



ANNUAL REPORT

MARTIN COUNTY EDA

YEAR 2019

MARTIN COUNTY EDA

The Martin County Economic Development Authority (MCEDA) partners with the Regional Center for Entrepreneurial Facilitation (RCEF) to provide one-on-one free and confidential business consulting, training, and mentorship to individuals, start-ups, and established businesses across many industries in Martin County through a business facilitation program called IGNITE.

Our mission is to Inspire, Growth, and Nurture Innovative Talent through Empowerment. We have access to a large network of resources to connect entrepreneurs and business owners with the right people at the right time to move their project forward. MCEDA supports and assists the communities and townships in Martin County with their economic development efforts. We also engage in many entrepreneurial focused projects and events to bring value to the county.

SERVICES PROVIDED

- Needs, Goals, & Business Assessments
- Business Plan Writing/Development
- Feasibility Studies
- Sales & Marketing Plans
- Market Research
- Start-up & Expansion Assistance
- Financial Analysis
- Strategic Planning
- Professional Management Advice
- Community Development Support
- Succession Planning

ABOUT US...

WHAT IS IGNITE?

In 2007, the Martin County Economic Development Authority (MCEDA) partnered with the Regional Center for Entrepreneurial Facilitation (RCEF), a non-profit entrepreneur and business development organization to develop, brand, and implement an economic development program called IGNITE. The mission is to Inspire Growth and Nurture Innovative Talent through Empowerment, which mirrors the unique and established RCEF business model. The IGNITE program was put in place to provide individuals, entrepreneurs, and existing businesses in Martin County with the resources, support, and inspiration they need to prosper in the competitive marketplace. All the IGNITE services are confidential and of no cost to the client. Some of the business consulting services provided are business plan writing and development, feasibility assessments, start-up and expansion assistance, sales and marketing, market research, financial analysis, and strategic planning.



MISSION

The mission of the Martin County Economic Development Authority is to Inspire Growth and Nurture Innovative Talent through Empowerment (IGNITE).

VISION

IGNITE strives to facilitate, support, and encourage entrepreneurs, start-ups, and existing business owners with their ideas working from the bottom up to grow and sustain our vibrant community for the future.

VALUES

The core values listed below shape and guide the actions we undertake every day.

- Integrity – we demonstrate the highest level of ethics and honesty in all we do.
- Innovative – we stay on the cutting edge of industry trends and information to pass to our clients.
- Caring – we treat every individual distinctly and with respect.
- Excellence – we ensure quality in every aspect of our work. We continuously strive to further our education to provide expert advice to our clients.

2019 YEAR-END SUMMARY

Our key objectives are to start, stabilize, and grow businesses, retain, and create jobs, increase tax revenues, and create a welcoming environment for innovation and economic development. In 2019, MCEDA successfully provided technical business assistance to 73 entrepreneurs and spent more than 387 hours in performing services. Utilizing the RCEF business model creates exceptional cost savings for Martin County. Year-after-year, we produce tremendous results with very little expense.

In an effort to help promote our services and involvement, we participated in several community development activities and events such as the Martin County Fair, Sponsorship of the Fairmont Area Chamber of Commerce events - Area Career Exploration (ACE) and Martin County Leadership Program, MAPCED (Minnesota Association of Professional County Economic Developers), EDA Strategic Planning, Fairmont Convention & Visitor's Bureau, Martin County Broadband Committee, 15/90 Group, and Bureau 14. Community visits that were started in 2011 were continued in 2019.

In efforts to create awareness and better serve our communities, we continue to host talk radio programs on the KSUM 1370AM and FM radio stations. The programs are called "Monday Morning Interview with Bryan Stading", "EDA Business Talk", and "Shop Local". The purpose of the programs is to provide listeners with relevant business information and to discuss economic development topics. Some subjects covered include interviews with EDA Board members, a bank's perspective of our current economic landscape, and spotlight on current clients from around the county.

We are tremendously pleased with our success. We continue to strengthen and grow our strategic partnerships to facilitate the success of our clients. Our Business Facilitators are continuously trained on the latest trends in business to ensure our clients are being served by the very best.

In addition, we continue to work with local legislators for continued support and funding for the entrepreneurial and business services provided by RCEF.

73

**Entrepreneurs
Consulted**

387

**Consulting
Hours**

70

**Economic
Development
Hours**

148

**Counseling
Sessions**

PROGRAM HIGHLIGHTS

2019 SAW THE CONTINUATION OF SEVERAL PROGRAMS ESTABLISHED WITH THE HELP OF VARIOUS GRANTS. THESE INCLUDE:

The Martin County EDA received a two-year grant in the total amount of \$300,000 from the State of Minnesota Department of Employment and Economic Development on behalf of the Regional Center for Entrepreneurial Facilitation (RCEF). Other funding counties for this grant include Blue Earth County, Martin County and Watonwan County, and RCEF. Our Minnesota Legislative representatives- Representative Robert Gunther and Senator Julie Rosen were instrumental in their support for the grant legislation.

The Martin County EDA sponsored a new initiative by the Southern Minnesota Initiative Foundation (SMIF) called 2019 "Sprout" Community Resource Events. The EDA contributed a sponsorship of \$2,000. SMIF hosted four community events in 2019 to reach deeper into the communities they serve and share their resources and expertise. SMIF brought more emphasis to Collaborating for Regional Vitality to four communities in 2019 – Cannon Falls, Fairmont, Kasota, and Spring Valley. These events included local program partners and recipients, and board members and staff on hand to network and share information with our community members.

The EDA financially participated in the expanded broadband improvement project in the amount of \$5,000 for the Fairmont Industrial Park. The EDA, along with the \$5,000 contribution from the Fairmont Economic Development Authority, in partnership with MidCo, provided the necessary funding needed for expanding and to provide better broadband accessibility and dependability of internet services, as well as reliability and redundancy in the Fairmont Industrial park.

The EDA supported the grant application by BevComm to the Minnesota Department of Employment and Economic Development (DEED) Office of Broadband- Border-to-Border Broadband Grant Program for the installation of expanded broadband infrastructure for high speed, reliable, broadband services within Martin County.

The EDA provided its support of the Cenex Harvest States tax abatement project for the eligible portion of \$100 million in total improvements to the soybean crushing facility in Fairmont.

PROGRAM HIGHLIGHTS [CONT.]

The EDA took the initial steps in formulating a county-wide tax abatement program policy for new construction of single and multi-family housing.

Brain Gain: The EDA joined this initiative aimed at luring young families back to rural Minnesota. MCEDA has worked with the City of Fairmont and the Fairmont Chamber of Commerce to create a campaign “Back Home Again” that targets 30-49-year-olds and is meant to enhance the image of small-town living. Demographic data was collected and used to show a trend of this age group moving back to small rural towns for high quality of life. More work needs to be done to keep high school graduates in these towns, as they represent a trainable workforce which local businesses need. There are plans for a website, and to engage in social media.

Area Career Exploration Event (ACE): A day long opportunity for the area youth to experience a wide variety of careers. MCEDA has been a huge supporter of this event since its inception and participates each year.

Martin County Leadership Program: MCEDA uses a nine-month curriculum designed to engage and build leaders in the community. Area residents apply for a spot in the program.

Shop Local Ad Campaign: This was an initiative of the MCEDA to promote local businesses.

Sponsorship of “Destination Small Town”: Our Story Production Television Show (Fairmont, MN), spotlighting small towns and counties we call home and what each community offers.

Sponsorship of Bacon Capital USA: Local promotional campaign in Martin County - “Bacon Capital USA”. Martin County is the number one hog-producing county in Minnesota and the sixth largest in the U.S.

The EDA continues to promote its “Red Folder”, which provides information and business resources for new business start-ups.

CLIENT SUCCESS STORIES

Quilt Shop, Sherburne

This is a succession story with two owners deciding to retire and a young entrepreneur desiring to own a small-town business and apply her business acumen to growing the business. The entrepreneur needed and requested a full range of assistance with a focus on following a business-like process, evaluating the asking price, determining debt structure and equity and sources for borrowing. The potential buyer brought a strong background in accounting and finance, something not often seen in these situations. She was given guidance on developing a complete business plan for submission to lenders that included a written plan and a financial projection for the business. She was provided help framing the business plan with industry and state data in support of the quilting industry, trends, and customer demographics.

The client received a city loan and a bank mortgage that allowed her to finance the purchase. She was advised and followed the recommendation to have the real estate appraised as part of the negotiation process. As part of the business plan, all of the current employees were kept on following the sale. Her plans to improve the shop's online presence were fruitful yielding an increase in revenues in her initial two months of ownership. She successfully navigated the challenges in spite of the current pandemic.

Agricultural Chemical Distributor, Fairmont

This is a classic turnaround story. The owner had enjoyed several years of success and through one or two missteps in management and expansion suffered a fairly large loss. The major bank holding the mortgage and line of credit expressed concern. The owner was referred to RCEF for help. As a first step, a 'state of the business and near term plan' was prepared for the bank to assure them the client had identified the issues and was making changes to the business. The client held monthly meetings addressing revenue, margins, and costs. Monthly forecasts of projected sales and costs were performed and specific operational tasks were identified and monitored for progress.

A key element to the turnaround was analyzing the sales and margins of the variety of products and determining the product and customer causing at best breakeven margins. The client exited this arrangement and improved results occurred quickly. A new service was identified to add to the mix of products

CLIENT SUCCESS STORIES [CONT.]

offered to compensate for the lost revenue. In addition, a price increase was put in place at the first of the year which paid dividends. A presentation for a new lender was drafted and submitted for review. The result was an offer from the bank including a fixed term and line of credit borrowing arrangement. The business continues to have improved profits and they welcome the monthly financial presentation of their progress against budget and forecast.

Fitness Facility, Fairmont

This is a classic start-up story with a very young entrepreneur with a dream to have his own fitness business with a combined focus on training athletes and accommodating individuals in working out. His vision was to incorporate some unique features including a running track, chiropractic practice, therapeutic massage and personalized training. Space was set aside to incorporate indoor golf in the future. The key element missing was business knowledge of how to get from idea to reality. Our role was serving as advisor to developing a business plan, assembling financial projections, advising on the operational plan to build the facility and meeting regularly to monitor, identify and achieve monthly 'homework' assignments. The client was very amenable and agreeable to following advice. While the process had a long start going from discussion to a written plan, this accelerated once he began looking for space for the fitness center.

Our role of advisor was intense in bringing a complete set of business and construction experiences to the forefront to make the fitness center a success. We advised on lease terms, the build-out process including retaining an architect, competitive contractor bidding, execution of the building plan and meeting regularly to ensure timely completion and opening. The city granted a \$75,000 loan for the purchase of some items but the balance of the funds for this project were personal equity.

This project is a huge win for Fairmont given the size of the facility at 40,000 square feet. The building will be leased from another local owner and a local general contractor was hired for the remodeling. Recently, the scope of the project expanded by 6,000 square feet through an agreement with the local gymnastics program to rent space from the owner following building it to specification. The owner anticipates an August opening which will start with a 'soft' opening early in the month.

2019 YEAR-END SUMMARY



73

Clients



387

Hours

New Businesses: 15

Expanded/Stabilized Businesses: 50

Economic Development Activities:

- Brain Gain
- Martin County Fair
- Fairmont EDA
- Fairmont Manufacturing Training
- Martin County Leadership
- City of Truman
- 15/90 Group
- EDA Outreach Meetings
- From the Ground Up
- Area Career Exploration (ACE)
- Tax Abatement Projects
- Red Folders

MARTIN COUNTY EDA BOARD

The Martin County EDA Board Members all have unique backgrounds and contribute to the strategic direction of the organization in different ways. They oversee all the activities of the Martin County EDA and take an active role in economic development activities. EDA Board members are appointed by the Martin County Board of Commissioners and serve a three-year term. The board meets monthly to conduct business.

NAME	POSITION	OCCUPATION	AFFILIATION
Brent Schultze	Chairman	Chief Credit Officer	Bank Midwest
Steve Fosness	Vice Chairman	Business Agent	Int'l Brotherhood of Elec. Workers
Larry Baarts	Secretary/Treasurer	CEO/President	Baarts Trucking
Elliot Belgard	Board Member	Commissioner & BoeKett Building Supply	Martin County
Richard Koons	Board Member	Commissioner & Auctioneer	Martin County
Tim Terfehr	Board Member	Businessman	Dan's Appliance
Wes Anderson	Board Member	Ag Producer/Township Supervisor	Fraser Township

MARTIN COUNTY BUSINESS FACILITATORS

A large part of the Martin County EDA's success is our partnership with RCEF and our Business Facilitator, Bryan Stading, who works diligently with entrepreneurs, business owners, and community leaders in Martin County on a regular basis to create a strong business environment.

BRYAN STADING

Business Facilitator/Consultant



2020 OUTLOOK

The Martin County EDA has a very focused strategic plan set for 2020. We have full intentions of maximizing the efficiency and effectiveness of the IGNITE business facilitation program. We will spend most of our energies toward assisting entrepreneurs and helping small businesses prosper in Martin County.

We are increasingly poised to create greater awareness of our program. We will continue to provide relevant information to the communities in Martin County through our “Monday Morning Interview with Bryan Stading”, “EDA Business Talk”, and “Shop Local” radio programs and campaign on KSUM. We will also continue to make exciting new updates to our website to provide clients with relevant information at their fingertips. We plan to continue leveraging social media to create awareness of our services. We will also remain very active in attending community related events to leverage networking. In addition to these objectives, the IGNITE staff will continue to focus on the main street businesses of area towns, as well as offering relevant business planning classes for the communities we serve.

In addition, we will continue in 2019 to support the Brain Gain program aimed at bringing 30-49-year-olds back to Martin County as well as continued sponsorships for the various programs and events that the EDA has helped fund in previous years.

Lastly, we will focus on building new relationships and grow on existing relationships with local and non-local entities to provide a stronger network of resources for our clients. The Martin County EDA Board of Directors and Business Facilitators look forward to an exciting year and growing on our previous success in serving as a catalyst for economic development in Martin County.

Thank you to the Martin County Board of Commissioners

The Martin County EDA is funded by Martin County and the Department of Employment and Economic Development (DEED).

Thank you to our 2019 Partners: Regional Center for Entrepreneurial Facilitation, City of Fairmont, Fairmont Chamber of Commerce, Southern Minnesota Initiative Foundation (SMIF).

The Martin County Economic Development Authority (MCEDA) performance data provided above is a snapshot for the reporting period of January 1, 2019 to December 31, 2019. The reader should understand that the grassroots economic development strategy is continuously evolving and clients are constantly moving from various structures, forms, locations, and stages of development. This report is also inclusive of the client activity performed for the Martin County EDA.