

**Pine Island  
Economic Development Authority**  
106 2<sup>nd</sup> Street SW, Pine Island, MN

**2013  
Annual  
Report**

Prepared by

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EDA Executive Director





# 2013 Financial Review

## Pine Island EDA

### December 31, 2013

#### EDA Revolving Loan Program

		<u>Total Outstanding Loans/Funds</u>	<u>Current Fund Balance</u>
Number of EDA loans issued since EDA was established	33		
• Micro Loans Outstanding (Acct 260)	2	\$5499	\$123,221
• Spruce-Up Loan Outstanding	1	\$15,000	\$15,151*
• EDA Revolving Loans Outstanding (Acct 261)	7	\$199,423	\$47,865
• PITEL Revolving Loans Outstanding	0	\$142,854	\$246,540
Total All Revolving Loan Funds Outstanding as of Dec. 31, 2012		\$362,776	
Total All Revolving Loan Funds Available as of Dec. 31, 2012			\$434,886
Total All Revolving Loan Funds			\$797,662

\* A maximum of \$85,000 was allocated from Acct 260 for the Spruce-Up Program

#### 2012 Pine Island Permit Activity

	<u>2013 Permits Issued</u>	<u>2013 Building Activity</u>	<u>2012 Permits Issued</u>	<u>2012 Building Activity</u>	<u>2011 Permits Issued</u>	<u>2011 Building Activity</u>
New single-family dwelling starts	7	\$1,277,000	7	\$1,133,500	6	\$1,195,000
New Commercial/Indus./Institutional	5	3,730,000	3	\$879,000		1,783,000
Addition/Alteration	46	304,715	44	366,387		1,007,572
Fixed Fees	50	225,000	57	285,000	38	190,400
<b>Total Bldg Activities</b>		<b>\$5,536,715</b>		<b>\$2,378,887</b>		<b>\$3,985,572</b>
<b>Total Building Activity Trend:</b>	\$3,985,572 (2011) □ \$3,843,920 (2010) □ \$2,095,701 (2009) □ \$5,180,080 (2008)					

#### Employment Data

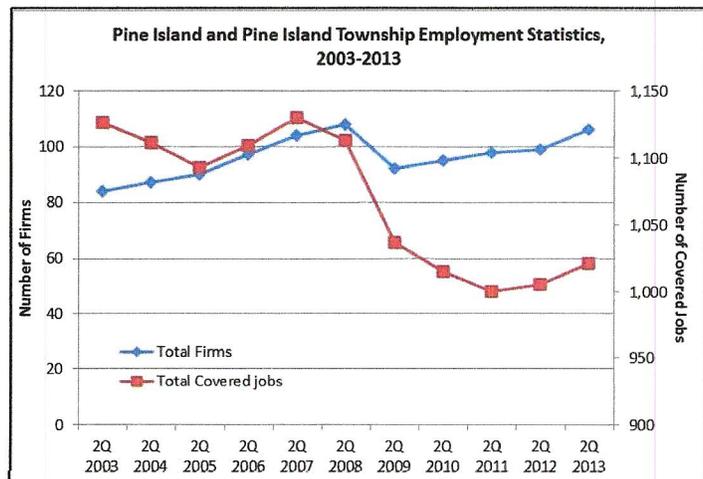
##### Number of Business Establishments by Employment Size in 2010:

Pine Island (Zip Code 55963)		Number of Establishments by Employment-size class, 2010								
Industry Code Description	Total Establishments	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 or more
Total for all sectors	110	67	22	11	7	2	1	0	0	0
<i>Percent of Businesses</i>		60.9%	20.0%	10.0%	6.4%	1.8%	0.9%	0.0%	0.0%	0.0%

*Source: U.S. Census Bureau, County Business Patterns*

#### Number of Business Establishments within the City of Pine Island & Pine Island Township in 2013:

*\*Note: Covered jobs include those reported to DEED Quarterly Census of Employment & Wages*



**Number of Business Establishments - City of Pine Island & Pine Island Township in 2013 (contd.):**

2nd Quarter 2013 Data				
	Number of Business Establishments	Number of Covered Jobs	Quarterly Payroll	Avg. Weekly Wages
Pine Island city	90	959	\$8,216,179	\$659
Pine Island Twp	16	62	\$386,314	\$479

*Source: DEED Quarterly Census of Employment & Wages (OCEW) program*

2nd Quarter 2012 Data				
	Number of Business Establishments	Number of Covered Jobs	Quarterly Payroll	Avg. Weekly Wages
Pine Island city	84	943	\$7,888,368	\$643
Pine Island Twp	14	58	\$396,605	\$526

*Source: DEED Quarterly Census of Employment & Wages (OCEW) program*

**10 Year Employment Trends – Number of Business Establishments & Covered Jobs:**

*\*Note: Covered jobs include those reported to DEED Quarterly Census of Employment & Wages*

	Q2 2003	Q2 2004	Q2 2005	Q2 2006	Q2 2007	Q2 2008	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013
<b>Pine Island Twp.</b>											
Number of Establishments	8	10	12	12	14	14	13	13	13	15	16
Number of Covered Jobs	45	42	35	51	74	59	57	49	50	60	62
<b>Pine Island city</b>											
Number of Establishments	76	77	78	85	90	94	79	82	85	84	90
Number of Covered Jobs	1,081	1,069	1,058	1,058	1,056	1,054	980	966	950	945	959

*Source: DEED Quarterly Census of Employment & Wages*

**Demographics**

**Pine Island, Minnesota**

**Population:** 3,336  
**Bachelors Degree or Higher:** 30.1%  
**Household Median Income:** \$52,321  
**Commute Travel Time:** 21.7 minutes

Pine Island Residents					
Household Income	%	Age	%	Education Attainment (age 25+)	%
< \$35,000	39.2%	0-19	23.5%	High School	30.9%
\$35,000-50,000	8.0%	20-39	21.0%	Some College	22.1%
\$50,000-100,000	32.7%	40-59	32.0%	Assoc Degree	10.1%
> \$100,000	20.1%	60+	23.5%	Bach Degree	20.5%
				Grad Degree	5.8%
Households	%	Gender	%	Size of Household	%
Owner Occupied	70.1%	Male	48.8%	1 person	338
Renter Occupied	29.9%	Female	51.2%	2 person	494
				3-4 persons	261
				5+ persons	44

*Source: U.S. Census Bureau, American Community Survey, 2008-2012*

# 2013 Pine Island EDA Year-End Review



**2013 Focus** – The Pine Island EDA has worked on a variety of projects throughout 2013 on behalf of the City which involved:

- providing support and services to several of Pine Island business establishments
- providing technical support and services to a number of prospective new businesses
- developing new marketing tools to attract business and development to the community
- seeking funding for a variety of community projects
- facilitating community organizations that are working to strengthen the City, business community, and the quality of life enjoyed by Pine Island residents

Many of the projects have involved working closely with regional, state, and federal development agencies and specialists in order to maximize the City's potential to access the financial and technical assistance resources available for economic development projects. The EDA has also worked with landowners and developers to explore options for expanded commercial and industrial development.

During the 2013 EDA Strategic Planning Session the Board of Directors identified the need for a new school facility as the number one priority for this community. Board members believed this issue has the potential for the greatest impact on Pine Island's future growth and development. To that end, the EDA has worked to create, bridge, and strengthen relationships within the community between School, City, Townships, developers and local businesses.

The EDA's efforts to positively impact community development initiatives were augmented through facilitation and support of several local organizations on projects involving improvements to community amenities, infrastructure, and quality of life, all key to Pine Island's future development.

## **New Business Development**

- **Prospective Businesses** – The EDA worked with 12 prospective new businesses in 2013 ranging in size from small operations to large companies. Business planning assistance was provided to those companies in the early stages of start-up and referrals were made to other agencies that could assist with writing business plans and evaluating the projects' viability.

Assistance was provided to businesses in gathering needed information and submitting applications for financial and technical resources from potential city, state, and federal business subsidy programs. The EDA linked several prospective business candidates with land and building owners, developers, lending agencies, and potential investors.

In addition, staff assisted companies in making determinations as to their eligibility to apply for financial assistance from EDA revolving loan programs and City tax increment financing/abatement programs as appropriate. The EDA introduced prospective companies to potential region, state, and federal financial resources and assisted them as needed in working with these agencies.

- **New Businesses** – 4 new businesses opened their doors in Pine Island in 2013: Pine Island Liquor, E-BEE Embroidery, Edina Realty, and Eclectic.
- **Job Creation Goals** - The City and EDA worked cooperatively with MnDOT to find a solution concerning job creation goals that would eliminate the City's financial obligation to the State if newly defined job goals are not met within 9 years.
- **Highway 52 Commercial Development Opportunities** – The EDA worked closely with a prospective land owner/developer and the City to induce the improvement of land for commercial development along Highway 52 which will be accessible upon completion of the East Frontage Road in 2014.
- **Elk Run** – The EDA continued its efforts to collaborate and support Tower Investments in the development of Elk Run. With the completion of the new interchange and service roads, Elk Run is ready to begin development. The EDA has been involved with providing support and services to prospective Elk Run candidates, responding to inquiries about Elk Run, and providing information and services as requested to companies that express an interest in locating at Elk Run and/or meeting with Tower Investments.

## **Existing Business Retention and Support Services:**

- **Business Expansions/Relocations** – A number of Pine Island businesses were involved in expanding their facilities in 2013 including: Farm Country Coop (\$325,000); M&M Lawn & Leisure (\$100,000); Land O' Lakes (\$3,000,000); and American Water Works (\$300,000). Progressive Tool and Mfg. moved its plastics manufacturing business to the 50,000 sq. ft. facility which houses metal manufacturing for efficiencies of operation. PTM's 18,000 sq. ft. facility was sold to the owner of M & M Lawn and Leisure. After extensive remodeling, M&M moved into the new facility. The EDA worked with 4 additional Pine Island Businesses owners who also explored expansions or relocations, but have not moved forward at this time.
- **Business Retention/Support** - Several Pine Island businesses were impacted in 2013 by the closing of at-grade intersections and medians on Highway 52. The EDA assisted with creating and administering a questionnaire, hosting a number of meetings, and representing the City and businesses in communications with MnDOT. The EDA also worked with businesses on the north side of Pine Island that expressed concerns over MnDOT's proposal to close the north entrance onto Highway 52 for north and southbound traffic.
- **Local, Regional, and State Incentive Programs** – The EDA explored prospective opportunities for several local businesses to apply for local, regional, state and federal business subsidy programs to assist with business expansion and start-up projects.

## EDA Internal Programs:

- **Revolving Loan Programs** – Three revolving loans were issued to Pine Island businesses in 2013 totaling \$168,358. Two of the loans were renewals and the third provided financial assistance for the new owners of a long established business. EDA staff continues work with a manufacturer that is pursuing a sizeable financial package that would require bundling of several lending programs and resources. Kennedy and Graven was reappointed to prepare necessary loan documents for the EDA, and the Small Business Development Center of Rochester provides loan analysis assistance as well as technical support to businesses exploring expansion and new business start-up projects.
- **Available Real Estate** – A database continues to be maintained by the EDA listing available commercial and industrial properties for sale or lease.
- **Website Development** – The EDA developed a new website in 2013 which can be found at [www.pineislandeda.org](http://www.pineislandeda.org). The site is fully functional and provides a valuable tool and resource for prospective developers and businesses that would like to access information about the community.
- **Community Marketing & Promotional Materials** – Brochures promoting Highway Commercial, Downtown Commercial, and Residential Development were developed.

## Community Development Projects:

- **New School Facility** – The EDA Board of Directors identified the need for a new school facility as the number one development issue for this community. The EDA played an active role in planning and organizing a well attended Community Input Meeting in January, hosting monthly Community Planning Team meetings throughout the year, and participating in the School's Facility Task Force which met 5 times to research the community's educational assets, needs, and potential solutions. Task Force recommendations were made to the School Board which resulted in the decision that a referendum is necessary to build a new elementary facility and to make improvements to the existing facility. The referendum will be held in May of 2014.
- **Image Committee** – Since 2009 the EDA has provided facilitation and support to the Pine Island Image Committee which consists of a group of volunteers who meet twice a month to plan and implement projects and activities they identify as needed to improve the community. The Committee's efforts in 2013 focused on continued operation of the Borrow-A-Bike Program, promotion of 3 Pine Island Trail Guides, publicity about Pine Island and the Douglas Trail in a variety of publications, development of a community calendar, implementation of 4 new community events that bring people to the City and help to strengthen the business community (Americana Concerts, a fall City-Wide Garage Sale, Winter Fest, and an Artisan Cheese Market in 2014), and development of a plan to market/brand the City.
- **Community Planning Team (CPT)** – EDA Board Members and staff have hosted and facilitated activities, projects, and events sponsored by the CPT for the past 17 months. The group is comprised of representatives of the City, School, surrounding townships, and the EDA. It meets monthly to discuss ways to work together to accomplish mutual goals and objectives. The EDA chairs and hosts monthly CPT meetings.

- **Other Community Development Projects** – The EDA participates in a variety of other community and organizational projects as needed including the Pine Island Chamber of Commerce, Pine Area People for the Arts (PAPA), Pine Area Home Services, Zumbro & Friends, and Community Health & Wellness Initiatives.
- **Flood Mitigation & Flood Buy-out Programs** – The EDA was involved in efforts with Zumbro & Friends and the Pine Island Flood Task Force that work to mitigate future flooding in the City.
- **Infrastructure Development** – The EDA participated in meetings throughout the year involving current and future infrastructure planning with MnDOT, Goodhue and Olmsted County. EDA staff worked closely with the City in search of potential funding for construction of 125<sup>th</sup> Street.
- **Grants** – The EDA researched feasibility of several grant opportunities and submitted an application for one in 2013. The EDA continues to complete and submit annual reports to state and federal agencies as required for previously awarded grants.
- **Channel 7** – Operation of the public service channel continues to fall under the authority of the EDA. An investigation into the potential for Channel 7 to be available to ‘for-profit’ businesses was conducted in 2013, but it was determined the potential liability issues outweighed the advantages of implementation.
- **Market Street Study** - The EDA participated on the steering committee of the regional Market Street Study which was conducted by the Rochester Area Economic Foundation in 2013. Results of the study will be released in early 2014.
- **Destination Medical Center Initiatives** - The EDA has been involved in preliminary meetings with Destination Medical Center and Southern MN Initiation Foundation representatives to discuss a regional approach to marketing and transportation as they relate to DMC initiatives.
- **Community Ambassador** – The EDA director gave several presentations/updates in and outside of Pine Island about the City, Elk Run, and the Hwy 52 Interchange project in 2013.
- **Collaborations & Partnerships** – The EDA participated in several organizations that focused efforts on strengthening economic development in southeast Minnesota and the State. In 2013 the EDA served on the Rochester Area Economic Development, Inc. Board of Directors (RAEDI), participated in regular economic development specialist meetings hosted by the Southern Minnesota Initiative Foundation (SMIF), worked closely with SMIF and Destination Medical Center (DMC) to develop a plan that will work to establish a regional approach to promotion of tourism and transportation. The EDA has also participated in several meetings hosted by MnDEED involving development of new funding programs and site selection. The EDA director continues to serve on advisory boards for the region and state Small Business Development Center Programs.