



Alexandria Area
Economic Development
Commission

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Dear Friends of Economic Development,

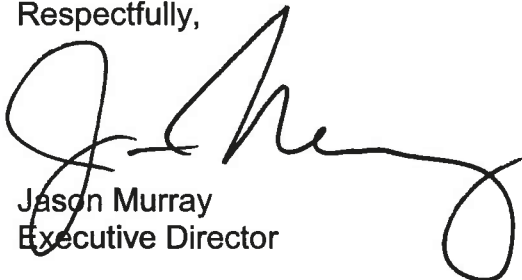
It is with great pleasure that we present our Annual Report summarizing the economic development highlights and achievements for the Alexandria Area Economic Development Commission (AAEDC) from throughout 2011.

The AAEDC collaborated on a large number of economic development projects in 2011, assisting our local businesses to create new tax base and job opportunities for the people of Douglas County. When a company builds a new plant, expands an existing facility, completes a renovation, or adds new workers the entire community benefits through an ongoing ripple effect.

Throughout 2011, the AAEDC responded to approximately 300 inquiries ranging from business requests for start-up and expansion assistance, site selection, business planning, financial packaging, and wage and demographic information. With our assistance, businesses within Douglas County continue to undertake development projects that drive and strengthen the regional economy of our community.

As we begin our 22nd year of working to drive the economic wealth and stability of our communities, we wish to thank our funding partners for their support of economic development. Your financial support continues to sustain our efforts to assist businesses succeed into the future. To the area businesses we serve, we wish to commend you for your continued investment in this county and on the opportunities that you provide for the people residing in the area. Please feel free to contact our office to seek resources for your business endeavors. The AAEDC is here to serve you and the Douglas County community.

Respectfully,



Jason Murray
Executive Director

2011 ANNUAL REPORT



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**DRIVING THE ECONOMIC
WEALTH & STABILITY
OF OUR COMMUNITIES**

AAEDC BOARD OF DIRECTORS & STAFF



Jason Murray
Executive
Director



Patrick Kalina
Marketing &
Communication
Coordinator

Board of Directors (L to R): Kevin Gorghuber (Carlos Township), Deena Steffl (LaGrand Township), Jeff Patience (Alexandria Township), Corliss Stark (City of Alexandria), Kevin Kopischke (City of Alexandria), Mary New (Hudson Township), and Mark Grandgenett (Lake Mary Township). Not pictured: Marc Illies (City of Alexandria)

LETTER FROM THE DIRECTOR

In 1990, the Commission was created to provide economic growth and stability to the area by supporting existing businesses or by attracting new industry while ensuring the protection of our natural resources and quality of life. Twenty-one years later, our mission slightly changed, the organization continues to forge ahead, doing more with less and meeting the demands of our communities and businesses, all while staying focused on and achieving our mission of driving the economic wealth and stability of our communities.

We continue to lead initiatives that focus on economic, community, and workforce development. This ensures a strong connection with our businesses that leverages private investment, and also creates a bond with our elected officials, which fosters public investment through economic development incentives and community infrastructure. As we look back over the past ten years, the Commission has assisted in leveraging over \$229 million in project investments, an additional \$1.6 million in local revolving loan funds, and \$900,000 in community infrastructure dollars. These achievements are just a few measurements of our organizational success.

We have much to be proud of in our community and region; especially the collaboration among our companies, our strong connection with Alexandria Technical and Community College, and the relentless work of our community organizations that enhance the livability of our community and our region. It is this collaboration that will continue to strengthen our public and private partnerships, address our current and future workforce needs, and grow our community for years to come. It's a partnership the Commission is proud to serve.

In behalf of this organization, I am proud to present the Annual Report for the Alexandria Area Economic Development Commission. Inside this report, I hope you will recognize and value the important bridge that the Commission has built between our public and private institutions.

In behalf of our board and staff, I would like to express our heartfelt appreciation to all the companies and individuals that make our work at the Commission meaningful. We wish you all a prosperous and successful 2012.

Warm Regards,

A handwritten signature in black ink, appearing to read "Jason Murray".

Jason Murray
Executive Director

MISSION STATEMENT & AREAS OF SERVICE

Our Vision: We envision a future for the Alexandria Area and Douglas County as the most vibrant regional center in the upper Midwest.

Our Mission: The mission of the Alexandria Area Economic Development Commission is to drive the economic wealth and stability of our communities.

Our Core Values:

Stewards - Build a strong coalition for action to support economic and community growth for our area.

Trust - Earning and sustaining the trust of our businesses, communities and elected leaders we serve.

Inclusiveness - Work to promote the prosperity of the region.

Nurturing - Empower and educate our communities and our leaders.

Respect - Admiration for our natural resources and embracing the opportunities they provide.



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In 2011, the AAEDC focused on the following key areas of service:

Commercial Tax Incentives

The AAEDC works with new and existing businesses on startup and growth projects, some of which can be supported through incentive programs.

Demographics Information

The AAEDC strives to be a demographics, statistics, and information clearing house for our area and produces multiple publications each year focusing on the growth and changes of our communities and all of Douglas County.

Community Stewardship

The AAEDC is continuously working to be a convener of communication on the future of our communities and region.

Revolving Loan Funds

In addition to commercial tax incentives, the AAEDC has a pair of Revolving Loan Funds at its disposal to assist area businesses with growth and expansion projects. Funds are specifically used in coordination with primary financing through a financial institution and cannot be used as the primary means of project funding.

Business Planning & Assistance

The AAEDC works with a large variety of businesses and individuals in the business planning process. Business planning assistance is tailored specifically to the individual's or business's needs.

Site Selection Assistance

In a continuously growing effort to assist area realtors and property owners in marketing commercial properties throughout the area, the state, and the nation, the AAEDC maintains two supplemental property listing databases of "for-sale" and "for-lease" properties located throughout Douglas County.

Financial Packaging

As a part of the business planning process, the AAEDC can help individuals and businesses to create and analyze financial projections to identify needs of the business. Within the financial packaging and planning process, the AAEDC does not recommend any specific commercial lending institution(s) to clients.

Funding provided by the Lakes Area Economic Development Authority (LAEDA) whose membership is comprised of the City of Alexandria, City of Garfield, Alexandria Township, and LaGrand Township; with supporting annual appropriations from the Townships of Brandon, Carlos, Hudson, Lake Mary, and Douglas County.

LAKES AREA ECONOMIC DEVELOPMENT AUTHORITY

The Lakes Area Economic Development Authority (LAEDA) was fully organized in 2004 through special state legislation with approval of the State of Minnesota and the organization's founding members. The LAEDA was established to formalize and stabilize the funding process for economic development efforts in Douglas County, MN. Stable funding is crucial to the success of economic development efforts because of the long-term nature of many initiatives and investments needed to continue to grow the community through economic development.

The mission of the Lakes Area Economic Development Authority is to support the mission of the Economic Development Commission by providing fair and equitable resources.

Benefits of the LAEDA:

• Alternative Funding

The LAEDA allows the local units of government to continue to provide funding for economic development on a non-appropriation basis. This alleviates the need for the local unit of government to appropriate funding for economic development, allowing these funds to be redirected to other essential services.

• Equitable Funding Formula

The LAEDA levy provides secure funding for economic development and provides for a fair and equitable funding formula for members based upon each entity's tax capacity.

• Seasonal Property Owners

The LAEDA levy is current imposed upon seasonal property owners within the LAEDA taxing area. Most economic development leaders feel that this is a fair levy because these property owners use and benefit from the economic vitality and community infrastructure that our residents financially provide.

• Transcends Levy Limits

Upon approval of the Lakes Area Economic Development Authority for the current members, the State of Minnesota provided a vehicle to transcend the levy limits that from time to time are imposed on our local units of government. This provides security for economic development funding and for those critical functions of the organization. If levy limits were imposed, local units maintain the flexibility to continue funding economic development, while continuing to provide the necessary funding for essential services.

Activities of the LAEDA:

Recently, in addition to providing funding for the AAEDC, the LAEDA has utilized other Economic Development Authority powers to provide Industrial Development Bond incentives to Bethany Community for a facility remodel/expansion project. The LAEDA can act as a bonding authority for economic development and redevelopment purposes such like Cities or Counties to provide development assistance and incentives for businesses.

State-granted powers of Economic Development Authorities:

- Provide incentives to business
- Creation of Tax Increment Financing (TIF) Districts
- Economic Development Districts, Redevelopment Districts, Soil Contamination Districts, etc.
- Tax Abatement
- Acquisition and sale of real and personal property
- Ability to enter into contracts
- Participation in limited partnerships
- Sale of General Obligation and Revenue Bonds
- Levying of taxes - Maximum levy amount allowed by law is 0.01813% of market value

Board of Directors for the LAEDA include: H. Dan Ness (City of Alexandria), Joel Dahlheimer (Alexandria Township), Gerhard Thoennes (LaGrand Township), and John Nienaber (City of Garfield).

2011 PROJECT HIGHLIGHTS

ALEXANDRIA TECHNICAL & COMMUNITY COLLEGE FOUNDATION ***NEW CONSTRUCTION - STUDENT HOUSING COMPLEX***

The AAEDC provided assistance to the Alexandria Technical & Community College Foundation in the organization's application for Industrial Development Bonds from the City of Alexandria. Equity from the bonds is being used for the construction of a 59,405 sq. ft., 150 bed student housing facility on the ATCC campus (at the intersection of 17th Ave E and Jefferson St.) which will provide access to an on-campus living option for ATCC students.

Industrial Development Bonds are a commercial project financing tool that may be utilized by municipal organizations to assist companies with securing project financing/refinancing. The use of this tool does not create any tax burden for residents or property owners.



BEE ACTIVE BOUTIQUE, LLC ***NEW BUSINESS STARTUP***

The ownership of Bee Active Boutique of Alexandria received a \$10,000 business startup loan from the AAEDC to assist with the startup of a fitness inspired apparel and accessory store which primarily caters to women. Bee Active Boutique is located in a 1,600 sq. ft. suite of the Broadway Suites Building at 324 Broadway in Alexandria. Funding for project assistance came from the Developers Loan Fund of the AAEDC.

Primary financing for this project was provided by Bremer Bank of Alexandria.



ECUMEN (BETHANY COMMUNITY) ***FACILITY IMPROVEMENT FINANCING & DEBT REFINANCING***

The AAEDC provided assistance to Ecumen (Bethany Community) of Alexandria with financing a \$2.7 million facility expansion/remodeling project and the refinancing of \$7.3 million in existing organizational debt through the use of Industrial Development Bond powers of the Lakes Area Economic Development Authority. The construction project consisted of remodeling of the current Bethany Community facility, removal of transitional care units, and the addition of memory care and rehabilitation units. Bethany Community is part of Ecumen, Minnesota's largest non-profit provider of senior housing and aging services.

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