl. Health & Ins. Benefit	6,400	6,400	6,400	
Total Salaries & Fringe Benefits		120,022	125,546	125,546	
6205	Office Supplies	800	800	800	
6210	Operating Supplies	2,000	3,500	3,500	
Total Supplies, Repairs & Maint.		2,800	4,300	4,300	
6301	Professional Services	6,000	8,000	6,000	cut
6305	Other Contractual	3,000	3,000	3,000	
Total Consulting		9,000	11,000	9,000	
6310	Communications	3,200	3,200	3,200	
6311	Postage	800	800	800	
6320	Travel/School/Conference	2,500	2,500	2,500	
6321	Car Allowance - Travel	1,500	2,500	2,500	
6340	Printing & Publishing	2,500	2,500	1,500	cut
6370	Contract Repair & Maintenance	0	0	0	
6385	Data Proc Equipment Rental	950	950	950	
Total Other Services & Charges		11,450	12,450	11,450	
6735	Southwest Foundation	5,000	5,000	5,000	
6901	Dues & Subscriptions	5,000	1,000	1,000	
	Taxes & Assessments	8,600	8,600	8,600	
6909	Miscellaneous	500	500	500	
Total Miscellaneous		19,100	15,100	15,100	
7010	Land	0	0	0	
7015	Improvements to Land	0	4,000	0	Gateway
7030	Machinery & Equipment	600	750	700	cut
7040	Development Cost	0	0	0	
Total Capital Outlays		<u>600</u>	<u>4,750</u>	<u>700</u>	
TOTAL EXPENDITURES		<u>162,972</u>	<u>173,146</u>	<u>166,096</u>	

BALANCE

-\$850

\$7,413

\$928

APPENDIX F

**Economic Development Authority
Statements of Financial Position, 2005 – 2008**

Hutchinson Economic Development Authority

Statement of Financial Position, 2008

As of December 31, 2008 (UNAUDITED)

Cash		
Operations	\$109,796	
Downtown Revolving Loan Fund	\$324,140	
Economic Development Revolving Loan Fund	\$109,349	
Minnesota Investment Fund (MIF) Loan Fund	<u>\$67,003</u>	
Total Cash		\$610,288
Deposits		
Minnesota Community Capital Fund	<u>\$25,000</u>	
Total Deposits		\$25,000
Loans		
Downtown Loans	\$713,067	
Economic Development Loans	\$59,184	
Minnesota Investment Fund (MIF) Loan	\$640,334	
Land Write-Down Loans (forgivable)	<u>\$141,503</u>	
Total Loans		\$1,554,088
Real Estate (Book Value)		
Wetherell Property (1.797 acres @ \$30,000 / acre)	\$53,910	
Stritesky Property (77.76 acres @ \$5,208 / acre)	\$405,000	
Goebel Property (3.86 acres @ \$26,585.32 / acre)	\$102,619	
Cenex Property (2 acres total)	\$300,000	
Hackbarth Property (68.07 acres @ \$15,425 / acre)	<u>\$1,050,000</u>	
Total Real Estate		\$1,911,529
TOTAL ASSETS		<u>\$4,100,905</u>
LIABILITIES		
Real Estate		
Cenex Property (repay City Development Fund)	(\$150,000)	
Hackbarth Property (repay City Development Fund)	(\$200,000)	
Hackbarth Property Contract for Deed (5 yrs @ \$192,487)	<u>(\$962,435)</u>	
Total Payable		(\$1,312,435)
TOTAL LIABILITIES		<u>(\$1,312,435)</u>
EDA EQUITY		<u>\$2,788,470</u>

Hutchinson Economic Development Authority

Statement of Financial Position, 2007

As of December 31, 2007 (UNAUDITED)

Cash		
Operations	\$157,841	
Downtown Revolving Loan Fund	\$463,826	
Economic Development Revolving Loan Fund	\$90,338	
Minnesota Investment Fund (MIF) Loan Fund	<u>\$10,400</u>	
Total Cash		\$722,405
Grant Receivable		
Minnesota Investment Fund	<u>\$500,000</u>	
		\$500,000
Deposits		
Minnesota Community Capital Fund	<u>\$25,000</u>	
Total Deposits		\$25,000
Loans		
Downtown Loans	\$674,256	
Economic Development Loans	\$70,692	
Minnesota Investment Fund (MIF) Loan	\$190,875	
Land Write-Down Loans (forgivable)	<u>\$106,978</u>	
Total Loans		\$1,042,801
Real Estate (Book Value)		
Wetherell Property (1.797 acres @ \$30,000 / acre)	\$53,910	
Stritesky Property (77.76 acres @ \$5,208 / acre)	\$405,000	
Goebel Property (3.86 acres @ \$26,585.32 / acre)	\$102,619	
Cenex Property (2 acres total)	<u>\$300,000</u>	
Total Real Estate		\$861,529
TOTAL ASSETS		<u>\$3,151,735</u>
LIABILITIES		
Real Estate		
Stritesky Property Contract for Deed	(\$42,000)	
Cenex Property (repay City Development Fund)	<u>(\$150,000)</u>	
Total Payable		(\$192,000)
TOTAL LIABILITIES		<u>(\$192,000)</u>
EDA EQUITY		<u>\$2,959,735</u>

Hutchinson Economic Development Authority

Statement of Financial Position, 2006

As of December 31, 2006 (UNAUDITED)

Cash		
Operations	\$132,947	
Downtown Revolving Loan Fund	\$596,215	
Economic Development Revolving Loan Fund	<u>\$122,664</u>	
Total Cash		\$851,826
Grant Receivable		
Re4development Grant Reimbursement	<u>\$145,000</u>	
		\$145,000
Deposits		
Minnesota Community Capital Fund	<u>\$25,000</u>	
Total Deposits		\$25,000
Loans		
Downtown Loans	\$633,633	
Industrial Park Loans	\$26,951	
Land Write-Down Loans (forgivable)	<u>\$64,323</u>	
Total Loans		\$724,907
Real Estate (Book Value)		
Wetherell Property (3.87 acres @ \$27,741 / acre)	\$107,358	
Wetherell Property (1.797 acres @ \$22,000 / acre)	\$39,534	
Stritesky Property (77.76 acres @ \$5,208 / acre)	\$405,000	
Goebel Property (5.698 acres @ \$26,585.32 / acre)	<u>\$151,483</u>	
Total Real Estate		\$703,375
TOTAL ASSETS		<u>\$2,450,108</u>
LIABILITIES		
Real Estate		
Stritesky Property Contract for Deed	<u>(\$86,000)</u>	
Total Payable		(\$86,000)
TOTAL LIABILITIES		<u>(\$86,000)</u>
EDA EQUITY		<u>\$2,364,108</u>

Hutchinson Economic Development Authority
Statement of Financial Position, 2005

As of December 31, 2005 (UNAUDITED)

Cash		
Operations	\$315,517	
Downtown Revolving Loan Fund	\$529,646	
Economic Development Revolving Loan Fund	<u>\$116,444</u>	
Total Cash		\$961,607
Deposits		
Minnesota Community Capital Fund	<u>\$25,000</u>	
Total Deposits		\$25,000
Loans		
Downtown Loans	\$706,776	
Industrial Park Loans	\$31,308	
Land Write-Down Loans (forgivable)	<u>\$90,238</u>	
Total Loans		\$828,322
Real Estate (Book Value)		
Wetherell Property (5.667 acres @ \$22,000 / acre)	\$124,674	
Stritesky Property (77.76 acres @ \$5,208 / acre)	<u>\$405,000</u>	
Total Real Estate		\$529,674
TOTAL ASSETS		<u>\$2,344,603</u>
LIABILITIES		
Real Estate		
Stritesky Property Contract for Deed	<u>(\$132,000)</u>	
Total Payable		(\$132,000)
TOTAL LIABILITIES		<u>(\$132,000)</u>
EDA EQUITY		<u>\$2,212,603</u>

APPENDIX G

**Hutchinson Downtown Association
2008 Year End Budget Report**

H D A 2008 Annual Budget

Updated: December 31, 2008

<u>REVENUE</u>	<u>Annual Budget</u>	<u>2008 Actual</u>	<u>% of Budgeted</u>
Membership Dues	\$7,000.00	\$6,300.00	90.0%
Interest Income	\$70.00	\$52.61	75.2%
Farmer's Market	\$2,500.00	\$1,694.00	67.8%
Donations	\$0.00	\$0.00	0.0%
Promotions:			
Crazy Days / Picnic in the Park	\$1,500.00	\$1,198.30	79.9%
Shopping Bags	\$0.00	\$0.00	0.0%
Misc. Income	\$0.00	\$236.50	Refund 0.0%
TOTAL REVENUE	<u>\$11,625.00</u>	<u>\$9,481.41</u>	<u>81.6%</u>

<u>EXPENSES</u>	<u>Annual Budget</u>	<u>2008 Actual</u>	<u>% of Budgeted</u>
Administration	\$50.00	\$12.55	0.0%
Farmers Market	\$700.00	\$656.03	93.7%
Popcorn Wagon (Cost to Refurbish)	\$100.00	\$0.00	0.0%
Popcorn Wagon (Operations)	\$100.00	\$7.44	7.4%
Insurance	\$600.00	\$602.00	100.3%
Legal Expenses	\$0.00	\$0.00	0.0%
Meeting Expenses	\$0.00	\$0.00	0.0%
Advertising:			
Hutchinson Leader	\$3,000.00	\$3,786.68	126.2%
Other Marketing Expenses	\$200.00	\$365.00	182.5%
Office Supplies:			
Letterhead	\$200.00	\$313.42	156.7%
Envelopes	\$200.00	\$0.00	0.0%
Postage	\$200.00	\$125.30	62.7%
Promotions:			
Christmas	\$1,300.00	\$1,845.06	141.9%
Crazy Days / Picnic in the Park	\$1,500.00	\$1,068.69	71.2%
Shopping Bags	\$0.00	\$0.00	0.0%
Flowers & Treetops	\$1,500.00	\$0.00	0.0%
Bike Rack	\$150.00	\$125.00	0.0%
Downtown Sign	\$600.00	\$0.00	0.0%
Other	\$0.00	\$250.00	Streetscape
Dues & Subscriptions:			
Memberships (Chamber)	\$90.00	\$90.00	0.0%
Newsletters	\$0.00	\$10.00	0.0%
Donations:			
Misc.	\$1,000.00	\$2,395.00	Gateway 239.5%
TOTAL EXPENSES	<u>\$11,490.00</u>	<u>\$11,652.17</u>	<u>101.4%</u>

BALANCE

-\$275.00

-\$2,170.76

Checking Balance	\$	875.16
Savings Balance	\$	3,804.23
Cash Available	\$	4,679.39

APPENDIX H

County EDA Exploration Committee



McLeod County Economic Development Authority

PROPOSED

Economic Development Exploration Committee

1) Duane Hoversten

- Former Hutchinson City Council member
- Former member of Hutchinson Economic Development Authority
- Small Business Instructor, Ridgewater College

2) Chuck Warner

- City Council Member, Brownton
- President of Crow River Press, Inc.
- Resident of Brownton

3) Donald R. Albrecht

- McLeod County Township Board
- McLeod County Farm Bureau
- Rural Brownton

4) Steve Hauer

- President, Silver Lake Area Business Association
- Owner, SL Express, Silver Lake
- Resident of Silver Lake

5) Rollie Radtke

- Owner, RAM Buildings, Winsted
- Resident of Lester Prairie

6) Steve Madson

- Former Director, Creekside Compost Facility
- Former Chief of Police, Hutchinson
- Long-term resident of Hutchinson & McLeod County
- Resident of Hutchinson

7) Lloyd Graupmann

- Senior Principal Manufacturing Engineer – Medtronic
- Planning Commission – Plato
- Resident of Plato

8) Thomas “Chip” Anderson

- President, Glencoe Area Chamber of Commerce
- Glencoe Economic Development Committee
- Financial Advisor, Schad, Lindstrand & Schuth
- Rural Glencoe

9) Michaellee Jenkins

- Glencoe Economic Development Committee
- Real estate Broker / Agent, RE/MAX
- Resident of Glencoe

10) Steve Cook

- Mayor of Hutchinson
- Resident of Hutchinson

11) Eric Lipke

- Vice President of Operations, Midwest Industrial Tool Grinding, Inc.
- Rural Stewart

12) Dorothy Merrill

- Secretary, McLeod County HRA
- Silver Lake Area Business Association
- Resident of Silver Lake

13) Nathan Winter

- U of M Extension

14) Commissioner Paul Wright

15) Commissioner Ray Byrel

STAFF – “McLeod County EDA Working Group”

Kerry Venier
Miles Seppelt
Dan Ehrke

City Clerk
EDA Director
Executive Director

City of Silver Lake
City of Hutchinson
Glencoe Chamber

(320) 327-2412
(320) 234-4223
(320) 864-3650