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Development Corporation of Austin



DCA ANNUAL REPORT 2023

DEVELOPMENT CORPORATION OF AUSTIN

The 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.

2023 YEAR IN REVIEW

As we look back to 2023 and ramp up for 2024, we want to thank you for your support of the Development Corporation of Austin (DCA). There was noteworthy progress in 2023 and I would like to share some highlights:

Austin Real Estate Fund: DCA's partnership with REVocity surpassed \$500,000 in investments to officially launch the fund. The acquisition of two properties was completed in early 2024. These first two investments and plans for a catalytic investment in downtown Austin are underway. As these plans take shape, we are optimistic about attracting additional investors in 2024.

Impact Austin: With talent attraction and retention at the top of everyone's priority list, DCA is home to the quality of life/community enhancement initiative called Impact Austin. The Hormel Foundation, Hormel Foods, Mayo Clinic, City of Austin, Mower County and DCA have committed \$668,000 to support an integrated comprehensive planning process and hire a full time Impact Austin director to execute these initiatives.

DCA Forgivable Loans: DCA's partnership with Mower County continued in 2023 with the launch of the DCA Forgivable Loan program. The program will aid in the "business succession" transfer of community businesses to new ownership. The loans are up to \$25,000 and forgivable over 5 years. Mower County contributed a total of \$200,000.

Additional highlights include:

- Three Austin Community Growth Ventures (ACGV) Early Innovation grants in 2023 with Dr. Ann Bode, Dr. David Guinovart Sanjuan, and Dr. Jarrod French.
- Nu-Tek Biosciences reaching 26 full-time employees.
- Partnering with the City of Austin on a State of Minnesota \$1.6 million infrastructure grant for Creekside Business Park.
- Small Business Development Center (SBDC) support for entrepreneurs and small businesses reached 60 – the second highest total since SBDC services were established in Austin.

Like many DCA Members, Fox Electric is a proud, long-time supporter of DCA. It is also very encouraging to see new members join this important Austin organization. By supporting DCA you are investing in the community's economic well-being today and in the future.



Scott Fox
DCA Board Chair



STRATEGIC PRIORITIES UPDATE

2024 will bring together vision, planning, and action

We are fired up for 2024. With the addition of awesome new team members and an ambitious Impact Austin to do list, DCA is poised for a very active year. In the context of the current strategic plan, key 2024 priorities are:

1. FAARM – The Future of Advanced Agriculture Research in Minnesota is in the predesign phase. DCA will support Riverland Community College and the University of Minnesota in taking another major step toward Mower County being a major player in the agriculture. The \$220 million development will be catalyst for innovation, skilled workforce and capital investment, while working to solve some of the world's most important challenges.
2. Impact Austin
 - Nick Novotny came on board in April and will coordinate community engagement in the comprehensive planning process and other collaborative priorities.
 - Comprehensive planning collaboration SEH + Velocity will begin work in June. The work includes a city comprehensive plan, a county comprehensive plan, a downtown master plan and a placemaking initiative.
3. Austin Real Estate Fund is entering its second year. Several additional properties will potentially be added to the fund's property portfolio and additional investors will be sought.

Thank you to our many partners who are recognized in other parts of the annual report. Our work is predicated on your support and collaboration.



DCA Strategic Priorities

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



IMPACT AUSTIN

OUR MISSION

Building a vibrant community where people and resources connect to revitalize, discover, and invest to grow Austin in authentic ways.

THE ROLE OF IMPACT AUSTIN IS TO ENHANCE AND ADVOCATE FOR THE COMMUNITY BY SUPPORTING CURRENT INITIATIVES, AND PROMOTING COLLABORATION AND PROGRESS FOR THE FUTURE.

QUALITY OF LIFE INITIATIVES

- Enhance public spaces, to create vibrant and welcoming environments for residents and visitors.
- Provide knowledge and resources to community members to strengthen current programming efforts, and lay the foundation for new ideas in the city.
- Encourage growth and improvement of housing stock in to provide greater access to quality affordable, and market rate housing in the community.
- Improve Land use to further development and accessibility, with an emphasis on strengthening the downtown corridor.

COMPREHENSIVE PLAN

- Mower County and Austin, are working in tandem on an updated plan to guide the city and county in future development, and growth.
- Impact Austin will be working with SEH + The Velocity Group to aid in, and assist with community engagement efforts to ensure the voices of key stakeholders as well as the diverse population that make up the area are the guide in shaping this vision for the future.

TELLING AUSTIN'S STORY

There are many facets that make Austin a unique place to live, work, and play. Impact Austin will be a community voice, sharing the stories and increasing the visibility of our local businesses, food, and events, in the city and abroad.

THANK YOU FOR SUPPORTING THE WORK OF IMPACT AUSTIN



NEW FACES AT THE DCA

Nick Novotny **Director of Community** **Engagement & Enhancement**

Nick's job will be to get people engaged in impactful projects that enhance Austin. Nick's background is in business, music, community event planning...and making beer. He is the founder and director of The Rochester Thaw Music Festival in Rochester, MN.

His first priority will be to get the community involved in the integrated City/County comprehensive planning process. There will also be community enhancement initiatives that Nick will help lead.



Herve Idjidina **Outreach** **SMIF Equitable Communities**

Herve is known by many in Austin for his warm and enthusiastic work with The Welcome Center of Austin and Austin Public Schools. Herve has a background in Finance and Accounting Management with a proven track record in a well-known and successful African banking institution.

Herve will lead DCA's outreach to immigrant owned businesses made possible by a Southern Minnesota Initiative Foundation grant.



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION



SBDC UPDATES



DSC Consumables, Inc: A Journey of Growth and Success

In the small town of Austin, Minnesota, lies a company that has quietly but steadily grown its business that ships their products all over the globe. DSC Consumables, Inc. has a unique history that reflects the resilience and entrepreneurial spirit of its current owner. Established in 2012, the company initially started as a small venture, specializing in providing material testing pans to universities and various engineering companies. The company was purchased in 2017 by its current owner, Eric Blust, who decided to engage his entrepreneurial spirit, leave his career as a police officer of 17 years, and grow a company that has evolved into a trusted provider of their products. DSC Consumable is committed to providing the thermal analysis community with high quality material testing pans at the lowest prices and now serves customers globally.

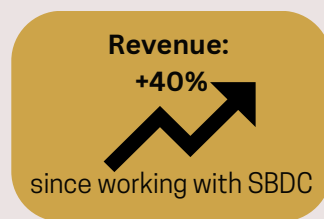


"The partnership with SBDC continues to be a significant benefit to my business. I truly value their consult's opinions and expertise, specifically with driving innovation and fostering growth."

**-Eric Blust, Owner
DSC Consumables**

After several years of experience running the company, Eric recognized the need for strategic guidance to navigate the many challenges businesses face. He decided to contact the Small Business Development Center (SBDC) sponsored and operated by the Development Corporation of Austin for assistance. Upon signing up for SBDC services, Eric was immediately connected with Aaron Keenan, a seasoned SBDC consultant with a proven track record of helping businesses thrive. Eric and Aaron met several times to help the company focus on key goals and define action items to implement. Aaron's expertise was instrumental in devising strategies to boost the company's revenue streams, enhance consumer

engagement, and implement more efficient expense tracking within their operation. Keenan's approach went beyond mere consultation; he encouraged the company to actively participate in educational events, leverage free consulting services, and implement new financial tracking mechanisms. Keenan's approach went beyond mere consultation; he encouraged the company to actively participate in educational events, leverage free consulting services, and implement new financial tracking mechanisms.



DCA & Mower County partner on Forgivable Loan Program

The Forgivable Loan program, started in July 2023, is to help support new entrepreneurs or support the operating capital of the transition to own a business.

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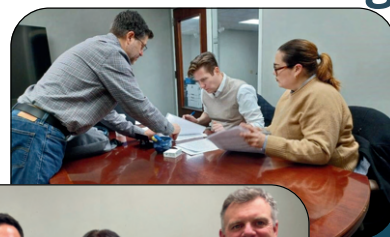
Local Businesses

3 local businesses have utilized these services and kept long-standing Austin Businesses running under new ownership

\$200K

Funding Support

Mower County has contributed \$200,000 to the program and **there are still funds available**. If you know anyone looking to sell their business or purchase an existing business, contact the DCA for more details



DCA & ACGV KEY INITIATIVES



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION



SMIF Equitable Communities Grant

- Grant support for many immigrant-owned businesses.
- Strengthen awareness of small business resources such as SBDC.

Hormel Institute Early Innovation

- ACGV, with financial support from the Hormel Foundation, is supporting the work at the Hormel Institute to get early state discoveries to market.
- In 2023, ACGV selected 3 projects to advance early stage technologies at the Hormel Institute.
- Seed stage investments help advance commercialization potential and to larger funding opportunities.

Austin Real Estate Fund (with Revocity)

- 2 commercial properties have been purchased
 - 510 2nd St NW
 - 326 Main St
- 2024 will focus on high impact development projects in sync with Impact Austin priority areas; seeking additional investment.

FAARM - UMN & Riverland

- \$220 million development will be catalyst for innovation, skilled workforce and capital investment.
- Supporting Riverland's vital role in major agricultural project y in pre-design phase.

Forgivable Loans

- Program designed to support business succession with County-financed forgivable loans.

ECONOMIC DEVELOPMENT BREAKING IT DOWN

What does it all mean? Below are some commonly used phrases in economic development and how they relate to the work happening at the DCA.



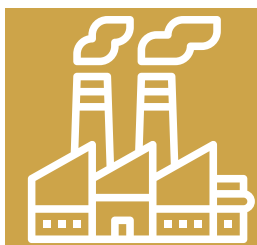
COMMUNITIES OF PRACTICE

A group of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly,” as first defined by Jean Wave and Etienne Wagner in their 1991 text *Situated Learning*. In the economic development sphere, communities of practice are often built around formal structures and organizations designed to support participants in the creation, preservation, and dissemination of practical knowledge.



CAPACITY BUILDING

In economic development, capacity building is the development or improvement of community assets that businesses need to succeed.



CLUSTER/INDUSTRY CLUSTER/INNOVATION CLUSTER

Networks of thematically related companies and institutions in close, geographic proximity that — through competition and collaboration — have the potential to produce more efficient economic output as a group than they could individually. Examples of established clusters include Silicon Valley (technology), Detroit (automotive engineering), and the Boston Life Sciences Corridor (biotechnology and pharmaceutical industry).

Clusters can include suppliers, manufacturers, and institutions that provide education and technical services to support those businesses.



COMMUNITY DEVELOPMENT

A process of participatory economic development in which local stakeholders are resourced and empowered by agencies and service providers to improve their communities.



FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE (DCA)

	2023	2022
Assets	\$ 4,988,000	\$ 5,289,000
Liabilities	\$ (3,507,000)	\$ (3,772,000)
Equity	\$ 1,481,000	\$ 1,517,000
Public Support	\$ 116,000	\$ 119,000
Revenues	\$ 407,000	\$ 323,000
Expenses	\$ (559,000)	\$ (435,000)
Change in Net Assets	\$ (36,000)	\$ 7,000



DCA Board of Directors

(as of Dec 31, 2023)



Scott Fox

Chair

Owner, Fox Electric



Nan Hanegraaf

Vice Chair

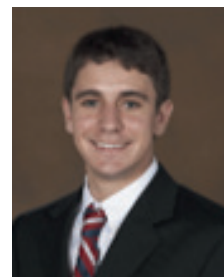
*Market President,
Bremer Bank*



Tanya Medgaarden

Treasurer

*Principal,
CliftonLarsonAllen*



John Hernandez

Secretary

*Asst Director of Finance,
Hormel Foods*



Steve Hovey

Member

*Attorney
Hoversten, Johnson,
Beckman & Hovey*



Chad Sayles

Member

*Director of Corporate
Engineering, Hormel Foods*

Geoff Smith, President, IBI Data

Geoff Baker, President & COO, McFarland Truck Lines, Inc.

Brad Fjelsta, President/CEO, Cooperative Response Center

Elaine Hansen, Executive Director, Austin Area Chamber of Commerce

Taggart Medgaarden, Executive Director, Austin Housing and Redevelopment Authority

Mike Postma, Grant Services Director, Workforce Development, Inc

Carter Wagner, President, The Joseph Company

Gail Dennison, Director of Development and External Relations, The Hormel Institute

Nate Jansen, President/CEO, Quality Pork Processors

Lance Pogones, Owner, Turtle Creek Construction & Games People Play

Mike Tapp, President, Tecstra Systems

Mark Nibaur, General Manager, Austin Utilities

Nathan Annis, Vice President of Corporate Development, Hormel Foods

David Clasen, Owner, Clasen Jordan Mortuary

Kristin Johnson, Vice Chair Administrator, Mayo Clinic Health System, Austin & Albert Lea

Jim Krueger, President/CEO, Freeborn Mower Cooperative Services

Patty Tewes, President/CEO & COO, First Farmers & Merchants Bank

Jason Baskin, Council Member, Austin City Council



Austin Community Charitable Fund

Chair, Scott Fox, Fox Electric
Vice Chair, Nan Hanegraaf, Bremer Bank
Treasurer, Tanya Medgaarden,
CliftonLarsonAllen
Secretary, John Hernandez, Hormel Foods
Steve Hovey, Hoversten, Johnson, Beckman &
Hovey
Chad Sayles, Hormel Foods

Austin Community Growth Ventures

Chair, Geoff Smith, IBI Data
Secretary, Gail Dennison, The Hormel Institute
Treasurer, Nathan Annis, Hormel Foods Corp
Dan Hoffman, Northgate Health Club/New Vision
Consulting
Craig Johnson, (retired) Hoversten, Johnson,
Beckman & Hovey
Phil Minerich, Retired, Hormel Foods Corp.

DCA Staff & Consultants



John Garry
President & CEO



Nick Novotny
Director of Community
Engagement & Enhancement



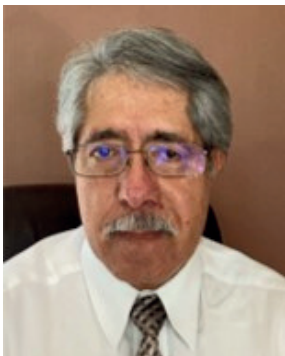
Lindsey Hernandez
Marketing & Membership
Coordinator



Aaron Keenan
Principal Consultant
SBDC



Wendy Anderson
SBDC Consultant



Juan Molina
SBDC Consultant



Herve Idjidina
Outreach
SMIF Equitable
Communities



Thank You for the Support!

2023 Members/Supporters

Platinum- \$5,000

Austin Housing & Redevelopment Authority
Austin Utilities
Astrup Family Foundation
City of Austin
Hormel Foods Corporation
Mayo Clinic Health Systems

Gold- \$2,500- \$4,999

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

Silver- \$1,000- \$2,499

Apollo Liquor
CliftonLarsonAllen
Damel Corporation
Fox Electric Co
Home Federal Savings Bank
Hoversten, Johnson, Beckman & Hovey, LLP
IBI Data
MJ O'Connor Inc.
Ready Mix Concrete Company
The Hormel Institute/U. of Minn.
WDS Construction
Wealth Management Solutions

Individual \$100+

John Garry
Nelson Dental
Overby Orthodontics
Paul Worlein
Dave Crandall

Economic Development Partners



Bronze \$500-\$999

Accentra Credit Union
Baudler Law Office
Clasen-Jordan Mortuary
Freeborn-Mower Electric Cooperative
Games People Play
Grove Street LLC
HPW LLC
Lipid Technologies, LLC
MBT Bank
Palleton Of Minnesota, Inc.
Reichel Foods

Contributing \$350- \$499

Austin Chamber of Commerce
Austin Daily Herald
Cedar Valley Services Inc
Dolan's Landscape Center Inc..
Family Eye Care Center of Austin, Inc.
Medgaarden's Southwest Sales
On-Site Computers
Potach & Mitchell Dental Clinic
Riverland Community College
Sterling State Bank
Tecstra Systems
Workforce Development, Inc.