

TEAM 12

Economic Development

Wednesday 7th May 2025

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What is Economic Development?

- **Increase in property tax base**
 - Currently Net Tax Capacity is approximately \$14.8 m
 - Split: Residential 49%; Commercial & industrial 32% & Non-residential (rentals) 16%
- **Increase in employment opportunities in FF** – figures off MN-DEED website
 - 9-year average 6,765
 - 4-year average 6,760
 - Unemployment currently 4.3% vs State @ 3.1%
- **Increase in retail options**
 - Support Visit Fergus Falls to create campaigns to promote shopping
 - Continue to work with Otter Tail County on mall redevelopment
- **Increase in housing stock**
 - Utilize infrastructure grant opportunities to reduce development costs



Priorities

- **Develop the 116 industrial corridor**
 - Free trade zone or something similar
- **Complete the current industrial zone**
 - Grant funding for infrastructure to access to vacant lots
- **Complete the Stanton Avenue housing project**
 - Sustainable housing – not apartments
- **Continue work on the old dairy site**
 - Rail crossing and trail
- **Fill downtown vacant space**
 - Inventory of empty properties
- **Work on expanding opportunities at the airport**
 - Regional Airport status
 - Develop associated business, example package delivery services



KPI's – Goals – The 1% Rule, Aggregate marginal gains

- **Increase Net Tax Capacity**
 - Next 5 years by 5%
 - Next 10 years by 10%
- **Increase Jobs**
 - Next 5 years by 5%
 - Next 10 years by 10%
- **Increase Commercial Property Tax Base Percentage**
 - Next 5 years by 5%
 - Next 10 years by 10%
- All adjusted for real growth vs inflation



Funding of position

- Fund through the Port Authority
 - Sustainability of position
- Reduce city tax levy by equivalent amount
 - Work with Tax Levy and other alignments within the cities budget
- City continues to make \$50k pledge to support
 - Access, used for building funds
- Estimate likely costs \$200-250k/annum
 - Employee plus associated costs
 - Communications/Targeted marketing
 - Administration
 - General expenses, insurance, travel, etc.



Position Priorities

- 50% on business retention
 - Understand current base
 - Assist in expansion efforts
- 40% on new business development
 - Seek new businesses for industrial zones & airport
- 5% on supporting community projects
 - Support childcare efforts
 - Support housing efforts
- 5% ability to think and process
 - Time to dream



Structure of Position

- **Port Authority/EDA Manager**
 - Reports to Administrator
 - Add non-elected representation to PA board (4-3)
- **Utilize Port Authority**
 - Longterm Funding mechanism
- **Economic Improvement Commission (EIC)**
 - Independent Advisory board of commissioners
 - Local business entrepreneurs – engaged people
 - Appointed city council
 - More flexibility to negotiate



Support for the Position

- **Example Golden Shovel Agency**
 - Works with over 30+ communities in Minnesota
 - Has clients in 42 states
 - Based out of Little Falls, MN
 - www.goldenshovelagency.com
- **Phase 1**
 - Create a community supported set of priorities
 - Help define goals and strategy
- **Phase 2**
 - On-going implementation
 - Target marketing and implementation



Incentive Programs

- **State Funding Programs**
 - Infrastructure grants
 - Energy Transition Grants
- **Build loan funds held by the city (distributed by BDFF)**
 - Allocate 25% of liquor store profits to loan pool to build non-restricted fund source
 - Current total fund balance \$2,305,758 (varied fund restrictions apply, as at 2025-04-28)
- **Alternate programs**
 - Example -Demolition rebate
- **Otter Tail County Funding Programs**
 - Use their resources
- **Tax Increment Financing**
 - All government entities participate
 - Longer term program
 - Define policy and guidelines
 - Short and long term
- **Tax Abatement**
 - Shorter term program
 - Other government entities have the option to participate

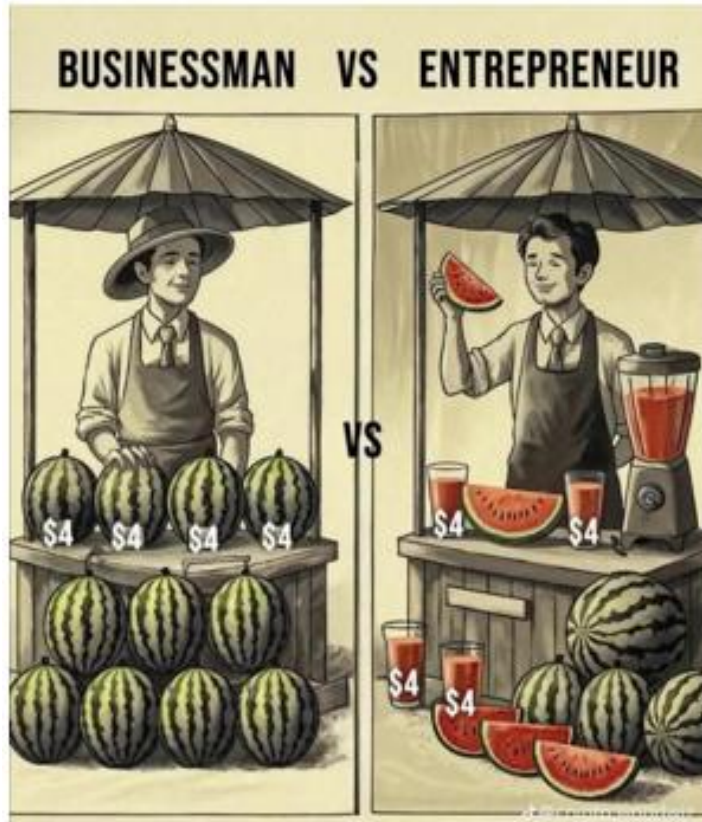


Comprehensive / Strategic Plan

- **Comprehensive Plan**
 - Captures the shared vision of the community
 - Provides guiding principles for council and staff
 - Long-term reference document – 10-20 years
 - Ability to increase opportunities for grants
- **Strategic Plan**
 - Specific goals
 - Short-term direction – 5 years
- **Plans are rooted in citizen input**
 - To create measurable milestones
 - Continued support of the community
- **Addresses topics including**
 - Land use, housing, public facilities, utilities & transportation
 - Quality of life, historical, cultural & environmental spaces



And Finally



Do we want to sell melons or melonade?

