



Steve Thorson, Chairman

I have enjoyed my time as DCA Chairman of the Board. It has been a productive and successful year.

One achievement of significant note, is the promotional campaign launched by DCA and community partner City of Austin. These two entities have collaborated on projects for years since they have the same priority goal – help Austin grow and thrive through economic development.

The campaign entitled, "Austin Minnesota: A Great Place to Grow Your Business" built upon the strong foundation for business in our area – location, workforce, readiness and incentives.

Location & Workforce - We are a prime rural location in proximity to the Twin Cities, Rochester and adjacent to a U.S. Highway and Interstate. Combined with a commuter shed of 178,000 and a talented pool of

business, research and medical professionals, we are positioned for growth in the industry sectors of Food, Agriculture and Bioscience.

Shovel-ready Industrial Site - Businesses considering Austin for an expansion project view the "shovel-ready" status at our industrial site, Cook Farm, as a benefit. Shovel-ready status is awarded by the State of Minnesota and indicates that we have addressed the time-consuming technical and regulatory aspects of development.

Incentives - We have created a lower cost of doing business through local and state incentives. Businesses may be eligible for significant financial benefits through the *Grow Austin Fund*. We also offer tax increment financing/tax abatement and a full range of state incentives for job training, capital investment and job creation.

Thank you to our Executive Committee, Board, Membership and, of course, DCA staff. John Garry, Mark Thein, Judy Lundy and Alice Holst help actualize the vision set forth by our Board. Thank you for your efforts.

2016 Highlights

- Increased activity that supports job creation with local and potential "new-to-town" businesses.
- Met with more than 50 companies in response to expansion opportunities or to support businesses with specific needs.
- Established Austin Community Growth Ventures (ACGV) to promote, encourage and aid in the creation of an innovative ecosystem that supports education, creates quality jobs and increases the new application of biotechnology, agricultural technology and food science.
- Expanded commercialization by hiring commercialization coordinator for ACGV.
- Through DCA, ACGV helped invest seed capital in a medical components company and helped start a new company, Austin Biosciences.





"I used SBDC's input to help me make decisions about purchasing equipment and moving locations. They also helped me improve my bookkeeping methods and provided marketing assistance when I rebranded my company. I recommend any small business owner to contact Mark at Austin's SBDC to find out what they can do for you."

Terry Schmidt, Owner Austin Windshield Plus

The Austin Small Business Development Center (SBDC) provides a variety of services to entrepreneurs and small businesses including business planning and accessing capital and financing. SBDC also helps with financial analysis and sales and marketing operations.

In 2016, SBDC logged 182.25 hours and worked with 24 clients/ businesses (15 existing businesses, nine started or planning to start.) Most the businesses were in the service industry.



John Garry, President/CEO

DCA's mission is to work closely with public and private sector partners to aggressively market the area to attract new businesses and industries, as well as to support existing enterprises for the economic benefit of Austin and Greater Mower County. We made substantial progress toward this end with two significant hires – Mark Thein as Business Development Director and Judy K. Lundy as Commercialization/Innovation Coordinator.

Mark consults with and supports local businesses and works with private and public partners to attract new businesses and industries to the area. He plays a significant role in responding to inquiries and developing leads in targeted industry sectors. He also assists with business retention and expansion activities through the *Grow Minnesota* program in coordination with DCA and Chamber staff. Other responsibilities include assisting companies with gap financing utilizing DCA revolving funds and maintaining an inventory of available land and buildings in the Austin area.

As Commercialization/Innovation Coordinator, Judy helps local researchers at The Hormel Institute develop discoveries and ideas into patentable products or processes. She works closely with Dr. Zigang Dong, M.D., Dr.

P.H., Executive Director at The Hormel Institute, and leadership and researchers to understand their ideas and assist them in the invention disclosure process. Her position is contracted through the Austin Community Growth Ventures (ACGV) organization, a 501c3 organization established by DCA and funded by the Hormel Foundation.

Mark and Judy's efforts, in addition to the support of our Board, Membership and partners,* continue to make Austin and Mower County a vibrant and diverse community with a strong foundation for business.

* Our Partners: Chamber of Commerce, City of Austin, Port Authority, Austin HRA, The Hormel Foundation, The Hormel Institute, Riverland Community College, Southern Minnesota Initiative Foundation, Mower County and State of Minnesota.

2017 Priorities

Increase positive economic impact through quality job growth, business growth and capital investment.

Develop Business Prospect Leads - Convert *Grow Austin Fund* incentives program to a proactive marketing plan, especially targeting sectors of food, agriculture and bioscience.

Launch Incubator with ACGV - Begin implementation, in coordination with Austin Community Growth Ventures, of food, ag and bioscience incubator including services, networking and space development.

Virtual (or real) Spec Building - Conduct analysis for a virtual (or real) spec building.

Member Visits – Establish member visits at two per month. Gather feedback regarding themes, expectations and recommendations for changes to the annual work agenda.

Austin Community Recreation Center Role - Define DCA/ACGV's role in the Rec Center project, including time commitment, reimbursement for costs, awareness of potential risks.

Financial Performance

Development Corporation of Austin

	2016	2015	Change 2015 to 2016
Assets Liabilities	\$ 3,240,000 (1,790,000)	\$ 3,460,000 (1,940,000)	\$ (220,000) 150,000
Equity	<u>\$ 1,450,000</u>	<u>\$ 1,520,000</u>	\$ (70,000)
Public Support Revenues Expenses	140,000 150,000 (360,000)	\$ 130,000 — (430,000)	\$ 10,000 150,000 70,000
Change in Net Assets	\$ (70,000)	\$ (300,000)	\$ 230,000
Austin Community	Charitable Fund	<u> </u>	
Assets	\$ 420,000	\$ 200,000	\$ 220,000
Liabilities	(70,000)	(30,000)	(40,000)
Equity	\$ 350,000	\$ 170,000	\$ 180,000
Revenues	\$ 470,000	\$ 350,000	\$ 120,000
Expenses	(290,000)	(380,000)	90,000
Change in Net Assets	\$ 180,000	\$ (30,000)	\$ 210,000
Austin Community	Growth Venture	es	

Assets	43,000
Liabilities	\$ (5,000)
Equity	\$ 38,000
Revenues	110,000
Expenses	\$ (72,000)
Change in Net Assets	\$ 38,000
<u> </u>	

The Development Corporation of Austin (DCA) is a 501c6 nonprofit organization. Revenue is from DCA members, public entities, lease revenue and grants. The Austin Community Charitable Fund (ACCF), a 501c3 charitable organization, is a supporting organization of DCA.A portion of ACCF funds are restricted to Vision 2010 activities and operations. DCA and ACCF are independently audited, annually. Austin Community Growth Fund (ACGV), a 501(c)(3), is a nonprofit organization to support ACCF. It has not been audited.

DCA Board of Directors as of 12-31-16

Chair	Steve Thorson	Principal	Clifton Larson Allen
-------	---------------	-----------	----------------------

Treasurer Doug Nuckolls President First Farmers & Merchants Bank

Vice Chair Geoff Smith General Manager IBI Data

Secretary Mark Nibaur General Manager Austin Utilities

Scott Aakre VP, Corporate Innovation and New Product Development Hormel Foods Corp.

Shelly King Attorney at Law Baudler, Maus, Forman & King LLP

Board Members

Maynard Akkerman Owner Akkerman Inc.

Adenuga Atewologun President Riverland Community College
Glenn Baker Owner McFarland Truck Lines, Inc.

George Brophy Consultant & Former CEO of DCA RSP Architects

Dave Clasen Owner, Clasen-Jordan Mortuary Clasen Jordan Mortuary

Gail Dennison Director of Development and Public Relations The Hormel Institute

Steve Drennan President First Farmers & Merchants Bank
Sandy Forstner Executive Director Austin Area Chamber of Commerce

Scott Fox Owner Fox Electric

Dave Hagen Council Member Austin City Council

Chris Holt President/CEO Cooperative Response Center

Steve Hovey Attorney at Law Hoversten, Johnson, Beckmann, Hovey LLP

Nate Jansen VP Human Resources & Quality Services Quality Pork Processors Inc.

Kevin Kestner President

Tammy Kritzer RHIP Principal-Health Clifton Larson Allen

Jim Krueger President/CEO Freeborn Mower Cooperative Services

Kestner Electric

Steven Murley Vice President Bremer Bank

Rod Nordeng Operations Administrator-SEMN Region Mayo Clinic Health Systems

Lance PogonesOwnerGames People PlayMike TappPresidentTecstra SystemsNathan TolandOwnerHoliday Cars of AustinCarter WagnerPresidentThe Joseph Company, Inc.

Credit Committee

Dave Forman Attorney Baudler, Maus, Forman, LLP

Barry Irish President Sterling State Bank

Doug Nuckolls President First Farmers & Merchants Bank

2016 Sustaining/Contributing Members & Supporters

Platinum - \$5000+

- * Astrup Family Foundation
- * Austin Housing & Redevelopment Authority
- * Austin Utilities
- * City of Austin
- * Hormel Foods Corp.
- * Mayo Health System Austin/Albert Lea
- * Wells Fargo Bank

Gold - \$2500+

- * Akkerman, Inc.
- * Bremer Bank
- * Cooperative Response Center
- * The Joseph Company, Inc.
- * McGough
- * Quality Pork Processors, Inc. Ulland Brothers
- * US Bank

Silver - \$1000+

- * Adams, Rizzi, Sween P.A.
- * Baudler, Maus, Forman & King LLP
- * CliftonLarsonAllen
- * Damel Corporation, Inc.
- * Davis, Thoen, Kramer & Associates
- * First Farmers & Merchants Bank
- * Fox Electric Co., Inc.
- * IBI Data
- * Knutson Construction Co.
- * McFarland Truck Lines, Inc.
- * MJ O'Connor, Inc.
- * Ready Mix Concrete Co.
- * RSP Árchitects, LTD

Bronze - \$500+

- * Austin Daily Herald
- * Clasen-Jordan Mortuary
- * Freeborn-Mower Cooperative Services
- * Fuhrman Real Estate
- * Games People Play
- * Harty Mechanical
- * Home Federal Savings Bank
- * Palleton of MN
- * Reichel Foods
- * Smyth Companies

Contributing Members-\$350+

- * Accentra Credit Union
- * Austin Chamber of Commerce Cedar Valley Services
- * Heartman Insurance
- * Holiday Cars
- * The Hormel Institute
- * KAALTV
- * Potach & Mitchell Dental Clinic, PA
- * Riverland Community College
- * State Farm Insurance, Greg Meyer
- * Sterling State Bank

Tecstra

Winona Heating & Ventilation

* Worlein Funeral Home

Individual Contributors - \$100+

Donnelly Law Firm

John Garry Rod Nordeng

- * Overby Orthodontics Steve Thorson
- * Usem, Inc.

Founding Members Initially contributed \$5000 or more to help launch DCA

Anderson Memorials, Inc.
Ankeny Mini-Marts
Austin Education Association
Austin Veterinary Clinic
Bell Liquor Store
Brick Furniture-Austin
City Concrete Co.

Coca-Cola Bottling Company

Elrod & Green, DDS Hy-Vee Food Store – Austin

Rich Flack

Greenman Heating & Refrigeration

Hanson Tire Service

Hill Heating, Cooling & Roofing, Inc.

Hormel Foundation JD Driver Ltd Jones Cabinets KAUS Radio KSMQ Television Nick Kolas

Minnesota Freezer Warehouse

Laurence Nace Richard Nordin Oak Park Mall Ray Ondov

Overby Orthodontics
Reeve Chiropractic Clinic
Schammel Electric, Inc.
Shopko – Austin
Southern Minnesota Rail Shippers

TradeExpos, Inc.

Usem Inc.

Weyerhaeuser Paper Co. - Austin

Hoversten, Johnson, Beckmann, Hovey LLP

^{* 2016} Members/Supporters that have contributed \$5000 or more since DCA was launched



jkgarry@austindca.org

Mark Thein Small Business Development Center Consultant mwjrthein@gmail.com

Coordinator jklundy73@gmail.com

Alice Holst Executive Administrative Assistant austindca@austindca.org Austin, MN 55912 T:507-433-9495 F: 507-433-9470

www.austindca.org