



Chatfield Economic Development Authority

2018 Annual Report

(For 12 months ending January 31, 2019)

The Chatfield EDA regularly meets the fourth Monday of each month at 4:30 PM at the Chatfield Center for the Arts.

During 2018, there were 7 regular meetings and 4 special meetings. The increase in special meetings were primarily due to projects with tight deadlines such as EZ Fabricating and Dollar General. This compares to 10 regular and no special meetings in 2017, and 11 regular and 5 special meetings in 2016.

No regular meeting is held in November because of the annual EDA Gala held on the Tuesday before Thanksgiving.

2 meetings were cancelled due to lack of quorum in 2018. No meetings were cancelled due to a lack of quorum in 2017 or 2016.

Meeting attendance record:

Member		Meeting Dates													Absences		
		2/26	3/26	4/23	5/21	6/25	7/23	8/27	9/24	10/8	10/22	11/5	1/14	1/28	2018	2017	2016
M. Tuohy			-	-	x	x		x	x	x	-	x	x	x	3	2	5
M. Urban			x	x	x	x		x	x	x	x	x	x	x	-	-	1
S. Keefe			x	x	x	x		x	x	x	x	-	x	x	1	-	2
M. Baum			x	x	x	x		x	x	x	x	x	-	x	1	1	5
R. Paulson			x	x	x	-		x	-	x	x	-	x	-	4	1	1
P. Novtony			x	x	-	-		x	x	x	-	x	x	x	3	6	7
E. Allen			-	x	-	-		-	x	-	-	-	x	-	8	8	10

Project Highlights:

Twiford Redevelopment Area

- Entered into a purchase agreement to sell EDA-owned property for the construction of a Dollar General store.
- Negotiated and approved terms of the development agreement including financial assistance, **leveraging tax increment financing (TIF) valued at \$428,000.**
- Conducted additional environmental testing concluding that no soil contamination was present.
- Initiated resolution of several previously unknown title issues.
- Extended terms of purchase agreement to align with additional environmental testing.

Residential Development Assistance

- Assisted developer with plat of 19 residential lots on Amco Drive and Wisdom Lane.
- Created \$130,000 assistance package** for 13 lots on Amco Drive to assist families afford new homes, granting up to \$10,000 per lot to reduce the cost of the lot price for income-qualified families.
- Assisted 4 residential developers with prospective projects.

EZ Fabricating

- Assisted business with securing very favorable financing for 10,000 square foot expansion.

- **Awarded \$375,000 Minnesota Investment Fund grant** from Minnesota DEED to lend to EZ Fabricating at 1% fixed interest. \$175,000 of which will be forgiven by the state if job and wage goals are met.
- Project will create 17 FTE jobs within two years at an average wage of \$19.06 per hour.
- Will create an estimated increased taxable value of \$282,800.
- Was told that this was “likely the most favorable” loan package ever awarded by the state.

Chatfield Center for the Arts

- Approved renovations to “Studio I” completed by Chatfield Methodist Church student volunteers.
- Reviewed possibility of locating a hotel development on the grounds and potential concerns.
- Approved fix to water leak in the basement of the auditorium.

Community Marketing:

- Worked with vendor to produce 2018 “visitor guide” magazine.
- Designed and installed new signage advertising Enterprise Drive lots for sale.

Revolving Loan Fund:

- **\$45,000 loan** made to Rocky and Melissa Burnett – Big Girl Stickers and Stems.
- **\$25,000 loan** made to EZ Fabricating.
- Assisted Wit Boyz in modification of their loan terms.

Other Required Reporting

- Completed annual Business Subsidy report to Minnesota DEED.
- Completed annual Redevelopment Grant to Minnesota DEED.
- Closed out and completed final report on Enterprise Drive BDPI Grant.
- Completed bi-annual reports on the economic development sales tax grant funds to the City of Rochester.

General Business Assistance

- Met with 33 individual current and/or prospective businesses in regards to projects, issues, programs, business planning, financial packaging and other general assistance.

Revolving Loan Fund Summary:

<u>Active Loan Portfolio</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Number of Loans:	10	7	6
Total Principal Amount:	\$1,157,054	\$717,054	\$700,190
Total Principal Due:	\$951,862	\$569,247	\$569,462
Average Loan Amount:	\$115,705	\$102,436	\$100,027
Cash on Hand Available to Lend:	\$119,020	\$112,454	\$106,879
 <u>Loan Portfolio since Inception</u>			
Total Loans Made:	26	23	22
Total Principal Amount:	\$1,682,217	\$1,242,217	\$1,216,863
Total Repayments:	\$617,277	\$549,012	not available
Total Write Off/Uncollectable:	\$147,338	\$61,359	not available
Average Loan Amount:	\$67,289	\$56,464	\$55,541

Building Permit Summary:

Year	Permit Value (\$)		New Homes
	Commercial	Residential	
2018	\$ 1,453,000	\$ 3,857,500	20
2017	\$ 10,029,948	\$ 4,742,000	19
2016	\$ 1,426,600	\$ 3,260,400	14
2015	\$ 4,963,000	\$ 2,626,500	8
2014	\$ 840,099	\$ 1,954,835	8
2013	\$ 1,187,773	\$ 1,670,500	6

Economic Development Authority's Financial Impact on Chatfield:*(Excluding loan repayments & fund interest earnings)*

	2018	2017	2016
Total Grants Received:	\$375,000	\$177,103	\$0
Total Loans Made:	\$70,000	\$25,353	\$75,000
Total Short Term Funds Leveraged:	\$0	\$300,000	\$36,537
Total Long Term Funds Leveraged:	\$558,000	\$0	\$0
Total Dollars Leveraged for Chatfield:	\$1,003,000	\$502,456	\$111,537
Total City Levy:	\$1,641,969	\$1,554,864	\$1,422,396
Total EDA/CCA Budget:	\$139,285	\$131,700	\$150,850