



AUSTIN PORT AUTHORITY

500 Fourth Ave. NE
Austin, MN 55912-3773

www.ci.austin.mn.us

507-437-9940
Fax: 507-434-7197

AGENDA
PORT AUTHORITY
MONDAY, JUNE 27, 2022
CITY HALL – COUNCIL CHAMBER
3:00 PM

1. Roll Call
2. Approval of Minutes of the April 27, 2022 Meeting
3. SMIF (Southern Minnesota Initiative Foundation) Presentation
4. DCA Presentation (John Garry)
5. Overview of Port Authority Function
6. Open Discussion on Port Authority Priorities
7. Executive Director Report (Craig Clark)
8. Any Other Business
9. Adjourn

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, APRIL 27, 2022
4:30 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jerry McCarthy, Michael Bednar, Jeff Austin and Chuck Moline (4:09 p.m.).

Members Absent: Commissioners Tim Ruzek, Lee Bjorndal, and Jason Baskin.

Staff Present: Port Authority Attorney Craig Byram, Port Authority Executive Director Craig Clark, City Public Works Director Steven Lang, and Port Authority Secretary Tom Dankert.

Others Present: Craig Popenhagen, auditor with CliftonLarsonAllen, LLP.

President McCarthy called the meeting to order at 4:10 p.m.

Item #2. – Approval of minutes of the April 11, 2022 special meeting: Motion by Commissioner Moline, seconded by Commissioner Bednar to approve the minutes of the April 11, 2022 special meeting. Carried 4-0.

Item #3. – Draft Audit Presentation: Auditor Craig Popenhagen from CliftonLarsonAllen, LLP presented a draft audit report to the Board. This is still draft at this time as they have not completed the City audit yet, and won't issue final statements until that is done. Mr. Popenhagen noted the following:

- City staff have drafted these documents, which is very unusual these days to have staff qualified to do such.
- The Port Authority has been issued a clean, or unmodified opinion, meaning these statements are fairly presented.
- The Port Authority has nearly \$25 million in equity at 12/31/21. Of this, around \$3.3 million is unrestricted and spendable.
- The Port Authority has about the same cash at 12/31/21 as it did at 12/31/20, at around \$2.9 million.
- The Port Authority bought and donated the former YMCA site this last year, as well as sold some other properties that were in inventory.
- As far as internal controls go, we have no findings.
- As far as the Minnesota Legal Compliance, we have no findings.
- The governance letter indicates no changes in policies and no audit adjustments were needed. However, please note that useful lives of assets and collectability of receivables are based on estimates.

Motion by Commissioner Austin, seconded by Commissioner Bjorndal to approve the draft financial statements as presented. Carried 4-0.

Item #4. – Creekside Business Park Federal Economic Development Authority Grant: Mr. Clark discussed the EDA grant for Creekside Business Park, noting the Port Authority hoped to get a grant for 80% of the estimated \$4,375,000 cost. The city agreed to cover the 20% match with

\$875,000. Now that the grant is a 50/50 match grant, we are in need of an additional \$1,312,500. We have discussed with the Austin Utilities for them to cover the estimated \$220,000 to \$250,000 in costs for their proposed extension. And while they have not yet approved such, they seem agreeable to it and will discuss in the very near future.

The remaining \$1,092,500 of costs is proposed to be split \$546,250 to the City, and the remaining \$546,250 to the Port Authority.

President McCarthy noted this will then complete the road running east to west through the Creekside Business Park.

Commissioner Moline questioned if the Austin Utilities had acted yet on the request. Mr. Clark noted they had not. Commissioner Moline noted that if the Austin Utilities does say no, then we will have to come back to the City and/or Port Authority for additional funding.

After further discussion, motion by Commissioner Austin, seconded by Commissioner Moline to approve of the \$546,250 of funding out of the Port Authority General Fund, contingent on the Austin Utilities and City of Austin funding their portions. Carried 4-0.

Item #5. – Executive Director Report: Mr. Clark noted this meeting was to have some discussion on using the fund balance up with a planning session, however the action tonight to spend \$546,250, plus some potential costs in the 25-acre Persinger parcel, we might have eliminated the need for such a planning session.

Commissioner Moline agreed, noting the City/Port Authority/DCA should focus on the Creekside Business Park.

President McCarthy noted it is not our role to be involved in housing, but only to act as an agent for the City on housing issues. We should be creating jobs and industry as a Port Authority declared President McCarthy.

Commissioner Bednar added that we should know what the other organizations in the city are planning on as well.

Item #6. – Any other business: None.

Item #7. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Moline to adjourn the meeting at 4:32 pm. Carried 4-0.

Approved: _____

President: _____

Secretary: _____

Your Gift ENABLED US TO RESPOND QUICKLY TO THE COVID-19 CRISIS

TOTAL IMPACT: **MORE THAN \$21.5 MILLION**



Community Foundation Relief Grants

SMIF provided \$101,218 in matching grants to 21 of our community foundations to support their localized relief efforts. By leveraging this opportunity, they were able to provide a total of \$121,050 to their communities, impacting more than 56,000 people.

Emergency Child Care Grants

SMIF provided \$254,950 in immediate financial support to licensed child care providers. 491 family providers and 34 centers were awarded with immediate funds, serving approximately 1,800 children in southern Minnesota.



Grow a Farmer Assistance Grants

SMIF awarded three organizations \$10,000 each through the Grow a Farmer Assistance Fund. They are working collaboratively to support at least 120 farmers in southern Minnesota through grants that help their businesses respond to new challenges.

Small Town Grants

SMIF awarded 22 organizations a total of \$192,500 to respond and recover from the hardships created by the crisis and the impact on their communities, all of which have populations of less than 10,000.



Small Business Relief Grants and Loans

SMIF distributed 1,867 MN DEED Small Business Relief Grants to southern Minnesota businesses for a total of \$19,495,000. The grants support businesses that have experienced financial hardship as a result of the crisis. Additionally, SMIF dispersed 50 MN DEED Small Business Emergency Loans for a total of \$1.2 million.

Early Care and Education Wrap Around Grants

SMIF approved 45 Early Care and Education Wrap Around Grants totaling \$590,818 in partnership with Minnesota Department of Education. This grant helped fund early care and education wrap around services for children birth to age eight from underserved and diverse populations impacted by the pandemic.



Learn how you can help!

To learn more about our **COVID-19 RESPONSE**, and the many partners and donors who have supported these efforts, visit smifoundation.org/covidresponse. Making a gift to SMIF's general endowment supports these response efforts, including expenses related to the administration of these emergency funds and other essential response resources. Visit smifoundation.org/donate to make a gift.

Your Gift MADE AN IMPACT ON THEIR STORIES

“

In February 2020 when we were jumping-up-and-down-ecstatic to receive a Child Care Expansion Grant through SMIF, we didn't fully understand the true impact it would have on our ability to provide a safe, caring environment for children and families during one of the darkest times of our lives. Not only did the grant allow us to open an additional classroom during the pandemic so the children could learn safely in smaller group sizes, we also received critical support from the dedicated professionals at SMIF. Jeff Andrews helped us work through financial management and planning while John Katz went above and beyond to help us solve issues we were having with our online QuickBooks program. In this time of social distancing, it's this encouragement and generosity that helped our staff remain positive and know that their work was making a true difference in the lives of others. We cannot thank the donors and professionals of Southern Minnesota Initiative Foundation enough for your foresight, dedication and support throughout this pandemic."

-CHRISTINA VALDEZ, DIRECTOR OF LISTOS PRESCHOOL AND CHILDCARE



“

I'm so grateful to Southern Minnesota Initiative Foundation for their Grow A Farmer Assistance Grant. We've so far distributed funds to our members for things as diverse as installing internet on their farm, getting drone photography, starting up a tea business, buying COVID safety and health equipment and supplies, setting up an online fiber sale site, and more than that. It's been really interesting to see what the farmers are doing with these funds. We're all really dependent on each other when we're small entrepreneurs like this and the more healthy our local economy is we all do better. We've kind of adopted that model for ourselves, 'We all do better when we all do better.' From everyone in the Cannon River Sustainable Farming Association to Southern Minnesota Initiative Foundation, a big thank you for supporting us in our Cannon Valley Grown Project."

-GWEN ANDERSON, BOARD SECRETARY OF CANNON RIVER SUSTAINABLE FARMING ASSOCIATION



“

In April of 2020, Preston Area Community Foundation (PACF) discussed ways to help the local business community at the onset of the pandemic challenges. PACF reached out to the local EDA to develop a grant and loan program for local businesses to use for normal operating expenses. At this same time, SMIF made available a Community Foundation Relief Fund to be used by community foundations to address pandemic issues in their community. PACF reached out to the F & M Community Bank for support to take advantage of the \$5,000 SMIF matching grant and generously, the bank agreed to underwrite the entire \$5,000 PACF contribution. Thanks to SMIF and F & M Community Bank, the EDA loan and grant program funds increased to \$30,000. To date, over \$21,000 has been provided to local businesses with applications still being accepted. Preston area businesses have been so grateful to receive this support during these challenging times. Our community stepped up this year and we are proud of the work PACF accomplished with the help of local organizations and SMIF."

- CHUCK AUG, BOARD MEMBER OF PRESTON AREA COMMUNITY FOUNDATION





SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

Collaborating for Regional Vitality

Mower County Investments

We envision southern Minnesota as a prosperous and growing region with vibrant communities, innovative and successful economies, and engaged and valued citizens. To achieve this vision, Southern Minnesota Initiative Foundation, a regional development and philanthropic organization, fosters economic and community vitality in 20 counties of southern Minnesota through a culture of collaboration and partnership.

For every donation of
from Mower County

\$1



\$12

is invested back
into Mower County
communities.*

*Includes grants, loans & programming

38 LOANS

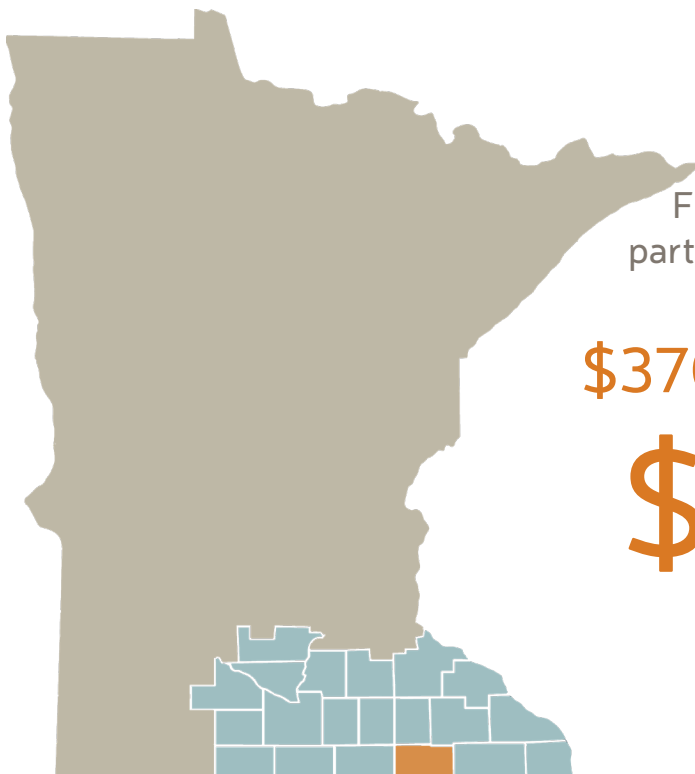
\$1.1 million to Mower County entrepreneurs

\$2.1 million to support community initiatives

202 GRANTS

\$1.3 million to support grant-making

***\$5 million invested annually to the 20 counties of
south central and southeastern Minnesota***



Since 1986, Southern Minnesota Initiative Foundation has leveraged local investments & partnerships to create a stronger **Mower County**:

\$370,000 in local donations to SMIF

\$4.6 million

invested by SMIF in Mower County
through grants, loans, and programming for
stronger kids, businesses and communities

Making a Difference

Financial relief for child care providers



SMIF has worked for years to support child care providers in a variety of ways. At the onset of the pandemic our region was facing a new challenge, but our commitment to child care providers remained the same. The Emergency Child Care Grant Program was created early on in the pandemic to provide immediate financial support to licensed child care providers. SMIF awarded \$254,950 in immediate funds to 491 family providers and 34 centers in southern Minnesota, serving approximately 1,800 children. In Mower County, 24 child care providers received grants.

Early Childhood

- SMIF partnered with Austin Aspires to host an informational session on Starting Child Care for Families. There will also be trainings for Family Friend and Neighbor network individuals in different languages.
- Austin Public Schools received a \$20,000 grant to support two paraprofessionals during the 21-22 school year.
- The cities of Taopi and Adams were awarded 200 books through an Early Literacy Grant for Christmas in the City events to distribute to children in Southland Schools.

Number of children
impacted: **470**

Hours of Training
Provided: **43**

Economic Development

- 48 Mower County businesses received \$485,000 in Small Business Relief Grants to assist with pandemic-related challenges.
- Flavor in a Jar from Dexter is part of SMIF's Local Food Peer Network. This group comes together to share challenges and successes and gain access to new resources.
- Tienda Y Taqueria Guerrero from the Austin area enrolled in the Prosperity Initiative Program which provides one-on-one technical assistance to minority entrepreneurs.

Number of entrepreneurs
impacted: **68**

Hours of training and
and events provided: **565**

Community Vitality

- The city of Grand Meadow received a \$6,300 Small Town Grant to provide opportunities for the community to gather and build civic capital.
- SMIF partners with the Hirsch Foundation based in Austin to invest funds for future community improvements.
- An AmeriCorps VISTA member is supporting Mower County by building relationships with local food producers and farmers (including those who are BIPOC), collecting market data and developing training to support market managers' and vendors' business needs.



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

525 Florence Avenue • PO Box 695 • Owatonna, MN 55060-0695

PH 507.455.3215 • FAX 507.455.2098 • smifoundation.org

May 2022

Craig Clark
Austin Port Authority
500 4th Ave NE
Austin, MN 55912-2917

Dear Craig,

The needs of a community come in every shape and size. Those who live in the wonderfully diverse communities of southern Minnesota know this better than anyone. Southern Minnesota Initiative Foundation's (SMIF) focus is on economic and early childhood development and community vitality – exactly where our region needs us.

Small businesses need resources and financial support more than ever.

Small businesses in Minnesota account for 99.5% of all businesses and employ 46.9% of employees in the state. Job vacancies across the state have increased to 5.2% - nearly double what is considered a healthy number. SMIF's lending and technical assistance has been instrumental in creating dozens of new businesses in our region.

Child care shortages continue to be a concern.

48% of parents with kids under 18 who quit a job in 2021 cited child care issues as a reason for leaving. The need for more child care availability is particularly acute in Greater Minnesota where the numbers of child care providers is not keeping pace with the need. SMIF's child care resources are keeping providers in business and addressing the shortage.

Volunteers to community organizations are experiencing burnout at increasing rates.

Approximately 63 million Americans, 25% of the adult population, contribute \$193 billion of their time in-kind to our communities. However, the volunteer rate is declining. SMIF's support for community project and community foundations is turning this trend around.

Because of generous supporters like you, communities in our region have seen improvement and growth in countless ways. With your help, together we are investing in the vitality of our region. **See the enclosed fact sheet to see how your contribution is making a difference in your county.**

Thank you for your gift of \$6,000.00 on 4/4/2022. Your support is changing lives and addressing the needs of our region. I hope you will consider a gift at the same level in 2023.

Sincerely,

Tim Penny
President & CEO

cc: Shawn Vogt Sween, Board Member

Collaborating for Regional Vitality



Development Corporation of Austin & Austin Community Growth Ventures

*Joint Strategic Plan
2022-2025*



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Development Corporation of Austin

Austin Community
Growth Ventures

Message from the President and CEO

The Development Corporation of Austin was established in 1986. Its purpose in the DCA By-laws:

- *to further the economic development of Austin, Minnesota and vicinity;*
- *to promote and strengthen a sound and healthy business climate in the Austin, Minnesota area;*
- *to aid, assist and promote the growth, expansion, and development of business concerns, including small business concerns, in the Austin, Minnesota area;*
- *to encourage and assist in the location of new business and industry, and in the rehabilitation of and assistance to existing business and industry in the Austin, Minnesota area;*
- *to accomplish these purposes by making available, arranging, or assisting in locating plant and other facilities whether by lease, purchase or other means and thereby to contribute to the economic well-being of the Austin, Minnesota area as measured by increased employment, payroll, business volume, and corresponding factors;*
- *and to promote the advantages and assets of the Austin Minnesota community to businesses that may locate or expand in the Austin, Minnesota area.*

Thirty-six years later, the job to be done is remarkably unchanged, but the evolving local, regional, and global economic landscape requires us to refresh our focus and priorities. To that end, in December 2021 a joint session of the Development Corporation of Austin and Austin Community Growth Ventures (A DCA supporting charitable organization) initiated a strategic planning process.

This strategic plan is the first such plan for DCA in some years. Our mindset is one of growth, anticipation, and responsibility. Growth in building upon the terrific success of programs such as the Small Business Development Center (SBDC) and projects such as Nu-Tek Biosciences. Anticipation in the boundless potential Future of Advanced Agriculture Research in Minnesota with the University of Minnesota. Responsibility in carrying out DCA's mission to best utilize strong business support and maximize the current and future economic assets.

The plan recognizes the excellent opportunities in food, bioscience and agriculture in Austin and Mower County that are unrivaled in comparable rural communities. It will place a high priority on fostering support for entrepreneurs. The plan emphasizes the need for strengthened support and infrastructure planning to benefit local businesses. Lastly, workforce is a top priority and DCA will support initiatives to attract and retain a talented, skilled workforce.

We are thrilled to have great collaborative partners with DCA business members, government, education, and research. Looking forward, we know that the greatest successes have come with "all in" efforts of all our partners.

John Gary
President & CEO



Development Corporation of Austin Mission: Work closely with public and private sector partners to aggressively market the area to **attract new businesses and industries**, as well as **support existing enterprises** for **economic benefit** of Austin and Greater Mower County

Austin Community Growth Ventures Mission: Enhance the community by **promoting, encouraging, and aiding the creation of an innovative ecosystem** that supports education, creates quality jobs and increases the new application of biotechnology, agricultural technology and food science.

Executive Summary

Austin is a growing community with unique assets and attributes that position it well for future growth. This three-year strategic plan is a joint effort of the staff and boards of the Development Corporation of Austin and the Austin Community Growth Ventures to look closely at the opportunities and identify specific priorities based on the insights. The plan builds on the stated mission of each organization as they relate to community and economic development. Development Corporation of Austin's (DCA) primary focus is on supporting existing firms and attracting new investment. The mission of Austin Community Growth Ventures (ACGV) complements the DCA mission by focusing on supporting innovation and entrepreneurship, particularly in the **food, biosciences, and agriculture** technology sectors.

Through the process, the members of these organizations identified several aspirations related to economic development in Austin. These aspirations, coupled with strengths and opportunities identified with members and other stakeholders during the process, informed the creation of the priorities and strategies.

The aspirations, or overarching goals, that underpin this strategic plan include:

- Austin is an epicenter for scientific research, cutting edge discovery and innovative businesses at the intersection of food, health, agriculture, and biosciences.
- Businesses invest and grow in Austin because they can access an appropriately skilled workforce, financial capital and physical space.
- Austin is a hotbed of entrepreneurship and new business activity.
- All community members benefit from economic growth – positive outcomes are realized across all populations regardless of age, income, race, ethnicity, or education level.
- There is a range of employment opportunities that align with workers' knowledge and skills and provide a livable wage.
- Austin has a clear value proposition related to quality of life that attracts and retains residents.

To reach these aspirations, the following strengths will be leveraged.

- A strong local economy, anchored by established firms.
- Leadership from both the public and private sectors invested in collaboration for community advancement.
- An emerging cluster of assets at the intersection of **food, health, and agriculture.**
- Robust amenities that contribute to quality of life and attract visitors and new residents.



- Capacity for new development with available land, utility infrastructure, and interstate access.
- Quality K-14 educational offerings enriched by the Assurance Scholarship program.
- A growing population attracting newcomers from around the world.

Opportunities related to economic development identified in the process include:

- Ensure that there is available physical infrastructure and space for new and expanding businesses.
- Build on the existing assets at the intersection of food, agriculture, and health to stimulate commercialization and startups and attract new complementary firms throughout the value chain.
- Promote the community to attract new residents.
- Strengthen the workforce pipeline through collaboration between public, private, and nonprofit sectors.
- Leverage and expand partnerships and collaborations to align current activities and identify emerging ideas in economic and community development.
- Support efforts to enhance quality of life in the community such as housing, downtown redevelopment, local small businesses, childcare, welcoming activities, and natural amenities.

The following strategic priorities were identified for DCA and ACGV:

- Position Austin to grow as a destination for businesses, innovators, and entrepreneurs at the intersection of food, health, agriculture and biosciences.
- Ensure entrepreneurs and startup businesses have access to the right technical assistance and funding to launch their idea.
- Assist existing firms with access to workforce, infrastructure, capital, and physical space that allow them to remain and continue to grow in the community.
- Coordination and collaboration with community partners to make Austin a world-class destination for residents.



Activation Plan

Priority 1: Position Austin to grow as a destination for businesses, innovators, and entrepreneurs at the intersection of food, health, agriculture, and biosciences.

Strategy	Tactics and Lead	Lead and Partners	Milestones
1.1. Encourage food, health, ag and bioscience related startups.	<ul style="list-style-type: none"> Research incubator models that support food, ag and “one health” related businesses. Conduct feasibility study based on model research. If feasibility study warrants, develop a comprehensive business plan for an incubator or accelerator. 	<p>Lead: Austin Community Growth Ventures</p> <p>Potential Partners: University of Minnesota, Riverland, Hormel Institute, Hormel Corporation, Grow North, Agricultural Utilization Research Institute (AURI), Southern Minnesota Initiative Foundation (SMIF), Hormel Foundation</p>	<p>2022: Potential partners engaged. Research conducted.</p> <p>2023: Feasibility study. and, if warranted begin design process</p> <p>2024-2025: Incubator planned and developed.</p>
1.2 Attract and grow food, health, agriculture, and bioscience related companies.	<ul style="list-style-type: none"> Create messaging and marketing plan to communicate value proposition of Austin location to prospective businesses Research models and conduct feasibility study of a spec building If spec building feasibility study warrants, create a business plan, design and develop a spec building to accommodate emerging and growing food, ag and bioscience sector companies. Participate in the Community Venture Network Retain and grow current Austin firms in these sectors through business retention visits. 	<p>Lead: Development Corporation of Austin</p> <p>Partners: Community Venture Network, Agriculture Utilization and Research Institute, Hormel Institute, Port Authority, Hormel Foods Corporation, Austin Utilities, Minnesota Department of Employment and Economic Development</p>	<p>2022: Marketing Plan created</p> <p>2022: Research and evaluate spec building models</p> <p>2023: Design, secure funding</p> <p>2024: Building construction</p> <p>Ongoing: CVN participation</p> <p>Ongoing: Business retention visits</p>



Priority 2: Ensure entrepreneurs and startup businesses have access to the right technical assistance and funding to launch their idea.

Strategy	Tactics	Lead and Partners	Milestones
2.1 Coordinate networking, mentorship, and technical support for people with business ideas.	<ul style="list-style-type: none">• Market services and engage entrepreneurs and small business owners• Facilitate networking activities between entrepreneurs and supporting organizations• Offer a mentorship program to connect emerging entrepreneurs with experienced businesspeople• Host Austin Area Minority Business Project• Provide 1:1 technical assistance to entrepreneurs as a SBDC satellite office	Lead: Austin Community Growth Ventures Partners: Small Business Development Center (SBDC), SMIF, AURI, Department of Employment and Economic Development (DEED)	Late 2022: Launch networking and mentoring activities
2.3 Connect entrepreneurs with financing and small businesses with financing.	<ul style="list-style-type: none">• Coordinate with investment groups regularly to facilitate increased capital investment.• Develop a comprehensive resource list for financing.	Lead: Austin Community Growth Ventures	Ongoing
2.4 Provide physical space for emerging entrepreneurs and remote workers.	<ul style="list-style-type: none">• Host co-working space	Lead: Austin Community Growth Ventures	Ongoing



Priority 3: Existing firms have access to workforce, infrastructure, capital, and physical space that allow them to remain and continue to grow in the community.

Strategy	Tactics	Lead and Partners	Milestones
3.1 Partner with City to streamline process for doing business in Austin	<ul style="list-style-type: none"> Convene meeting with City to explore options for simplifying the land acquisition process for business investment 	<p>Lead: Development Corporation of Austin</p> <p>Partners: City of Austin</p>	<p>2022: Meeting held and options identified.</p> <p>2023: Process streamlining occurs</p>
3.2 Encourage infrastructure investment and land availability for existing firms to grow.	<ul style="list-style-type: none"> Convene meeting with City and Port Authority to identify location(s) for additional development Create a plan for shovel ready certification 	<p>Lead: Development Corporation of Austin</p> <p>Partners: City of Austin, Austin Port Authority</p>	<p>2022: Locations identified</p> <p>2023: Plan created</p> <p>2024: Sites certified</p>
3.3 Assess current needs of existing firms and match them with resources.	<ul style="list-style-type: none"> Participate in business retention and expansion visits to firms in Austin with the Chamber of Commerce 	<p>Lead: Development Corporation of Austin</p> <p>Partners: Chamber of Commerce, Workforce Development Incorporated</p>	Ongoing
3.4 Assemble financing and incentives for expansion	<ul style="list-style-type: none"> Partner with city to package incentives for eligible firms Provide gap financing for business expansions 	<p>Lead: Development Corporation of Austin</p> <p>Partners: City of Austin, Austin Port Authority, Mower County, DEED</p>	Ongoing
3.5 Support efforts to establish a training center for agriculture and biosciences in Austin.	<ul style="list-style-type: none"> Coordinate with local leaders on Food, ag and bio sectors 	<p>Lead: Development Corporation of Austin</p> <p>Partners: City of Austin, Riverland Community College</p>	Ongoing



Priority 4: Coordination and collaboration with community partners to make Austin a world-class destination for residents.

Strategy	Tactics	Lead and Partners	Completion Target
4.1 Promote Austin as a destination for residents	<ul style="list-style-type: none">• Identify and engage partner organizations• Evaluate options for community marketing consultant• Develop resident recruitment and retention plan• Implement plan	<p>Lead: Development Corporation of Austin (& Austin Community Charitable Fund [ACCF])</p> <p>Partners: Hormel Corporation, Chamber of Commerce, Mower County, Discover Austin</p>	<p>2022: Engage partners and evaluate options</p> <p>2023: Develop and Implement plan</p>
4.2 Support community efforts to increase childcare and housing availability.	<ul style="list-style-type: none">• Support grant applications as needed.• Serve as fiscal agent if necessary for grant applications.	<p>Lead: Development Corporation of Austin (& ACCF)</p> <p>Partners: Chamber of Commerce, City of Austin, Mower County, Riverland College</p>	Ongoing



Outcome and Impact Metrics

Priority	Strategy	Metrics
1	1.1. Encourage food, health, ag and bioscience related startups.	<ul style="list-style-type: none"> • Number of participants • Number of new business formations from commercialized technology • Number of mentors • Amount of capital investments in new businesses
	1.2 Attract and grow food, health, agriculture and bioscience related companies.	<ul style="list-style-type: none"> • Number of food, ag, bio related companies choosing to locate in Austin • Occupancy rate in spec building • Number of businesses retained • Number of businesses adding jobs and/or making capital investment
2	2.1 Networking and mentorship for people with business ideas in and around Austin to move ahead with business formation.	<ul style="list-style-type: none"> • Number of individuals participating • Number of mentors matched with entrepreneurs
	2.2 Technical support for Austin area entrepreneurs.	<ul style="list-style-type: none"> • Number of hours of assistance provided • Number of businesses supported • Number of new businesses started • Capital investment
	2.3 Financing for entrepreneurs.	<ul style="list-style-type: none"> • Number of deals reviewed per year • Number of deals closed per year
	2.4 Physical space for emerging entrepreneurs and remote workers.	<ul style="list-style-type: none"> • Occupancy rate
3	3.1 Increase ease of doing business in Austin.	<ul style="list-style-type: none"> • Year over year increase in property acquisition and development in the city
	3.2 Ensure infrastructure and land available for existing firms to grow.	<ul style="list-style-type: none"> • Number of shovel ready acres available
	3.3 Assess current needs of existing firms and match them with resources.	<ul style="list-style-type: none"> • Number of businesses visited • Number of businesses matched with resources after visit.
	3.4 Provide financing and incentives for expansion.	<ul style="list-style-type: none"> • Number of firms assisted with financing
	3.5 Support efforts to establish a training center for agriculture and bio-sciences in	<ul style="list-style-type: none"> • Progress made in establishing the center



	Austin.	
4	4.1 Promote Austin as a destination for residents.	<ul style="list-style-type: none">• Increased visits to digital assets• Businesses report increased employee retention rate
	4.2 Support community efforts to increase childcare and housing availability.	<ul style="list-style-type: none">• Housing options increase.• Daycare spaces increase



Appendix A: Process Summary

DCA and ACGV engaged staff from the University of Minnesota Center for Community Vitality to guide the process and draft the resulting plan. Jennifer Hawkins, Extension Educator for Community Economics, facilitated the process and Brigid Tuck, Senior Economic Impact Analyst, provided background data for Phase 1.

Phase 1: Setting the Stage

December 2021

- 2-hour meeting with DCA and ACGV board members
- Affirm goals and process
- Review environmental scan and community data
- SOAR exercise (Strengths, Opportunities, Assets and Resources)
- Visioning exercise (In 5 years, what is the economic development headline you want to see?)

Phase 2: Gathering Insights

January-February 2022

- Gather insights by surveying and/or interviewing key stakeholders including city council representatives, county representatives, Hormel Foundation, DCA members, and select outside experts (e.g., staff from Minnesota Department of Employment and Economic Development, site selection consultants, Community Venture Network staff, etc.)
- Key questions to answer:
 - What is working well that could be built on?
 - Where are there unrealized opportunities for economic development in Austin?

Phase 3: Imagine

March 8, 2022

- 3.5-hour retreat with DCA and ACGV board members
- Agenda:
 - Review insights from Phase 2
 - Ideate: What could you do?
 - Prioritize: What should you do?
 - Focus: What will you do?
 - Measure: What are the success metrics for the activities selected?

Phase 4: Activate

April-May 2022

- Written plan drafted and shared with boards for comment during April board meetings
- Feedback from board integrated into final plan
- Final plan elements presented at DCA annual meeting on May 10



Appendix B: Economic Context

State and National

There are several external trends that can affect the economic development of Austin.

Increasing worker mobility and telework

In a Pew Research study, about 20 percent of respondents worked from home before the pandemic. During the pandemic, this percentage increased to 73 percent during the pandemic and about half want to continue.¹ There is also increasing evidence of people with remote jobs relocating to places they want to live. A 2021 survey of 23,000 people by Upwork found that almost 5 million people have already moved because of remote work since 2020. An additional 19 million are planning to move due to remote work.²

Increased Investments by Federal and State Governments in Infrastructure

The U.S. government passed a \$1.2 trillion infrastructure bill in late 2021. This bill included \$550 billion in new spending to be allocated in the next five years. Investments are planned for roads and bridges, public transit, power grids, and broadband among other items. In April 2022, the Biden-Harris administration announced the creation of a Rural Partners Network to “transform the way federal agencies partner with rural places to create economic opportunity.” The effort is being piloted in four states.

The Workforce Shortage is a National Issue

The workforce shortage is not specific to Southeast Minnesota. It is an issue across the nation. Due in part to changing demographics, in particular the retirements of the baby boomer generation. It was an issue prior to the COVID-19 pandemic and will be with us for some time.

Increasing Racial and Ethnic Diversity of the U.S. Population

The 2020 U.S. Census illustrated the increasing diversity of almost every state in the nation.³

Shared Prosperity

Shared prosperity and equity is an increasingly notable topic in economic development. There is a correlation between equity and growth. Unlocking the potential of all individuals in a society has benefits.⁴

Local Influence Over Comparative Advantages

¹ <https://www.pewresearch.org/social-trends/2022/02/16/covid-19-pandemic-continues-to-reshape-work-in-america/>

² <https://www.upwork.com/press/releases/the-new-geography-of-remote-work>

³ <https://www.census.gov/library/visualizations/interactive/racial-and-ethnic-diversity-in-the-united-states-2010-and-2020-census.html>

⁴ <https://ced.sog.unc.edu/2016/09/equity-and-economic-development-whats-the-connection/>



Area Development Magazine, a publication for site selectors, ranks the top states for business each year.⁵ They have thirteen factors that they consider in their rankings, listed below. There are a handful of factors that a local community can influence. The items bolded typically have some element of local control.

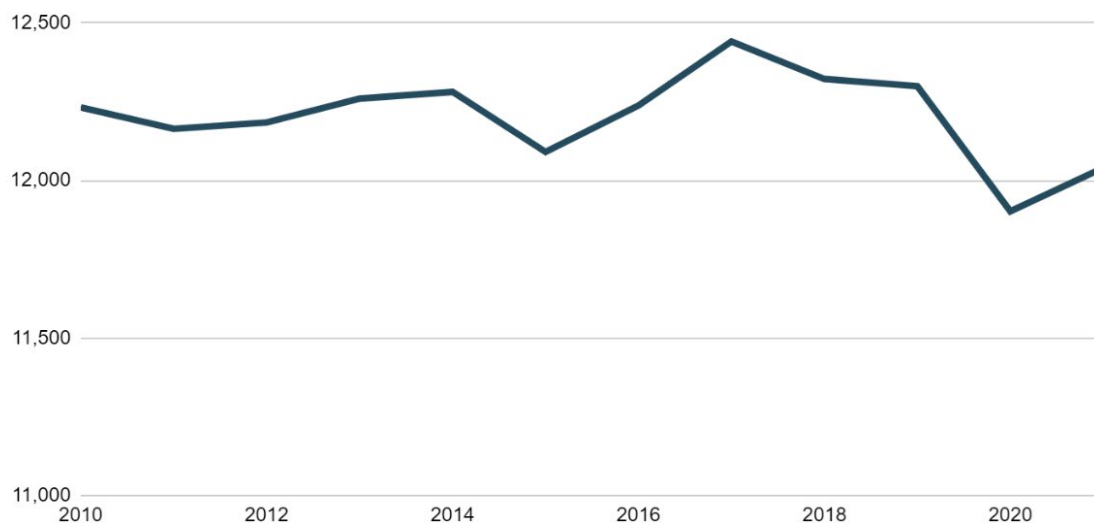
1. Overall cost of doing business
2. **Business incentive programs**
3. **Access to capital and project funding**
4. Competitive **Labor Environment**
5. **Workforce development programs**
6. Energy availability and costs
7. Logistics and Infrastructure
8. **Site-readiness programs**
9. **Available real estate**
10. Cooperative and responsive state government
11. Corporate tax environment
12. Favorable regulatory environment
13. **Speed of permitting**

Austin Area

Employment is Stable

Employment in the Austin Area has been relatively stable between 2010 and 2019, hovering between 12,000 and 12,500 jobs during that time (Figure 1). Like most other areas, Austin experienced a dip between 2019 and 2020 but most recent data at the time of this process indicated an upward trend.

Figure 1: Number of jobs, Austin



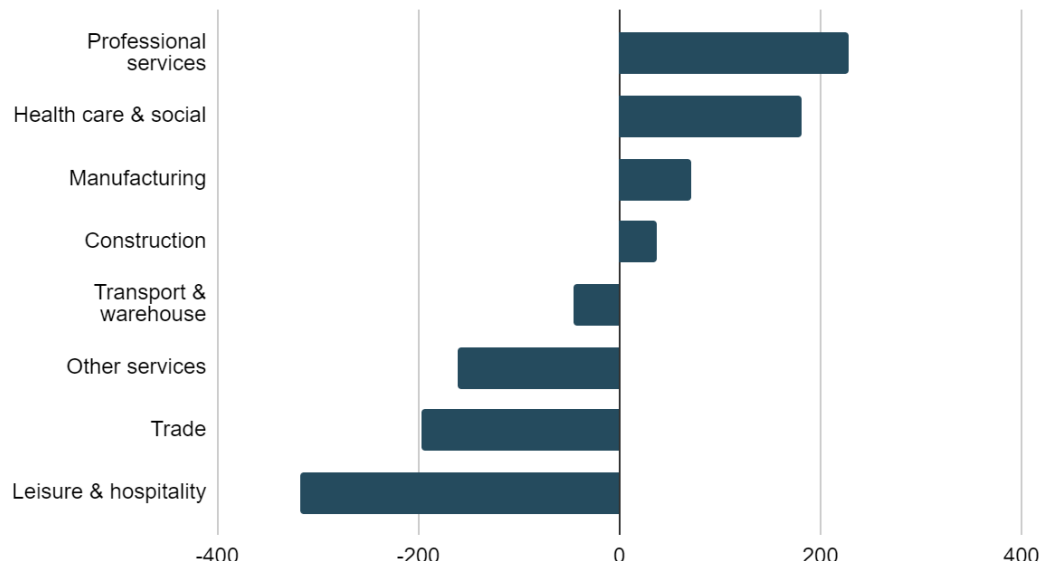
Source: EMSI

⁵ <https://www.areadevelopment.com/Top-States-for-Doing-Business/Q3-2021/top-states-for-doing-business-reflect-locational-advantages.shtml>

Growth in Professional Services, Healthcare, and Manufacturing Sectors

Employment in professional services, healthcare and social services, manufacturing and construction in Austin grew between 2010 and 2021. Job losses occurred in a handful of other sectors. The leisure and hospitality sector shed the most jobs during that time (Figure 2).

Figure 2: Change in jobs, 2010 to 2021, Austin

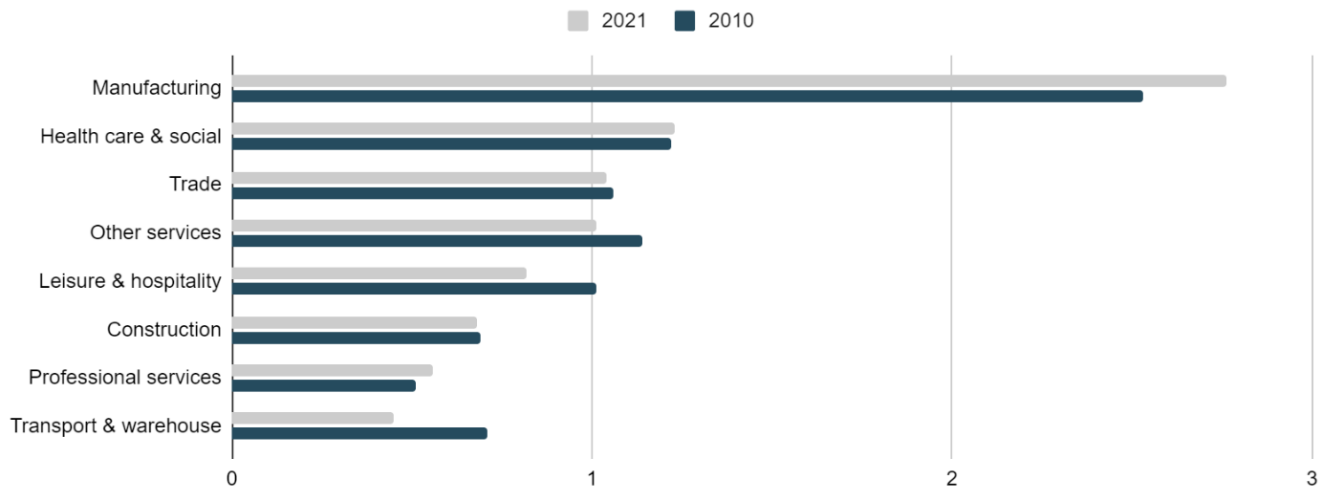


Source: EMSI

Strong and Strengthening Manufacturing Industry Cluster.

Location quotients measure the relative concentration of local employment in a sector to the national benchmark. A location quotient over 1 is evidence of an industry cluster. For the Austin area, employment concentration in manufacturing is strong and increased between 2010 and 2021 (Figure 3).

Figure 3: Industry location quotient, Mower County



Source: EMSI



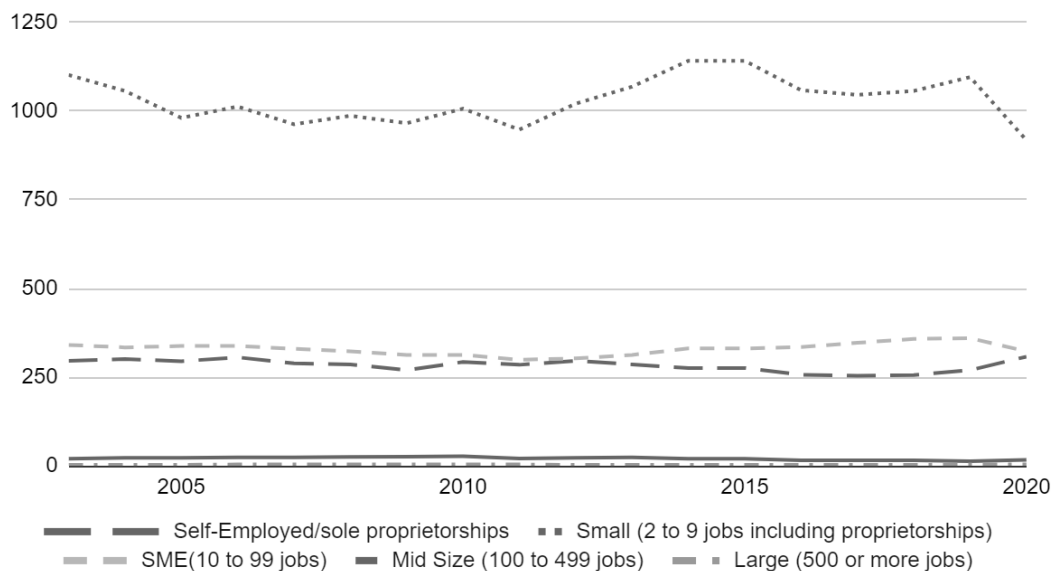
Small and medium- sized firms account for a majority of the employment in Mower County.

Large firms account for about 25% of jobs in the county. About 20% are attributed to small firms. The remaining 45% of jobs are provided by medium to mid-size firms.

Number of self-employed is Increasing in Mower County

Data in Figure 4 show that prior to 2020, the number of small and medium sized firms in Mower County increased. The pandemic appears to have caused a decline in small firms along with a shift toward self-employment, at least in the short run.

Figure 4: Number of Establishments by Size and Year (Mower County)

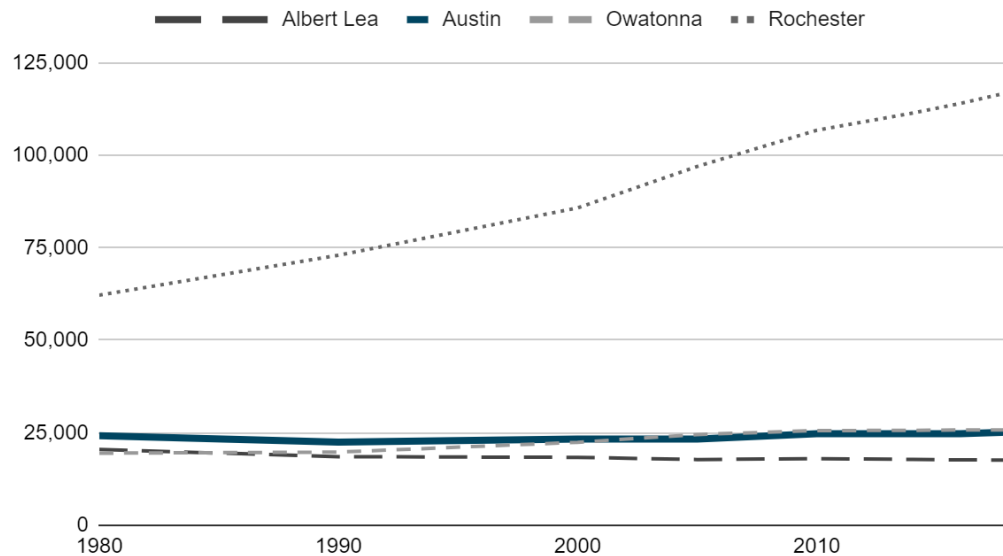


Source: www.youreconomy.org

County Population Growing, Driven by Natural Change and Immigration

The population of Mower County is increasing due to natural change (more births than deaths) and international migration. The foreign-born population increased by 1,947 people, or 73%, between 2010 and 2019 in Mower County. During that same period, the foreign-born population in the state was 29%. Growth also occurred in the <18, 35-44, and 45-64 age categories during that same period.

Figure 5: Population 1980-2018



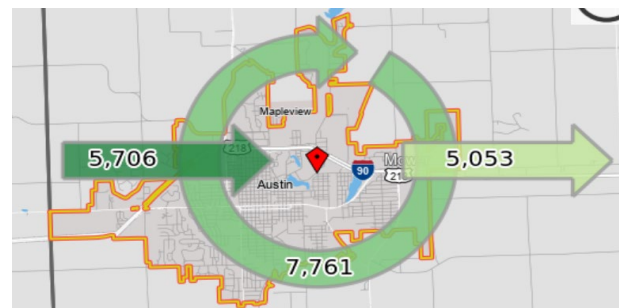
Source: U.S. Census

Strong Migration and Commuting Ties Exist with Neighboring Counties

Figure six illustrates the top three sources of new residents were surrounding counties (Olmsted, Fillmore, and Freeborn). The top three destinations for Mower County residents relocating were surrounding counties (Olmsted, Freeborn, and Steele). About the same number of people relocated from Mower County to Olmsted County as relocated from Olmsted County to Mower County in 2019. Albert Lea, Rochester and Owatonna were the top sources of workers for businesses in Mower County. They were also the top three destinations for people commuting out of the county to work.

Figure 6: Commuting Patterns (2019)

Where Austin Workers Live		Where Austin Residents Work	
Albert Lea	510	Rochester	899
Rochester	306	Albert Lea	506
Owatonna	147	Owatonna	322
Brownsdale	121	Minneapolis	143
LeRoy	84	Bloomington	117
Rose Creek	79	St. Paul	110
Adams	76	Dodge Center	97
St. Paul	76	Mankato	87

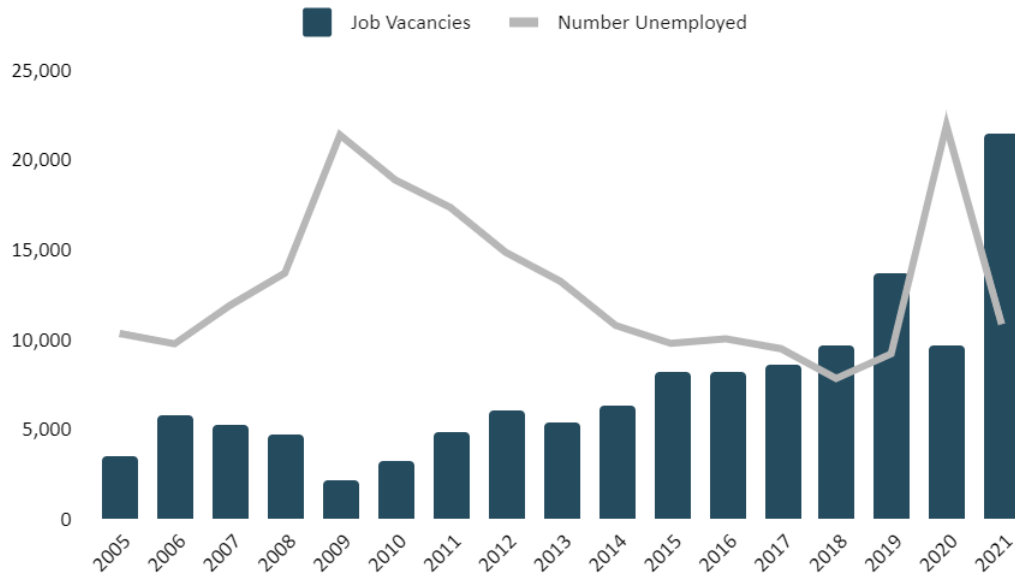


Source: U.S. Census, OnTheMap

Worker Shortage Starting in 2018, Expected to Continue

Starting in 2018, there were more jobs than job seekers in the region (Figure 7). Looking ahead, the workforce is projected to decrease primarily due to an aging population. Austin has a very high workforce participation rate. Approximately 78% of those ages 18-64 are employed according to the MN Compass. The U.S. average is around 62% during that same time. The size of the workforce has remained stable over the past decade at around 21,000 people in the labor force.

Figure 7: Job Openings and Unemployed, Southeast Minnesota, 2005-2021



Source: Minnesota Department of Employment and Economic Development

Developable Land Exists but Austin Lacks Available Industrial Buildings

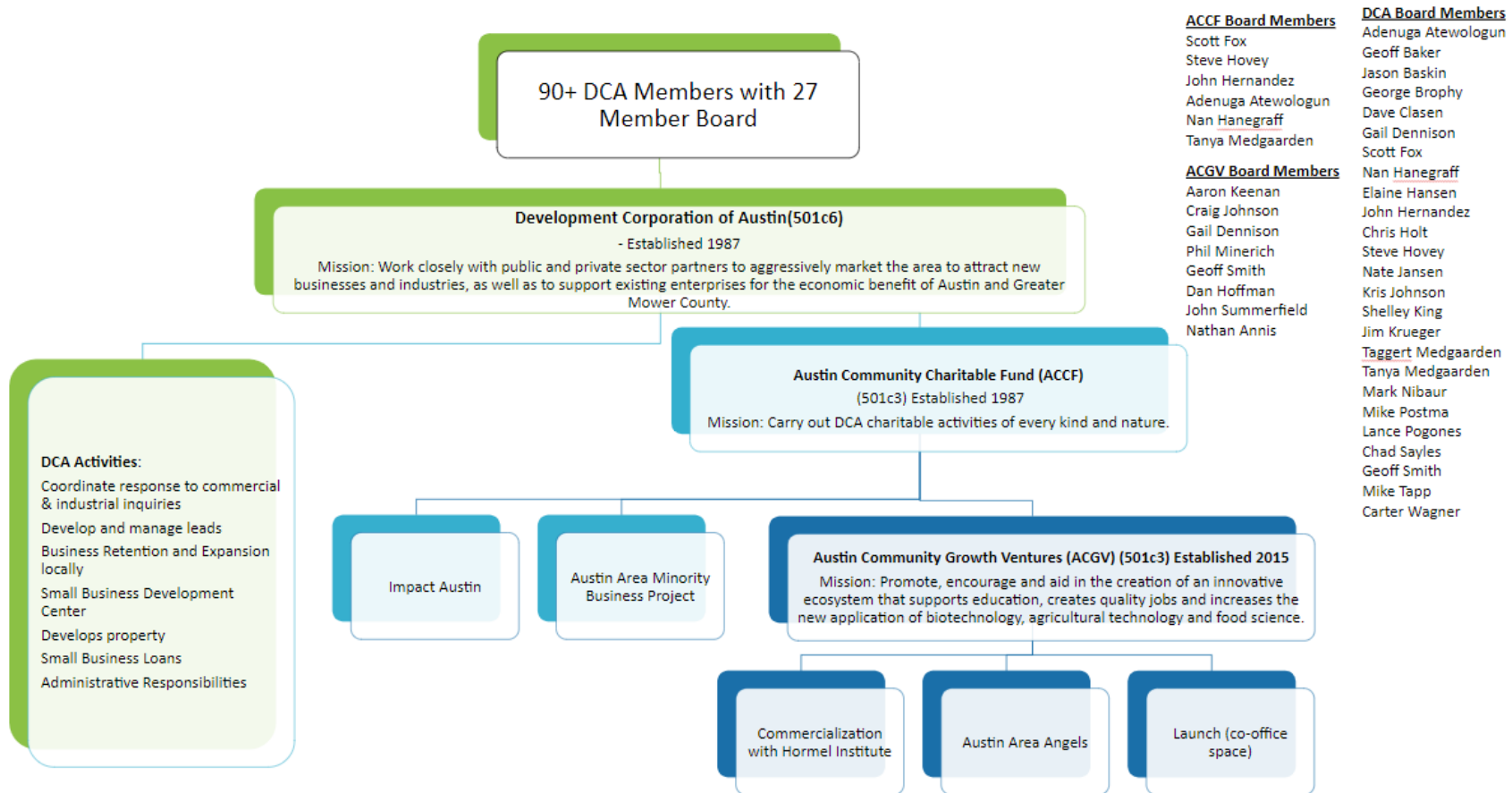
There is currently about 150 acres of publicly owned industrial land available for development. There is another 400 plus acres of privately owned land that is potentially prime for industrial development. Austin has the largest shovel-ready site in the region (100+ acres). Parts of Austin are in a designated Opportunity Zone. There are no industrial buildings available.



Development Corporation of Austin

Appendix C: Organizational Chart

Austin Community Growth Ventures





Development Corporation of Austin

Austin Community
Growth Ventures

Appendix D: Staff and Roles

John Garry, President & CEO

John oversees all programs and operations of the Development Corporation of Austin. He has had this position since 2007. John is the primary contact for Austin with the State of Minnesota Department of Employment and Economic Development on expansion and marketing projects. He works with site selectors on site selection projects. He provides ongoing coordination with economic development partners.

John has a BA from the University of St. Thomas, an MA from Manhattan College (Riverdale, NY), and an MPA in Nonprofit Management from the University of Minnesota - Humphrey Institute. He is a native of Austin.

Aaron Keenan, Principal Consultant, DCA & ACGV, Launch Co-Working Space Manager & Small Business Development Center Consultant

Aaron is an experienced executive leader with a passion for innovation, building companies from the ground up and streamlining established organizations. Aaron's role includes grant design and administration, Small Business Development Consultant, overseeing the Launch Co-working Space (LaunchAustinMN.com), and developing programs for local entrepreneurs. Aaron is the co-founder of Sonex Health and a former Mayo Clinic administrator. He has an MBA and engineering degree and served in the Navy.

Juan Molina, Small Business Development Center Consultant

Juan Molina works as an independent consultant with the Small Business Development Center (SBDC) office with the Development Corporation of Austin. He is an authorized tax practitioner by the IRS. In his SBDC role, he helps businesses with a variety of needs including business plans, preparing loan applications and setting up accounting systems.

Wendy Anderson, Small Business Development Center Consultant

Wendy is an entrepreneur and provides marketing and communications guidance to DCA and small businesses.

Alice Holst, Executive Administrative Assistant

Alice oversees bookkeeping and administrative duties for DCA. She retired as U.S. Bank Branch Manager in Austin in 2011.

MEMORANDUM

DATE: 3/4/22
TO: Jerry McCarthy
FROM: Craig M. Byram
RE: Port Authority - role and function
OUR FILE: 22.0000

Craig Clark advised that you are needing an outline of the Port Authority's role and function.

A Port Authority is an economic development arm of its parent governmental agency (the City of Austin) established by special legislation and defined in statute. It was established by statute, and is generally governed according to the statute and its Bylaws.

That being said, the City Code does reference the Port in Section 2.32 which describes the Port, its purpose, its establishment by the legislature in 1987, describes the board of commissioners and its members, and other details not specifically found the statutes. It does highlight that the Austin Port Authority is intended to support both "economic" development and "industrial" development, as well as "redevelopment" efforts within the City of Austin.

More specifically, Section 2.32, subd. 2 says, "It shall be the role and responsibility of the Port Authority to carry out economic and industrial development and redevelopment within the city in accordance within the general policies as may from time to time be established by the Council and Mayor." So, the City Council oversees the Austin Port Authority's methods and can direct them if necessary. Otherwise, the Austin Port Authority is generally allowed to pursue its objectives under its own authority.

The rest of Section 2.32 generally points to the statutes for determination of the Port's role and function. The Port Statutes are found in Chapter 469, beginning with section 469.048. The first thing necessary is to understand what the "Port District"(area of operation) is for the Austin Port Authority. It has been understood since inception to be the entire city limits of Austin. So, as our City boundaries change, the Port District changes with them.

General Powers

The general duties and powers of the Austin Port Authority are described in section 469.055, and include:

- (1) promoting the general welfare of the "port district;"
- (2) increasing the volume of commerce;
- (3) promoting the efficient, safe, and economical handling of the commerce; and
- (4) provide or promote adequate docks, railroad and terminal facilities open to all on reasonable and equal terms for the handling, storage, care, and shipment of freight and passengers to, from, and through the port district.

In doing these things, the Austin Port Authority shall:

- (1) consider and adopt detailed plans for the port district consistent with the above;
- (2) decide on and recommend legislation and rules needed to regulate and improve the “port district;”
- (3) recommend to the proper departments of the federal, state, or local government, or to another body, the carrying out of public improvements to benefit the “port district;” and
- (4) annually by April 1 give a detailed written account to its city council of its activities, its receipts and expenditures during the past calendar year, and other matters and recommendations it finds advisable to advance the commerce and welfare of the “port district.”

In addition the Austin Port Authority may:

- (1) join an official, industrial, commercial, or trade association, or another organization concerned with the purpose,
- (2) have a reception of officials or others who may contribute to advance the port district and its industrial development, and
- (3) carry out other public relation activities to promote the port district and its industrial development.

These activities have a public purpose (required for spending tax dollars).

Further, the Austin Port Authority may:

- (1) Acquire, purchase, construct, lease, or operate warehouses, storehouses, elevators, cold storage plants, terminals, bridges, or other terminal or transportation facilities.
- (2) Own, hold, lease, or operate real and personal property located in the “port district.”
- (3) Lease property in or out of its “port district” if it believes the property is suitable and proper to use to carry out its duties and responsibilities. The facilities and the property must be needed or convenient for storing, handling, or transporting freight, passenger traffic, and establishing rail and water transfer in the “port district.”
- (4) Make rules and fix fees for the use of the facilities it owns or leases, and for the services it renders.
- (5) Borrow money and secure the loans by mortgages on property held or to be held by it or by bonds.

- (6) Acquire under eminent domain property of any kind within the “port district” needed by it for public use even if the property was acquired by its owner under eminent domain or even if the property is already devoted to a public use. Property vested in or held by the state or by a city, county, school district, town, or other municipality must not be taken without the holder’s consent. The port authority shall adopt a resolution describing the property and stating its intended use and the necessity of the taking.
- (7) Survey or investigate the proper uses, operations, improvement, and development of the “port district,” the resulting stimulation of employment, and the benefit to the port district’s city, county, and state.
- (8) Prepare a plan to construct, develop, and improve the port in the future. The plan may be merged with existing or future plans of the City of Austin. After public hearing, the Austin Port Authority may adopt a plan as its official plan for the “port district.” Then the plan may be extended, modified, or amended only after a hearing. When the plan is adopted, all improvements made by the Austin Port Authority must be consistent with it.
- (9) Cooperate with or act as agent for the federal or the state government, or a state public body, or an agency or instrumentality of a government or a public body to carry out its purposes.
- (10) Study and analyze industrial development needs in its port district, and ways to meet the needs. A port authority may study the desirable patterns for industrial land use and community growth and other factors affecting local industrial development in the district and make the result of the studies available to the public and to industry in general. A port authority may engage in research and disseminate information on industrial development in the port district.
- (11) Accept conveyances of land from all other public agencies, commissions, or other units of government, including the housing and redevelopment authority, if the land can be properly used by the port authority to carry out its purposes.
- (12) Sell and convey property owned by it within a “port district” or industrial development district if it determines the sale and conveyance are in the best interests of the district and its people, and that the transaction furthers its general plan of port improvement, or industrial development, or both. The conveyance must require the purchaser to give plans and specifications to develop the property in the manner anticipated to benefit the district. The port authority must approve the plans and specifications in writing. These sales, along with the plans and specifications, must be made only after notice and hearing and a 20 day appeal period.
- (13) Advance its general fund money or its credit, or both, without interest, in furtherance of its statutory purposes. If the funds are bond proceeds then there are requirements that the repayment requirements cover the bond costs.

Industrial Development Districts

Now, with these general powers in mind, the Austin Port Authority may “create and define the boundaries of **industrial development districts** within the “port district.” This requires a public hearing, with ten days’ notice published in the newspaper. This would occur if the Austin Port Authority

finds that such an industrial development district is proper and desirable to establish and develop industrial developments (or redevelopments) within its “port district. I do not believe we have done this in the past - preferring instead to approach redevelopment on a parcel by parcel basis.

An **industrial development district** is an area of the City that is considered “marginal property” in need of development or redevelopment. The Austin Port Authority would consider that geographic area, make a finding that sound redevelopment of the area “cannot be redeveloped without public participation and assistance in (1) acquiring land, (2) planning, (3) financing of land assembly in the work of clearance and development, and (4) making necessary improvements for developing.

Our local Code requires that such **industrial development districts** be presented, along with a budget for redevelopment, to the City Council for approval. The closest thing we have done in this vein is the Main Street Project where the City Council approved and substantially funded that effort targeting the downtown. While not industrial per se, it did improve the economic health of the “port district”. It had defined boundaries, defined terms for redevelopment, and Council approval and support.

A similar project might have been the Cook Farm Site - now renamed Creekside Business Park. However, that was fully developed by the City and then transferred to the Port. But it too was a targeted development effort with multiple stages, budgets, and goals. Had the Austin Port Authority done this, it could have done so with approval of the Council.

Once established, an **industrial development district** provides more tools to the Austin Port Authority. I don’t anticipate that we will use this method as it is intended to be targeted toward industrial development and our industrial parks are not aging and in need of massive investment to redevelop. But it is important to know that the Port Authority has the ability to target an area for industrial development if it is needed.

Historical Context

Not every community has a Port Authority. They are created by the legislature and not by local enactment. We are blessed to have one. We are also blessed to have an HRA, a local-government agency focused on “housing” and “redevelopment.” We are also blessed to have a DCA, a private agency also focused on broadly defined “economic development.” We are also blessed to have a relatively active Chamber of Commerce - who also advocates for, but has few resources to support “economic development in a very broad sense.

With all these agencies in our community is often becomes confusing as far as which agency is best suited to carry out which part of economic development. In a broad sense, economic development includes infrastructure, schools, housing, retail, services and accommodations, and industrial development. None of these can advance without the others. That being said, duplication of efforts and creation of conflicting development plans can also hinder development.

In Austin, we have long held that the Port’s primary concern is industrial development, but we have also recognized that economic development has many facets all working together. So, while the HRA is an agency more tailored toward housing, when the HRA is constrained, the Port has filled the gap. Similarly, commercial and retail are such a vital part of attracting and retaining citizens and businesses, the Port has participated in some commercial redevelopment in recent years.