

Hutchinson Economic Development Authority



2010

Annual Report

Prepared by

Miles R. Seppelt, EDA Director
Colin Heintzeman, EDA Assistant

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EXECUTIVE SUMMARY

After an extraordinarily busy 2007 – 2009, the pace of local economic development moderated a bit in 2010, most likely due to the slower state and national economies. Even so, the Hutchinson EDA had a busy and productive year of completing projects, closing out grants and setting the stage for future economic development initiatives. The EDA's highlights for the year include the following:

- Won the 2010 "Business Recruitment Award" from the Economic Development Association of Minnesota (EDAM) for the NuCrane Manufacturing project.
- Completed 17 Business Retention & Expansion (BR&E) visits.
- Completed re-tiling of north 40 acres of the EDA-owned Stritesky property.
- Completed industrial park expansion project.
- Held ribbon-cutting / open house event to publicize new industrial park.
- Completed annexation, platting and rezoning of 5.65 acre Hackbarth property.
- Sold a 1.95 acre lot in the new industrial park to Chips Holdings, Inc.
- Demolished buildings on Wetherell site; graded & prepared site for future development.
- Created community marketing materials to assist Cornerstone Commons marketing.
- Obtained \$37,500 Community Development Block Grant to establish Small Business Development Center (SBDC) sub-center here in Hutchinson.
- Contracted with McLeod County to assist with an economic development project.
- Obtained JOBZ tax benefits for county project.
- Continued support of downtown Hutchinson by providing:
 - 10 Sign & Awning Grants totaling \$18,596.
 - 6 Storefront Revitalization Matching Grants totaling \$21,375.
 - 2 Downtown loans totaling \$52,370.
- Closed out \$250,000 BDPI grant for the new industrial park.
- Closed out Warrior Manufacturing and Customer Elation MIF grants.
- De-federalized \$700,000 in grant money; transferring \$270,684 in cash to the economic development loan fund and allocating all remaining loan payments to that fund.

GOVERNANCE

The Hutchinson EDA is governed by a seven member Board of Directors comprised of business and civic leaders from throughout the community. Two City Council members also sit on the EDA Board and serve as a liaison between the City and the EDA. 2010 EDA Board membership is shown in Table 1, below.

Table 1 – EDA Board of Directors

Member	Position	Affiliation
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
Chad Czmowski	Member	City Council / Downtown Business
Mike Retterath	Member	3M
Daron Vanderheiden	Member	ISD 423

Advising the EDA Board on all financial matters is a 10-member Finance Team made up of financial and legal professionals in the community. Table 2, below, lists the 2010 membership of the EDA Finance Team.

Table 2 – EDA Finance Team

Member	Position	Affiliation
Jim Young	Chair	James Young & Associates
Mike Cannon	Member	Citizens Bank
Don Walser	Member	Kraft, Walser, Hettig & Honsey
Tim Ulrich	Member	Citizens Bank
Steve Jansick	Member	Wells Fargo Bank
Anthony Hanson	Member	Citizens Bank
Keith Fischer	Member	Wells Fargo Bank
Josh Gehlen	Member	Home State Bank
Gus Wurdell	Member	Hutchinson Mall

INTERNSHIP PROGRAM

The Hutchinson EDA continued its highly regarded internship program in 2010, hosting two interns over the course of the year. From January to late August, Patrick Brama interned, and Eric Browne filled the position from late August until the end of December. Both come to Hutchinson from St. Cloud State University, where they are majoring in Community Development.



Eric Browne

ACTIVITY REPORT

The general theme for the year's activities was "wrapping up projects." In addition to its on-going programs, the EDA wrapped up the industrial park expansion project and completed the implementation of various grants. The major new initiative for the year was bringing back a Small Business Development (SBDC) sub-center to Hutchinson. In addition, the EDA won a state-wide award for one of its 2009 projects: NuCrane Manufacturing.

Business Retention & Expansion Program

The cornerstone of the Hutchinson EDA's economic development efforts continues to be its Business Retention & Expansion (BR & E) program. It is well established that the vast majority of a community's job growth comes from its existing business base. In recognition of that fact, the EDA strives to take care of Hutchinson's already existing cadre of businesses. Each year EDA staff makes personal visits to area manufacturers with a goal of visiting every manufacturer at least once every three years. For 2010, a total of 17 Hutchinson manufacturers were visited, as detailed in Table 3, below:

Table 3 – Business Retention & Expansion Visits, 2010

	<u>Company</u>	<u>Contact</u>	<u>Date of Visit</u>	<u>Emp.</u>	<u>Comments</u>
1	Ashwill Industries	Tony Ashwill	3/26/2010	1	Busy March
2	Hutch Iron & Metal	Jay Freedland	4/5/2010	12	Doing well
3	SHOPKO	Myron Berry	4/6/2010		Doing well
4	Customer Elation	Rick Frederickson	4/28/2010	85	Doing well, adding emp.
5	Warrior Mfg.	Paul Soukup	4/28/2010	38	Doing well
6	Hilliard Floor Care Company	Scott Haag	7/12/2010		Adding 3 emp. this year
7	Crow River Printing	Mark Tice	7/12/2010	30	Employment steady
8	3D C-N-C	Mike Getzke	7/13/2010	26	30% medical
9	Goebel Fixture Company	Dick Goebel	7/27/2010	116	Business is great
10	Hutchinson COOP / Cenex	Mike Conner	8/3/2010		Adams Street
11	Ohly	Chad Gunderson	8/10/2010	40	need \$400K for equipment?
12	Lynn Card Company	Eric Knudson	8/17/2010	4	4 FT & 2 PT
13	Hutchinson Technology, Inc.	Kathleen Skarvin	8/19/2010		Thailand production.
14	Nordic Components	Jermo Kumpula	11/10/2010	26	Needs building. 20K sf
15	RD Machine	Jeff Leway	11/12/2010	21	Sales up 5%, need emp.
16	Ag Systems, Inc.	Craig Lenz	11/16/2010	70	Recent expansion
17	Pride Solutions	Justin Eggert	11/17/2010	15	Four divisions

EDAM 2010 Business Recruitment Award

In recognition of its efforts on the NuCrane Manufacturing project, the Hutchinson EDA was named as the winner of the 2010 Business Recruitment Award by the Economic Development Association of Minnesota (EDAM).

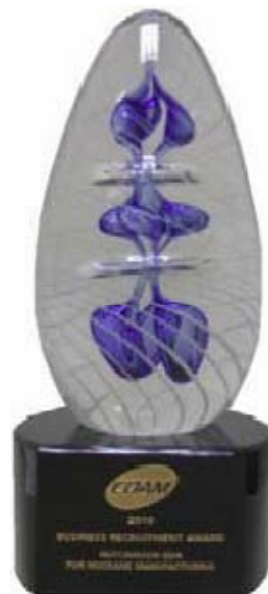
Awards are given annually at the EDAM Summer Conference to recognize individuals and organizations for outstanding achievement in economic development. Nominations are submitted throughout the spring and winners are selected by an awards committee comprised of EDAM members.

Headquartered in Saint Paul, EDAM serves economic development professionals throughout Minnesota and has nearly 500 members who represent private enterprise, local and regional economic development agencies, chambers of commerce and utilities.

Competing against the State of Georgia and the incentives they offered, the Hutchinson EDA successfully recruited NuCrane Manufacturing to the State of Minnesota. Project financing included an EDA-floated Industrial Development Revenue Bond, JOBZ and loans from the Minnesota Investment Fund, Southwest Initiative Foundation and Mid-Minnesota Development Commission.

The job creation at NuCrane, 20 within two years and up to 50 within five years, along with the additional business it will provide to neighboring Hutchinson Manufacturing will add significantly to the vitality of the economies of Hutchinson and the State of Minnesota.

The award is the result of a high degree of professionalism and great teamwork by the EDA Board, EDA Finance Team, Hutchinson City Council and city staff.



Marketing & Public Relations

To help promote Hutchinson as a potential location for business expansions, EDA staff has worked hard to develop an economic development web-site that is second to none. In designing the site, staff considered what information would be most pertinent to businesses looking to expand. From that exercise, it was clear that potentially expanding businesses researching a particular community would want to know about land, buildings, financing, labor, training & education and so forth. The EDA web-site is designed to provide all the answers a prospective business is looking for, even for those questions that haven't thought of yet!

In addition to the web-site, the EDA maintains a listing of available land and buildings on the State of Minnesota's "MNPRO" website. Both the EDA website and the MNPRO listings are updated on a regular basis.

To promote good public relations on a local level, staff contributes a monthly column to "Crow River Business" magazine, appears several times a year on KDUZ's "Community Affairs" radio program and occasionally provides an economic development update at one of Hutchinson's local service organizations, such as the Breakfast Club, Rotary and so forth.

New Industrial Park

Construction completed

Street construction on Hutchinson's new 68-acre industrial park took place over the course of the summer and was completed in the fall of 2010.

Work included construction of a 10-ton, 38-foot wide roadway with curb & gutter throughout. Underground infrastructure included 10-inch sanitary sewer and 6-inch water services to each of the lots in the industrial park.

Hutchinson now has a full service state-of-the-art industrial park providing a total of nine lots ranging in size from 3.09 acres up to 10.5 acres.



Aerial view of the new industrial park, provided by the Hutchinson Civil Air Patrol.

Chips Holding Company

In July, Chips Holding Company, LLC purchased 1.95 acres on the east end of the new industrial park for the establishment of a small distribution center. The location of the warehouse, on the very east end of the new industrial park, was extremely advantageous to the EDA as it resulted in natural gas and electric utilities being extended to all lots in the new industrial park. The final sales price for the lot was \$58,580 – which went to the city's Community Improvement Fund as a partial reimbursement of funds that had been advanced to purchase land for the new industrial park.

Ribbon Cutting Event



To commemorate completion of the new industrial park, a ribbon-cutting / open house event was held by the EDA in mid-October. Representatives of the Hackbarth family (original owners of the land), the City Council, EDA Finance Team, EDA Board of Directors, the media and a number of business leaders were in attendance – about 40 people in

all. The weather turned out very nice and the event gained significant publicity for the opening of the new industrial park.

Lot Pricing Established

Following completion of the new industrial park, the EDA Board discussed appropriate pricing for each of the lots. It was the consensus of the Board that it would be advantages to all concerned to establish lot prices "up front" rather than negotiate them with each prospective buyer. Taking into consideration the cost for land acquisition and infrastructure construction and after evaluating the price of industrial park lots in other area cities, a price of \$30,000 per acre with no assessments was established for the majority of lots in the new industrial park. One lot

was priced at \$40,000 per acre because of its high visibility location on 5th Avenue southeast and one lot was priced at \$35,000 per acre because it too had 5th Avenue frontage, but still needed a storm water retention pond.

Brief descriptions of each lot, along with their respective prices, are provided in Table 4, below.

Table 4 – Industrial Park Lot Pricing

<u>Block</u>	<u>Lot</u>	<u>Acres</u>	<u>Final Lot Price</u>	<u>Per Acre Price</u>	<u>Notes</u>
1	1	3.09	\$92,700	\$30,000	Needs water & sanitary sewer, has assessments
2	1	7.5	\$225,000	\$30,000	
2	2	7.88	\$236,400	\$30,000	
2	3	8.78	\$263,400	\$30,000	
3	1	10.5	\$315,000	\$30,000	Sold to Warrior
3	2	4.11	\$123,300	\$30,000	
3	3	3.18	\$127,200	\$40,000	5th Avenue, north side
Outlot "A"		1.72	\$51,600	\$30,000	Sold to Warrior
Hackbarth Lot		5.65	\$197,750	\$35,000	5th Avenue, south side; Needs pond
Total, All Lots Sold			\$1,462,850		

Property Management

In 2010 the EDA continued to lease out the 77.37-acre Stritesky Property as crop land. A competitive bidding process resulted in a high bid of \$227.20 per acre, providing rental revenue of \$16,670 for the year.

In addition, the Wetherell property, located on 5th Avenue SE was leased out for the first eight months of the year at \$500 per month, providing an additional \$4,000 of rental revenue to the EDA.

Following its acquisition by the city in 1998, the Wetherell property had been rented out continuously for 144 months – exactly 12 years. In that time a total of \$72,000 of rental revenue was obtained and used to provide supplemental funding for the EDA.

In mid-summer 2010 the Wetherell family voided the time remaining on their lease, moving out in September.

Given the potential liability of owning run-down, vacant buildings, the EDA Board decided to demolish all structures on the property immediately, thereby preparing the site for future industrial development.



Juul Contracting provided the low bid for the demolition work.

An agreement was reached with Customer Elation, Inc., which has an option to purchase the lot, to amend its option agreement with the city to include the costs of demolition. Should Customer Elation decide to purchase the lot they would do so under the EDA's "2/3 land write-down" program, which forgives 2/3 of the lot price over the course of 10 years, provided the company does not relocate. The end result is that Customer Elation will end up covering 1/3 of the demolition costs.

A breakdown of the demolition costs is provided in Table 10, on page 13, which summarizes the EDA's special projects for 2010.

Grant Writing

The Hutchinson EDA obtained one grant in 2010 for \$37,500. In the fall of the year the Minnesota Department of Employment and Economic Development (DEED) put out a request for proposals for the use of Community Development Block Grant Dollars to foster the creation of microenterprises. Working in conjunction with the Southwestern Regional Small Business Development Center the EDA was able to put together a winning proposal. Funds will be used to establish a new SBDC sub-center in Hutchinson in 2011.

Small Business Development Center

After an absence of several years, the Small Business Development Center (SBDC) will once again have an office in Hutchinson, thanks to the efforts of the Hutchinson EDA.

The process began this past fall, with an application to the Minnesota Department of Employment and Economic Development for a grant to help promote the formation of "microenterprises" (businesses having five or fewer employees) in the Hutchinson area. Funds obtained through the grant have enabled the EDA to contract with the Southwest Regional SBDC out of Marshall to open a sub-center here in Hutchinson. The new SBDC office will be housed at the Ridgewater Business Center in the city's industrial park.

The SBDC provides confidential consulting at no cost to help give clients the tools they need to run a successful business. Advice can be obtained on a variety of business topics including feasibility analysis, start-up assistance, business plan development, finding capital, business accounting, marketing, eCommerce, web-site development, strategic planning and more.

The SBDC provides the City of Hutchinson with another valuable tool with which to promote economic development and foster new job creation.

County Economic Development Project

In February 2010, EDA staff was contacted by a company that was interested in establishing a greenhouse operation for the large-scale production of 100% organic vegetables. All vegetables produced would be sold to twin cities supermarket chains.

In addition to providing locally grown foodstuffs, the company planned to utilize "bio-energy" to heat their greenhouses – capturing waste heat from electrical generators operated by Waste

Management, the operator of Spruce Ridge Landfill. These generators, in turn, are fueled by methane generated by the land fill.

Staff contacted DEED about the project, and a preliminary determination was made that the project would be eligible for both JOBZ and the Minnesota Investment Fund.

After it became evident that the project was intended to take place outside the city limits of Hutchinson, EDA staff notified officials at McLeod County. That initiated a conversation about the possibility of the county contracting with the Hutchinson EDA for economic development services.

Milestone	Payment
Award of JOBZ	\$6,000
Award of MIF Grant	\$6,000
Implementation of agreements	\$6,000
TOTAL	<u>\$18,000</u>

Ultimately, an agreement was reached whereby the County would pay the Hutchinson EDA a total of \$18,000 for services related to completing the project. Payments of \$6,000 would be made upon the completion of each of three steps: award of JOBZ, award of a MIF grant, and final implementation of agreements for each.

DEED made a determination that up to \$500,000 of federal MIF money could potentially be available for the project. MIF funds would be in the form of a grant to the county, which in turn would lend the money to the company for the purchase of equipment. As these funds are repaid they could be used to establish a McLeod County revolving loan fund. As of this writing, the MIF grant application is approximately 80% complete, however the company decided to delay the final application for MIF funding until further notice.

EDA staff has completed the state's application for JOBZ and this was approved by DEED. In support of the project, the Hutchinson EDA has transferred 10 of its JOBZ acres to Hassan Valley Township. All that remains is for the company to sign the Business Subsidy Agreement provided by DEED and the JOBZ portion of project financing will be complete.

As of yearend, the project was in a "standby" status as the company seeks additional equity investors.

If successfully completed, it is estimated that the project will result in 60 jobs being created within two years, with wages of \$15 per hour with full benefits.

Hutchinson Downtown Association

The Hutchinson EDA continued to provide staff support for the Hutchinson Downtown Association in 2010.

Comprised of 36 members, the Hutchinson Downtown Association (HDA) seeks to maintain and enhance the vitality of downtown Hutchinson. To that end, the HDA sponsors the downtown Farmer's Market each summer as well as "Picnic in the Park," the Library Square Popcorn Wagon and "Main Street Christmas."

The 2010 Board of Directors for the HDA is shown in Table 5, on the following page.

Table 5 – Hutchinson Downtown Association Board of Directors, 2010

Director	Position	Affiliation	Term
Mike Cannon	President	Citizen's Bank & Trust	2012
Mark Cormier	Vice President	Hagar Jewelry	2011
Joanne Willmert	Treasurer	The Village Shop	2012
Tina McMillan	Director	Hutchinson Leader	2010
Gus Wurdell	Director	McKraut Holdings	2011
Matt Pulkerbek	Director	Hometown Realty	2011
Chris Wilke	Director	Stream Computer Consulting	2012
George Quast	Liaison	Historic Hutchinson	open
Bill Corby	Liaison	Chamber of Commerce	open
Chad Czmowski	Liaison	City Council / Outdoor Motion	open

Downtown Grant & Loan Programs

Between its three Main Street revitalization programs the EDA invested \$92,341 into downtown Hutchinson in 2010. When required matching dollars are factored in, a total of \$113,716 was invested in the downtown over the course of the year. Since their implementation, these programs have played a considerable role in keeping downtown Hutchinson vibrant and attractive.

The EDA's Sign & Awning Grant program provides up to \$2,000 for downtown business owners to purchase signage and / or awnings for their businesses. Grant awards for 2010 are shown in Table 6, below.

Table 6 – Sign and Awning Grants, 2010

Approved	Recipient	Amount
2/24/2010	David Larson Financial	\$2,000
2/24/2010	Favorite Treasures	\$1,620
4/28/2010	LBC of Hutchinson	\$2,000
6/30/2010	Aquaria Pets	\$2,000
6/30/2010	BARTCO	\$2,000
10/27/2010	Crow River Wellness Center	\$1,842
10/27/2010	Town & Country Tire	\$2,000
10/27/2010	The Hanger	\$2,000
10/27/2010	Ann McMahon CPA, LLC	\$1,134
12/22/2010	Unity Uniform	\$2,000
TOTAL		\$18,596

The Storefront Revitalization Matching Grant program provides matching grants of up to \$5,000 to downtown property owners wishing to upgrade the “curb appeal” of their buildings. Table 7, below, lists grants awarded in 2010.

Table 7 – Storefront Revitalization Matching Grants, 2010

Approved	Recipient	Amount
2/3/2010	Hutchinson Hospital Auxiliary	\$740
4/28/2010	Kim Kotzer, State Farm	\$5,000
6/30/2010	Aquaria Pets	\$5,000
6/30/2010	Urban Hair Studio	\$5,000
7/28/2010	Mark's Barber Shop	\$3,100
11/24/2010	Unity Uniform	\$2,535
Total		\$21,375

The Commercial Rehabilitation Loan program provides very low interest loans to property owners who desire to make more substantial improvements to their downtown buildings. Loans can be for 10 years at 2% less than the Prime interest rate or for 15 years at Prime. For 2010 that translated into loans at either 1.25% or 3.25% respectively. Two loans were made in 2010, and these are listed in Table 8, below.

Table 8 – Downtown Loans, 2010

Approved	Recipient	Amount
2/3/2010	Lorraine Meyer	\$35,000
9/22/2010	George Quast	\$17,370
Total		\$52,370

A comprehensive report on all downtown loans can be found in Appendix A.

Economic Development Loan Programs

The Hutchinson EDA has two revolving loan programs designed to facilitate manufacturing development in the city.

Economic Development Loan Fund

At the close of 2010 the Economic Development Loan Fund had \$403,080 cash available with four loans outstanding: two to Warrior Mfg. and one each to Ashwill Industries and Customer Elation. All loans were performing as required.

The Fund received a substantial boost when two “de-federalized” loans were transferred from the EDA’s MIF loan fund – making those dollars available for a wide variety of economic development projects. Previously the EDA was able to obtain MIF grants of \$200,000 and \$500,000 to make equipment loans to Warrior Mfg. and Customer Elation, respectively. Funds were loaned out at a very low interest rate in exchange for a commitment by each company to

create a certain number of jobs. When both companies attained their job creation goals, the MIF funds loaned to them were eligible to be “de-federalized” – removing all Federal restrictions on their future use.

EDA staff completed the de-federalization process on both the Warrior Mfg. and Customer Elation MIF loans in the fall of the year and that \$700,000 has now been transferred out of the city’s MIF Loan Fund and into the EDA’s Economic Development Loan Fund. Future payments on both of these loans will flow directly to the ED loan fund.

In addition to its cash and loan portfolio, the Economic Development Loan Fund has a receivable in the amount of \$32,461 – which represents investments previously made to develop the EDA’s 77-acre Stritesky Property. Collection of this receivable is dependent upon there being sufficient proceeds from any future sale of that property.

Assets in the Economic Development Loan Fund totaled \$927,071 as of end of the year. Additional information on the status of economic development loans can be found in Appendix B.

MIF Loan Fund

At the end of the year the MIF Loan Fund had \$32,895 of cash available and one loan outstanding: NuCrane Manufacturing, which was performing as required.

Once NuCrane Mfg. reaches its job creation goals, potentially as early as the second quarter of 2011, its \$500,000 MIF loan will be de-federalized and those dollars transferred to the Economic Development Loan Fund.

Total assets in the fund were \$513,618 – which represented cash, loan balance outstanding and accumulated interest earnings. Appendix C has detailed information on the remaining MIF loan outstanding.

EDA FINANCES

The EDA’s operations budget finished the year with revenues exceeding expenditures by \$12,140.

With uncertainty surrounding the future disposition of the Stritesky Property, the EDA Board elected to budget for 2010 without any anticipated rental revenues from that property. With that property being retained for the duration of the year, EDA revenues were \$17,769 higher than planned.

For the most part, expenditures were either on budget or slightly below. The primary exception is the “Miscellaneous” line item, which covers membership dues, property taxes, assessments and so forth. An assessment was levied against the new industrial park for maintenance of the storm water drainage system. For the year this levy totaled \$8,299 and was billed to the EDA and may be reimbursed. A summary of the EDA’s 2010 operations budget is provided in Table 9, on the following page.

Table 9 – EDA Operations Budget Summary, 2010

Operations Category	Budgeted	Actual	Variance
Revenues	\$167,024	\$184,793	+\$17,769
Expenditures			
Salaries & Benefits	\$126,536	\$126,926	over by \$390
Supplies, etc.	\$4,200	\$3,020	under by \$1,180
Consulting	\$9,000	\$3,706	under by \$5,294
Services & Charges	\$10,450	\$8,489	under by \$1,961
Transfers	\$5,000	\$5,000	even
Miscellaneous (Taxes, etc.)	\$11,100	\$24,293	over by \$13,193 *
Capital Outlays	\$700	\$1,181	over by \$481
Total Expenditures	\$166,986	\$172,615	over by \$5,629
OPERATIONS NET BALANCE	\$38	\$12,178	+\$12,140

* The major item here is a \$8,299 storm water drainage assessment for the new industrial park, which may be reimbursed.

Over the course of 2010 the EDA Board of Directors authorized three special projects which were funded through the operations budget. These projects, and the specific expenditures associated with each are summarized in Table 10, shown on page 13.

Due to these projects, the cash position of the operations budget declined by \$33,198, which is reflected in the EDA Statements of Financial Position found in Appendix F.

The overall financial position of the EDA declined by \$43,065 from 2009 to 2010; mostly due to a \$35,641 decline in the assets of the downtown revolving loan fund – reflecting dollars invested into the downtown through the EDA’s two grant programs. The balance of the decline is due to special projects the EDA undertook to improve properties it owns.

The Hutchinson EDA ended the year with an estimated net worth of \$3,355,000 – down slightly from 2009’s \$3,398,065.

SUMMARY

The EDA completed a number of projects in 2010 that will set the stage for future economic growth and job creation. Chief among these was completion of the new 68-acre industrial park with land that is priced below that of neighboring cities and is assessment free. By having land that is available and ready to go today, the city is well positioned to meet the needs of any company that is looking to expand or relocate.

Finally, in recognition of a job well done, and as a testament to excellent teamwork, the Hutchinson EDA won the 2010 Business Recruitment Award from the Economic Development Association of Minnesota. Now companies considering Hutchinson can factor “award-winning economic development” into their location decision-making equation...

Table 10 – EDA Special Projects, 2010

Project 10-01		
Stritesky Property Tiling		
\$10,000 Authorized		
<u>Item</u>	<u>Expenditure</u>	<u>Vendor</u>
Tiling Contractor	\$9,725	Ewert Brothers, Inc.
Intake Installation	<u>\$150</u>	Ewert Brothers, Inc.
Project Total	<u>\$9,875</u>	
Project 10-02		
Wetherell Property Demolition		
\$30,000 authorized		
<u>Item</u>	<u>Expenditure</u>	<u>Vendor</u>
Demolition Permit	\$105	City of Hutchinson
Hazardous Materials Assessment	\$1,250	Assessco
Hazardous Materials Removal	\$1,400	Assessco
Utility Disconnect	\$0	per utility
Final Demolition	\$18,450	Juul Contracting
Contingency Items (15%)		
Pre-demolition Inspection	\$290	Butch Schulte
Well Sealing	\$606	Boener Well Company
Furnace / sump / water heater / pressure tank	\$275	Advantage Plumbing & Heating
Electrical removals	\$0	Hutch Electric
Well Pit / Driveways / Fuel Tank / Cistern	\$5,485	Juul Contracting
Well Sealing Grant	<u>-\$300</u>	McLeod Soil & Water District
Project Total	<u>\$27,560.69</u>	
Project 10-03		
Shovel Ready Site Certification		
\$10,000 authorized		
<u>Item</u>	<u>Expenditure</u>	<u>Vendor</u>
Program Fee	\$2,950	DEED
Geotechnical Testing	\$2,220	Landmark Environmental
Phase I Environmental	\$1,700	Braun Intertec
Title Opinion	\$0	Crow River Title
ALTA Survey	<u>\$1,600</u>	Pellinan Land Surveying
Project Total	<u>\$8,470</u>	
TOTAL, All Projects	<u>\$45,905.72</u>	

Summary of Results: 2010 Work Plan & Goals

1 BUSINESS RETENTION & EXPANSION		STATUS
A	Conduct 15 BR & E visits, as many as possible in conjunction with the Chamber of Commerce.	Visited 17
2 DOWNTOWN		
A	Promote new development on former Cenex site.	Continuing
B	Continue development of Downtown Gateway	Awaiting mural
3 INDUSTRIAL PARK		
A	Make Bio-science and renewable energy projects a development priority	Continuing
B	Complete new industrial park. Complete infrastructure construction Annex / rezone / plat new lot (Hackbarth)	DONE DONE DONE
C	Recruit at least 1 new company for industrial park.	DONE - CHIPS
D	Obtain JOBZ designation for all lots in new industrial park.	No - per DEED
4 MARKETING & PUBLIC RELATIONS		
A	Evaluate the need for new marketing materials.	DONE
B	Develop community marketing materials for Cornerstone Commons.	DONE
C	Continue public relations activities. Regular appearances on KDUZ "Community Affairs" program Monthly column in Crow River Business Magazine Speaking engagements to services clubs, etc. - as invited Regular updates to EDA website	DONE DONE DONE DONE DONE
5 GENERAL		
A	Obtain \$100,000 in grants (various uses)	\$37,500 for SBDC
B	Pursue development of McLeod County EDA.	Continuing
C	Do everything feasible to fill vacant "big box" buildings.	Continuing

2011 Work Plan & Goals

1 BUSINESS RETENTION & EXPANSION

STATUS

- A** Conduct 15 BR & E visits, as many as possible in conjunction with the Chamber of Commerce.

2 DOWNTOWN

- A** Promote new development on former Cenex site.
 - Advocate paving of Les Kouba Parkway / Lind Street
- B** Continue development of Downtown Gateway
- C** Continue support of Hutchinson Downtown Association

3 INDUSTRIAL PARK & BUSINESS RECRUITMENT

- A** Make Bio-science and renewable energy projects a development priority
- B** Finalize "shovel ready" site certification for industrial park
- C** Recruit at least 1 new company for industrial park.
- D** Complete contracted McLeod County economic development project

4 MARKETING & PUBLIC RELATIONS

- A** Evaluate the need for new marketing materials.
- B** Develop community marketing materials for Cornerstone Commons.
- C** Continue public relations activities.
 - Regular appearances on KDUZ "Community Affairs" program
 - Monthly column in "Crow River Business" Magazine
 - Speaking engagements to services clubs, etc. - as invited
 - Regular updates to EDA website

5 GENERAL

- A** Obtain \$100,000 in grants (various uses)
- B** Pursue development of McLeod County EDA.
- C** Do everything feasible to fill vacant "big box" buildings.

APPENDIX A

**Downtown Revolving Loan Fund
2010 Status Report**

Loan	Borrower	Originated	Original Loan Amount	Term	Rate	Monthly Pymt.	Outstanding Balance as of 12/31/10	Maturity
1	A	2/1/1990	\$6,670.99	20	0.00%	\$16.81	\$49.84	2/1/2011
2	B	5/1/1992	\$7,310.00	20	0.00%	\$30.46	\$883.31	5/1/2013
3	C	2/10/1993	\$25,637.10	20	0.00%	\$106.82	\$3,739.00	11/10/2013
4	D	6/1/1993	\$3,749.00	20	0.00%	\$15.62	\$477.75	6/1/2013
5	E	1/1/1994	\$1,610.75	20	0.00%	\$6.71	\$233.68	1/1/2014
6	F	1/1/1996	\$3,536.43	20	0.00%	\$140.16	\$19.95	12/1/2015
7	G	3/1/2001	\$4,411.00	10	2.00%	\$40.59	\$22.05	12/1/2010
8	H	5/1/2001	\$53,855.00	10	2.00%	\$495.54	\$2,569.74	6/1/2011
9	I	5/1/2001	\$1,612.34	10	2.00%	\$14.84	\$53.76	3/1/2011
10	J	9/1/2001	\$4,110.00	10	2.00%	\$37.82	\$251.36	5/11/2011
11	K	9/1/2001	\$33,580.50	10	2.00%	\$308.99	\$3,417.29	1/1/2011
12	L	12/1/2001	\$59,820.00	10	2.00%	\$550.42	\$7,000.81	12/1/2011
13	M	4/1/2002	\$27,494.00	10	2.00%	\$252.98	\$5,153.33	9/1/2012
14	N	12/1/2002	\$17,060.00	10	2.00%	\$156.97	\$1,694.00	10/1/2011
15	O	12/1/2002	\$2,960.00	10	2.00%	\$27.24	\$319.49	12/1/2012
16	P	1/1/2003	\$3,000.00	10	2.00%	\$27.60	\$673.80	1/1/2013
17	Q	5/8/2003	\$65,000.00	10	2.00%	\$598.09	\$18,226.44	7/1/2013
18	R	1/1/2004	\$130,000.00	10	2.00%	\$1,196.17	\$109,134.37	5/1/2014
19	S	4/1/2004	\$11,055.52	10	2.00%	\$157.56	\$3,451.08	5/1/2014
20	T	9/10/2004	\$130,000.00	10	2.00%	\$1,196.17	\$51,822.70	9/1/2014
21	U	12/1/2004	\$65,000.00	15	4.50%	\$497.25	\$44,111.76	1/1/2020
22	V	2/1/2005	\$130,000.00	10	2.75%	\$1,240.34	\$55,698.93	2/1/2015
23	W	6/15/2007	\$6,400.00	10	6.25%	\$71.86	\$4,833.77	6/15/2017
24	X	8/1/2008	\$130,000.00	10	3.25%	\$1,270.35	\$102,123.26	6/1/2018
25	Y	8/1/2008	\$46,703.00	10	3.00%	\$450.97	\$37,077.96	8/1/2018
26	Z	3/27/2009	\$8,300.00	15	3.25%	\$58.32	\$7,615.09	3/1/2024
27	AA	5/23/2009	\$118,581.69	15	3.25%	\$933.62	\$113,524.36	3/23/2022
28	BB	10/1/2009	\$9,226.09	10	1.25%	\$81.83	\$8,212.21	1/1/2020
29	CC	4/1/2010	\$14,857.00	10	1.25%	\$135.00	\$13,755.34	3/1/2020
30	DD	6/1/2010	\$35,000.00	10	1.25%	\$310.43	\$33,054.45	6/1/2020
Totals			<u>\$1,156,540.41</u>			<u>\$10,427.53</u>	<u>\$629,200.88</u>	

APPENDIX B

**Economic Development Loan Fund
2010 Status Report**

Loan	Borrower	Originated	Original Loan Amount	Term	Rate	Monthly Pymt.	Outstanding Balance as of 12/31/10	Maturity
1	A	8/28/2007	\$50,000	7	4.00%	\$680	\$28,683	8/27/2014
2	B	1/15/2009	\$30,000	6	8.00%	\$526	\$20,900	1/14/2015
3	A2	8/28/2007	\$200,000	7	2.50%	\$2,600	\$108,631	8/27/2014
4	C	8/1/2008	\$500,000	7	0.00%	\$5,952	\$333,317	7/31/2015
TOTALS			<u>\$780,000</u>			<u>\$9,758.38</u>	<u>\$491,531</u>	

APPENDIX C

**MIF Loan Fund
2010 Status Report**

Loan	Borrower	Originated	Original Loan Amount	Term	Rate	Monthly Pymt.	Outstanding Balance as of 12/31/10	Maturity
1	A	7/2/2010	\$500,000	8	2.00%	\$5,640	\$480,723	7/2/2018
		TOTALS	<u>\$500,000</u>			<u>\$5,640</u>	<u>\$480,723</u>	

APPENDIX D

**Economic Development Authority
2010 Year End Financial Statements**

Hutchinson Community Development Corp - EDA (9109)
AS OF DECEMBER 31, 2010
BALANCE SHEET OPERATIONS
FULL ACCRUAL
INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 127,544
Accounts Receivable	-
TOTAL ASSETS	127,544
LIABILITIES	
Accounts Payable	351
Accrued Payroll & Vacation	4,917
TOTAL LIABILITIES	5,268
EQUITY	
Reserved - Land (Warrior Sale)	56,736
Unreserved	65,540
TOTAL FUND BALANCE	122,276
TOTAL LIABILITIES & FUND BALANCE	\$ 127,544

Hutchinson Community Development Corp - EDA (9109)

AS OF DECEMBER 31, 2010

Statement of Revenues & Expenditures

FULL ACCRUAL

INTERNAL USE ONLY

Object Code	Description	Budget	December	YTD	Available Balance
REVENUES					
4011	TAXES	165,024	-	153,176	11,848
4012	DELINQUENT TAXES	-	-	-	-
4013	PENALTIES & INTEREST	-	-	-	-
4141	HOMESTEAD CREDIT	-	5,666	11,123	(11,123)
4316	RENTS	-	-	19,670	(19,670)
4340	SALES OF PROPERTY	-	-	-	-
4625	INTEREST INCOME	1,000	-	524	476
4720	REFUNDS & REIMBURSEMENTS	1,000	-	300	700
4840	CONTRIBUTIONS & DONATIONS	-	-	-	-
TOTAL REVENUES		167,024	5,666	184,793	-17,769
EXPENDITURES					
6110	WAGES REG.EMPLOYEES	83,834	6,359	73,867	9,967
6122	WAGES TEMPORARY EMPLOYEES	20,500	1,667	20,012	488
6131	VACATION PAY	-	-	6,889	(6,889)
6132	HOLIDAY PAY	-	335	3,444	(3,444)
6133	SICK PAY	-	-	2,133	(2,133)
6141	PERA-COORDINATED	5,690	469	6,037	(347)
6145	FICA-CITY PORTION	8,062	507	6,447	1,615
6150	MEDICARE	1,400	119	1,506	(106)
6160	EMPL.HEALTH & INS. BENEFIT	6,400	479	5,720	680
6167	HRA ADMINISTRATION FEE	-	-	54	(54)
6169	FLEX ADMINISTRATION FEE	-	-	42	(42)
6170	WORKERS COMP INSURANCE	650	61	775	(125)
TOTAL SALARIES & FRINGE BENEFITS		126,536	9,996	126,926	(390)
6205	OFFICE SUPPLIES	700	-	295	405
6210	OPERATING SUPPLIES	3,500	211	2,725	775
TOTAL SUPPLIES, REPAIRS, & MAINT.		4,200	211	3,020	1,180
6301	PROFESSIONAL SERVICES	6,000	-	3,256	2,744
6305	OTHER CONTRACTUAL	3,000	-	450	2,550
TOTAL CONSULTING		9,000	-	3,706	5,294
6310	COMMUNICATIONS	3,200	59	2,568	632
6311	POSTAGE	400	22	547	(147)
6320	TRAVEL SCHOOL CONFERENCE	1,400	9	1,148	252
6321	CAR ALLOWANCE - TRAVEL	2,500	150	1,625	875
6330	ADVERTISING	-	-	443	(443)
6340	PRINTING & PUBLISHING	1,500	137	721	779
6370	CONTRACT REPAIR & MAINTENANCE	-	142	1,437	(1,437)
6379	VEHICLE RENT	500	-	-	500
6385	DATA PROC EQUIPMENT RENTAL	950	-	-	950
TOTAL OTHER SERVICE & CHARGES		10,450	519	8,489	1,961
6735	SOUTHWEST MN FOUNDATION	5,000	-	5,000	-
TOTAL TRANSFERS		5,000	-	5,000	-
6901	DUES & SUBSCRIPTIONS	1,000	565	872	128
6902	TAXES	9,600	-	14,819	(5,219)
6909	MISCELLANEOUS	500	911	8,602	(8,102)
TOTAL MISCELLANEOUS		11,100	1,476	24,293	(13,193)
7010	LAND	-	-	-	-
7015	IMPROVEMENTS TO LAND	-	-	600	(600)
7030	MACHINERY & EQUIPMENT	700	-	581	119
TOTAL CAPITAL OUTLAYS		700	-	1,181	(481)
TOTAL EXPENDITURES		166,986	12,202	172,615	(5,629)
Revenues over (under) expenditures - Operations		\$ 38	\$ (6,536)	\$ 12,178	\$ (12,140)
Special Projects:					
	STRITESKY PROPERTY TILING (Auth \$10K)	-	-	9,875	(9,875)
	WEATHERALL PROP. DEMOLITION (Auth \$30K)	-	-	27,561	(27,561)
	SHOVEL READY CERTIFICATION (Auth \$10k)	-	2,950	8,470	(8,470)
TOTAL SPECIAL PROJECTS		-	2,950	45,906	(45,906)
Revenues over (under) expenditures - Total		38	(9,486)	(33,728)	33,766

Hutchinson Community Development Corp - EDA
AS OF DECEMBER 31, 2010
ECONOMIC DEVELOPMENT LOAN FUND (9114)
FULL ACCRUAL
INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 403,080
Accounts Receivable Stritesky Property	32,461
Notes Receivable Warrior Manufacturing Ashwill Industries Total Notes Receivable	28,683 20,900 <u>49,583</u>
Loans Receivable Warrior Manufacturing Customer Elation Total Loans Receivable	108,631 333,316 <u>441,947</u>
TOTAL ASSETS	<u>927,071</u>
LIABILITIES	
Accounts Payable Deferred Revenues	- 523,991
TOTAL LIABILITIES	<u>523,991</u>
EQUITY	
Fund Balance Reserved Unreserved	- 403,080
TOTAL FUND BALANCE	<u>403,080</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 927,071</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	-	407	2,093
4705	LOAN REPAYMENTS	10,000	1,732	12,740	(2,740)
4720	REFUNDS & REIMBURSEMENTS	-	-	25,000	(25,000)
4825	TRANSFER IN	-	276,637	276,637	(276,637)
	TOTAL REVENUES	12,500	278,369	314,784	(302,284)
EXPENDITURES					
6301	PROFESSIONAL SERVICES	-	-	-	-
6650	LOAN	50,000	-	-	50,000
	TOTAL EXPENDITURES	50,000	-	-	50,000
Revenues over (under) expenditures		<u>\$ 37,500</u>	<u>\$ 278,369</u>	<u>\$ 314,784</u>	<u>\$ 352,284</u>

Hutchinson Community Development Corp - EDA
AS OF DECEMBER 31, 2010
ENERGY LOAN FUND - DOWNTOWN LOAN FUND (9115)
FULL ACCRUAL
INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 386,902
Loans Receivable	629,702
Cenex Property - Capital Asset	157,195
Wright Property - Capital Asset	44,134
TOTAL ASSETS	<u>1,217,933</u>
LIABILITIES	
Accounts Payable	2,518
Deferred Revenues (loans receivable)	629,702
TOTAL LIABILITIES	<u>632,220</u>
EQUITY	
Invested In Capital Assets	201,329
Unreserved	384,384
TOTAL FUND BALANCE	<u>585,713</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 1,217,933</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	-	1,212	1,288
4706	COMMERCIAL LOAN REPAYMENTS	130,000	11,503	129,258	742
4720	REFUNDS & REIMB.	-	-	400	(400)
	TOTAL REVENUES	132,500	11,503	130,870	1,630
EXPENDITURES					
6370	CONTRACT REPAIR & MAINT.	-	-	-	-
6650	LOANS	200,000	2,535	107,451	92,549
6909	MISCELLANEOUS	-	-	539	(539)
7010	LAND	-	-	-	-
	TOTAL EXPENDITURES	200,000	2,535	107,990	92,010
Revenues over (under) expenditures		<u>(67,500)</u>	<u>8,968</u>	<u>22,880</u>	<u>(90,380)</u>

Hutchinson Community Development Corp - EDA
AS OF DECEMBER 31, 2010
MINN. INVEST. LOAN FUND (9120) - (NuCrane)
FULL ACCRUAL
INTERNAL USE ONLY

ASSETS	TOTAL
Cash	\$ 32,895
Loans Receivable	
Loan (NuCrane)	480,723
TOTAL ASSETS	513,618
LIABILITIES	
Accounts Payable	-
Deferred Revenues (loan receivable)	480,723
TOTAL LIABILITIES	480,723
EQUITY	
Unreserved	32,895
Reserved	-
TOTAL FUND BALANCE	32,895
 TOTAL LIABILITIES & FUND BALANCE	 \$ 513,618

MINN. INVEST. LOAN FUND (9120) - (NuCrane)
Statement of Revenues & Expenditures
FULL ACCRUAL
INTERNAL USE ONLY

Object Code	Description	Budget	December	YTD	Available Balance
REVENUES					
4625	INTEREST INCOME	-	-	763	(763)
4705	LOAN REPAYMENTS	-	20,146	136,791	(136,791)
4100	INTERGOVERNMENTAL REVENUE	-	-	500,000	(500,000)
4720	REFUNDS & REIMB.	-	-	-	-
	TOTAL REVENUES	-	20,146	637,554	(637,554)
 EXPENDITURES					
6650	LOANS	-	-	500,000	(500,000)
6750	TRANSFER OUT	-	276,637	276,637	-
6909	MISCELLANEOUS	-	-	-	-
7010	LAND	-	-	-	-
	TOTAL EXPENDITURES	-	276,637	776,637	(500,000)
Revenues over (under) expenditures		-	(256,491)	(139,083)	(137,554)

APPENDIX E

Adopted EDA Budget, 2011

Object Code / Description						Dept. Code	2950.	Updated: 1 February 2011
		2007	2008	2009	2010	2011		
REVENUES		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Notes</u>	
4011	Taxes	127,774	134,496	142,380	153,176	159,985	3.05% levy decrease	
4012	Delinquent Taxes	0	1,189	1,238	0	0		
4141	Homestead Credit	10,235	10,478	10,459	11,123	0	Stritesky	
4316	Rents	14,122	21,049	23,414	19,670	0	@ \$330 /acre = \$25,532.10	
4625	Interest Income	1,184	2,123	450	524	450		
4720	Refunds & Reimbursements	1,000	1,500	8,197	300	1,000		
4840	Contributions / Donations / Grants	0	0	1,000	0	0		
TOTAL REVENUES		<u>154,315</u>	<u>170,835</u>	<u>187,138</u>	<u>184,793</u>	<u>161,435</u>		
		2007	2008	2009	2010	2011		
EXPENDITURES		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>		
6110	Wages Reg. Employees	68,555	73,294	76,368	73,867	80,375		
6121	Wages, Temporary Emp.	19,610	17,309	18,563	20,012	20,000		
6131	Vacation Pay	2,155	3,725	2,051	6,889	2,100		
6132	Holiday Pay	3,129	3,342	3,459	3,444	3,640		
6133	Sick Pay	2,106	1,068	865	2,133	900		
6141	PERA - Coordinated	4,740	5,286	5,580	6,037	5,690		
6145	FICA - City Portion	5,151	5,955	6,153	6,447	6,500		
6150	Medicare	1,208	1,393	1,439	1,506	1,500		
6160	Empl. Health & Ins. Benefit	5,935	6,354	5,075	5,720	6,000		
6167	HRA Administration Fee			36	54	36		
6169	Flex Administration Fee			50	42	50		
6170	Workers Comp Insurance, etc.	583	602	629	775	650		
Total Salaries & Fringe Benefits		<u>113,172</u>	<u>118,328</u>	<u>120,268</u>	<u>126,926</u>	<u>127,441</u>		
6205	Office Supplies	47	449	25	295	700		
6210	Operating Supplies	1,455	3,804	2,762	2,725	3,500		
Total Supplies, Repairs & Maint.		<u>1,502</u>	<u>4,253</u>	<u>2,787</u>	<u>3,020</u>	<u>4,200</u>		
6301	Professional Services	1,000	29,682	12,023	3,256	10,000		
6305	Other Contractural	0	450	450	450	3,000		
Total Consulting		<u>1,000</u>	<u>30,132</u>	<u>12,473</u>	<u>3,706</u>	<u>13,000</u>		
6310	Communications	3,352	2,260	2,240	2,568	1,500		
6311	Postage	206	269	679	547	600		
6320	Travel/School/Conference	2,493	4,494	1,120	1,148	2,500		
6321	Car Allowance - Travel	564	1,138	1,135	1,625	1,750		
6330	Advertising	0	0	370	443	250		
6340	Printing & Publishing	1,188	650	1,067	721	1,400		
6370	Contract Repair & Maintenance	0	0	766	1,437	850		
6379	Vehicle Rent	0	0	0	0	0		
6385	Data Proc Equipment Rental	450	0	215	0	950		
Total Other Services & Charges		<u>8,253</u>	<u>8,811</u>	<u>7,592</u>	<u>8,489</u>	<u>9,800</u>		
6735	Southwest Foundation	4,000	5,000	5,000	5,000	5,000		
Total Transfers		<u>4,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>		
6901	Dues & Subscriptions	4,207	563	702	872	1,000		
6902	Taxes & Assessments	17,069	9,538	11,165	14,819	11,500		
6909	Miscellaneous	371	893	2,813	8,602	500		
Total Miscellaneous		<u>29,647</u>	<u>20,994</u>	<u>14,680</u>	<u>24,293</u>	<u>13,000</u>		
7010	Land	0	0	0	0	0		
7015	Improvements to Land	8,890	6,493	0	600	0		
7030	Machinery & Equipment	600	0	0	581	700		
Total Capital Outlays		<u>9,490</u>	<u>6,493</u>	<u>0</u>	<u>1,181</u>	<u>700</u>		
TOTAL EXPENDITURES		<u>163,064</u>	<u>189,011</u>	<u>162,800</u>	<u>172,615</u>	<u>173,141</u>		
BALANCE		<u>-\$8,749</u>	<u>-\$18,176</u>	<u>\$24,338</u>	<u>\$12,178</u>	<u>-\$11,706</u>		

EDA Operations Budget 2011

APPENDIX F

**Economic Development Authority
Statements of Financial Position, 2008 – 2010**

Hutchinson Economic Development Authority

Statement of Financial Position, 2010

As of December 31, 2010 (UNAUDITED)

Cash		
Operations	\$127,544	
Downtown Revolving Loan Fund	\$386,902	
Economic Development Revolving Loan Fund	\$403,080	
Minnesota Investment Fund (MIF) Loan Fund	<u>\$32,895</u>	
Total Cash		\$950,421
Loans		
Downtown Loans	\$629,902	
Economic Development Loans	\$441,947	
Minnesota Investment Fund (MIF) Loans	\$480,723	
Land Write-Down Loans (forgivable)	<u>\$91,784</u>	
Total Loans		\$1,644,356
Real Estate (Book Value)		
Wetherell Property (1.797 acres @ \$51,694 / acre)	\$92,894	Note 1, Note 1A
Stritesky Property (77.76 acres @ \$5,208 / acre)	\$405,000	
Goebel Property (5.7 acres @ \$26,585.32 / acre)	\$151,536	
Cenex / Wright Property (3.03 acres, 3rd Ave. NW)	\$351,329	
Hackbarth Property (30.74 acres @ \$30,000 / acre)	\$922,200	Note 2
Hackbarth Property (3.18 acres \$ 40K / ac; 5th Ave. n/s)	\$127,200	Note 3
Hackbarth Property (5.65 acres, @ \$35K / ac; 5th Ave. s/s)	<u>\$197,750</u>	
Total Real Estate		\$2,247,909
TOTAL ASSETS		<u>\$4,842,686</u>
LIABILITIES		
Real Estate		
Cenex Property (repay CIF)	(\$150,000)	
Cenex Property (1.75 ac. @ \$32,967 / ac.; former RR right-of-way)	(\$57,692)	Note 4
Hackbarth Property (Land Acquisition - to CIF) Note 7	(\$933,221)	Note 5
Hackbarth Property (Infrastructure - to CIF)	<u>(\$346,773)</u>	Note 6
Total Payable		(\$1,487,686)
TOTAL LIABILITIES		<u>(\$1,487,686)</u>
EDA EQUITY		<u>\$3,355,000</u>

Note 1: Property initially priced at \$35K / acre; adjusted to \$51,694 / acre to reflect building demolition costs

Note 1A: Property subject to 2/3 land write-down program for Customer Elation (\$30,965 actual)

Note 2: Reduced by \$58,579.89 for sale of 1.95266 acres to CHIPS

Note 3: All Hackbarth lots north of 5th Avenue replatted to be "dry" acres only and reflected in acre total noted.

Note 4: City has contract-for-deed in place; can be acquired sooner by paying McLeod County Rail Authority

Note 5: Reduced by \$40,692.78 from 2009, proceeds from land sale to CHIPS

Note 6: Reduced by \$17,426.80 from 2009, proceeds from infrastructure "sold" to CHIPS

Note 7: CIF is the city's Community Investment Fund

Hutchinson Economic Development Authority

Statement of Financial Position, 2009

As of December 31, 2009 (UNAUDITED)

Cash		
Operations	\$160,742	
Downtown Revolving Loan Fund	\$361,672	
Economic Development Revolving Loan Fund	\$86,544	
Minnesota Investment Fund (MIF) Loan Fund	<u>\$171,939</u>	
Total Cash		\$780,897
Deposits		
Minnesota Community Capital Fund	<u>\$25,000</u>	
Total Deposits		\$25,000
Grant Receivable		
Minnesota Investment Fund	<u>\$500,000</u>	
		\$500,000
Loans		
Downtown Loans	\$690,573	
Economic Development Loans	\$62,187	
Minnesota Investment Fund (MIF) Loans	\$541,485	
Land Write-Down Loans (forgivable)	<u>\$116,204</u>	
Total Loans		\$1,410,449
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 (5.7 acres @ \$26,585.32 / acre)	\$151,536	
Cenex / Wright Property (3.03 acres, 3rd Ave. NW)	\$351,329	
Hackbarth Property (44.79 acres)	\$940,800	
Hackbarth Property (6.99 acres, 5th Avenue, n/s)	\$127,200	
Hackbarth Property (5.65 acres, 5th Avenue, s/s)	<u>\$197,750</u>	
Total Real Estate		\$2,227,525
TOTAL ASSETS		<u>\$4,943,871</u>
LIABILITIES		
Real Estate		
Cenex Property (repay CIF)	(\$150,000)	
Cenex Property (1.75 ac. @ \$32,967 / ac.; former RR right-of-way)	(\$57,692)	
Hackbarth Property (Land Acquisition - to CIF)	(\$973,914)	
Hackbarth Property (Infrastructure - to CIF)	<u>(\$364,200)</u>	
Total Payable		(\$1,545,806)
TOTAL LIABILITIES		<u>(\$1,545,806)</u>
EDA EQUITY		<u>\$3,398,065</u>

Note: CIF = Community Investment Fund

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>

APPENDIX G

Hutchinson EDA Land Holdings, 2010

Hutchinson EDA Land Holdings

INDUSTRIAL PARK

<u>Name</u>	<u>Location</u>	<u>Acres</u>	<u>Price</u>		<u>Notes</u>
			<u>Per Acre</u>	<u>Total</u>	
Energy Park North 2nd Add.	Lot 1, Blk 1	3.09	\$30,000	\$92,700	
Energy Park North 2nd Add.	Lot 1, Blk 2	7.5	\$30,000	\$225,000	
Energy Park North 2nd Add.	Lot 2, Blk 2	8.57	\$30,000	\$257,100	
Energy Park North 2nd Add.	Lot 3, Blk 2	7.23	\$30,000	\$216,900	
Energy Park North 2nd Add.	Lot 1, Blk 3	4.35	\$30,000	\$130,500	
Energy Park North 2nd Add.	Lot 1, Blk 4, (5th Ave. n/s)	3.18	\$40,000	\$127,200	
Energy Park / Hackbarth	5th Ave. (south side)	5.65	\$35,000	\$197,750	Will need retention pond.
Wetherell Property	1140 5th Avenue SE	1.79	\$51,694	\$92,532	Customer Elation has option
Goebel Property	1020 5th Avenue SE	3.86	\$26,585	\$102,619	
Goebel Property	1030 5th Avenue SE	1.84	\$26,585	\$48,917	
Stritesky Property	765 Railroad Street SE	<u>77.76</u>	\$5,208	<u>\$405,000</u>	Ponding requirements
TOTALS		<u>124.82</u>		<u>\$1,896,218</u>	
Cenex Redevelopment	220 3rd Avenue NW	<u>Acres</u> <u>3.03</u>	<u>Developable</u> 0.7575 acre (32,997 sf)	<u>\$3.06 psf</u>	25% shore land district limitation 131,545 sq. feet total area