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From the Executive Director:

Cities of the future will look like cities from the past; they will continue to function as population centers catering to the social and economic needs of residents. What we are seeing however, is a shift in how cities are providing such needs in a way that is also changing the economic make up of communities all over the country. For our community to grow, we need to have a clear understanding of trends, and develop policies that help us not just avert problems but thrive in a new and different business environment. We need to develop strategic plans to help us establish priorities and secure funding. We also need to collect and fully understand market data to help drive economic development policies.

What makes one city better than another for young families and young adults to live and work are amenities and businesses that promote social and communal interactions. A quick reflection on anyone's recent summer trip to various destinations reveals that we gravitate to where people are, to the local microbrewery, or to a restaurant, perhaps we took in a sporting event, tasted wine at a local winery, or took a walk in a public park or rode our bikes on a trail. Maybe visited a local ice cream, or pie shop, or browsed through a local arts exhibit or a farmers market.

Specialty shops, activity businesses, bounce houses, waterparks, gyms, trails, amusement parks, movie theaters, art displays, and businesses that offer real human experiences are immune to the disruptive effects of internet commerce. Such businesses have by now transformed "traditional" and often times stagnant Main Streets into vibrant meeting places; in fact, internet "immune" businesses are thriving within traditional downtowns and revitalized Main Streets. In today's cities, they occupy the colonnade street that once connected important destinations in cities of the old roman empire. Nothing really has changed since; we still value our experience as neighbors, friends, consumers, and fellow residents.

Worthington and Nobles County stand to benefit from investments in the types of ventures that capitalize on emerging trends. According to a study conducted by University of Minnesota Extension in 2014, in

Website:

www.worthington-minnesota.com

WREDC Board Members:

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Alyssa Like, Administrative Assistant

Kathy Steiner, Bookkeeper

Worthington alone there is \$125,000,000 worth of market opportunities in business sectors similar to what is listed above. Amenities after all are what distinguishes one community from another and what often times guides a family’s decision as they choose their next career move.

Worthington has many wonderful public amenities, and offers a number of recreational outlets including great theater, trails, parks, soccer and baseball fields, pickleball and tennis courts, the YMCA, and Lake Okabena. The area has much to offer seasonal outdoor sports enthusiasts as well. That said, we need to build on Mayor Mike Kuhle’s amenities plan and support its adoption as part of the community’s long-term goals. The Vision 2030 group are working together to help prioritize projects and chart a blue print for the future. We need to streamline **“concept to completion”** pathways to encourage businesses to start and to expand in Worthington.

Another important set of critical opportunities in the market place that WREDC and its partners have begun to address is housing. Nobles Home Initiative tax abatement program has delivered on its promise. Working with JBS and other partners, WREDC has also created a **housing challenge fund** which was recently put to use to help young Worthington area builders start new housing development (*South Lake Development*).

In fact, WREDC is looking at practical supply chain gaps to help attract private investors to support transportation, manufacturing, storage, and warehousing sectors. WREDC recently put together available development sites to add to its website and to facilitate access to available parcel information throughout Nobles County.

WREDC is also aware of the great potential we have in creating public private partnerships to help finance and promote community economic development. Successful community development is the product of collaboration between the private and public sectors and WREDC can play a major role to achieve long standing objectives.

WREDC was recently named as a lender of the Women and Minority Entrepreneurs loan program through the State of Minnesota Department of Employment & Economic Development and we have already submitted a loan application.

We have the tools, the knowledge, and confidence in our ability to meet the challenges. What we now need more than ever, are “heroes” and leaders that can take on the rewarding work of transforming **wish lists** of what the community needs into real public-private partnerships AND allow us to recapture the \$125,000,000 market potential.

This report does not purport to be an exhaustive and complete analysis. We fully expect the concepts identified to be critiqued and hopefully, expanded upon by others. We invite your ideas, comments, and your support for our efforts to provide economic opportunities for our area. Our hope is to improve the lives of our residents through increased opportunities in employment, housing, entertainment, health, education, and convenience.

Abraham Algadi, Executive Director

Nobles Home Initiative

The numbers show that Nobles Home Initiative (NHI) has been successful both in driving numbers of new housing starts in the last 3 years and in helping builders market their property. Since the program began 53 homes that have already been built, 8 of which have been spec homes. Before adoption of the NHI program there were no spec homes built during the prior 3 years. WREDC board with support from cities, schools, and Nobles County have designed and administered the program for the last 3 years. The board also agreed during its June 17th meeting to seek program renewal especially since we are beginning to see interest in building market rate rental housing.



Nobles Home Initiative house along Lake Street Worthington



Nobles Home Initiative new single-family homes-Grand Ave Worthington

Available Investment Opportunities

A full review by WREDC staff of available land for development in Nobles County resulted in WREDC's available parcels report that is listed on our website with parcel profiles containing information on ownership, size, available utilities, and parcel maps. We are asking our partners in Nobles County cities, private land owners, and members who may have parcels available for development to contact WREDC to add theirs to the listing. This list will be updated as new information arrives and will be posted for all of Nobles County on the WREDC website. Contact WREDC with any parcels you are aware of.

“Shark Tank”

A CONCEPT

We recognize the unique characteristics of the various Minnesota regions with Southwest Minnesota being a unique region given its industry, geography, and market “gaps” which also presents unique opportunities.

We need to be able to connect entrepreneurs, inventors, and researchers with investors. The idea is to form a regional group to hear from business startups and area entrepreneurs, the group is intended to fill existing gaps in various sectors of the Southwest Minnesota economy and create connections between capital and entrepreneurs. We hope that by holding regional “*shark tank*” presentations that we can offer people who may already have established social and business connections to the region, an opportunity to take advantage of existing market gaps.

Gaps identified in previous studies highlight needs for service businesses, family entertainment, restaurants, and coffee shops, mixed use development, redevelopment, and retail.

WREDC is working with Community Venture Network (CVN) to put together a pilot “*Shark Tank*” in the region, *preferably in Worthington* to reach out and invite entrepreneurs, expanding businesses, new targeted franchise outlets, and people with new ideas to a gathering with a group of investors and community leaders. This will help us highlight real world opportunities and facilitate lifestyle and social business growth in our area.

This concept also entails close cooperation with our regional partners to present and market regional assets and market opportunities throughout. We would welcome and are open to including nearby markets within Southeast South Dakota and Northwest Iowa. The benefits could be to create a CVN like network that operates within other regions in this great state and allow us to come up with a new membership structure. These regional meetings will be held twice a year, once in the spring and once in the fall (*perhaps before or after pheasant hunting season*). They will rotate from regional center to regional center and include a pitch/welcome by the host community’s investment folks.

Global Market

We are attempting to gauge interest in this concept by having a feasibility study completed by Southwest Minnesota State University Marketing Advisory Council. They just hosted two focus groups and it sounds like it was well received by those who attended. The Global Market will be an incubator of sorts to individuals who might be interested in having a restaurant or coffee shop. It could also in the future have music, art, culture, clothing, and many more possibilities to build on community’s diverse cultures. Contact WREDC for copies of focus groups summary and complete concept papers.

“We are all faced with a series of great opportunities brilliantly disguised as impossible situations.” – Charles R. Swindoll

WREDC Programs & Technical Assistant

- Business Plan Development.
- Financial Projections.
- Technical Assistance and access to Small Business Development Center (SBDC) resources.
- Grant writing on behalf of local government and non-profits as well as grant administration.
- Assist with development review, zoning, Planning, and permitting.
- WREDC equity fund & Gap Financing for new and existing businesses.
- Women, Minority, Veterans, and Disabled businesses loan program through the State of Minnesota (ELP).

Women Entrepreneurs, revolving loan, and micro loan funds

Since late 2014 WREDC’s loan/equity fund grew from a total of approximately \$280,000 to over \$900,000 with almost 77% loaned to new and expanding businesses in Nobles County. Since the loan program started there were 22 loans approved by WREDC and currently there are nine active loans with a balance of \$747,725. The increase in loan funds which were a one-time transfer from Federal funds intended for economic development and business expansion from Nobles County. WREDC loan program resulted in retention of 30 fulltime jobs and helped create 20 new jobs with an average pay \$18/hour.

WREDC Housing Challenge Fund

WREDC invested \$100,000 from this fund to kick start South Lake housing development. We continue to work with our private partners to increase contribution to this fund. Our experience in the trenches of economic and community development has demonstrated that dealing with local market challenges can only be addressed by those who believe in the market/community. Our experience also illustrates that 95%, perhaps more, of those “believers” are natives or local community and business leaders.

So, in order for us to effectively address our portion of the housing needs we came up with a locally grown program. This program raised over \$110,000 in its first year and is designed to make investments in multi-unit developments in Worthington just a bit more financially attractive.

We are grateful to First State Bank Southwest and to JBS for seeding this fund.

Worthington Bio Science Conference 2018

The 14th Annual Conference will be held on April 4th & 5th 2018. WREDC is working with the planning committee to announce the theme and keynote speaker. The theme for 2018 will focus on startup finance and highlighting local market gaps/opportunities. Check out our website and stay tuned for further details! This conference has brought many cutting-edge scientists/entrepreneurs to our area and has elevated the visibility of our community's bio science emphasis as a leader in animal vaccine and ag bio. If our goal is to provide job opportunities for area graduates to return following their higher education, this type of development is crucial.

Opportunities Abound

Study after market study have concluded that Worthington is a regional service center. The same studies also illustrated tremendous opportunities in 5 or 6 market segments. It just so happened that since some of these studies* were published, traditional retail has by all indicators come under pressure in the form of fierce competition among traditional big box and the ever-growing online offerings from reputable and not so reputable purveyors of low margins.

With such backdrop, many market opportunities in Worthington happen to also be immune to the transactional online market. We say immune because these opportunities offer communal benefits while providing business, job growth, and community vitality. Ok, what are these opportunities you may ask? Without listing the name of the businesses, we can summarize such opportunities:

- Outlets for family entertainment where kids can enjoy seasonal activities, entertainment, gaming, arts and crafts, water and outdoor activities, picnics, and family recreation.
- What also comes to mind there are movie theaters and birthday party sites.
- Dining establishments.
- Uniquely independent microbreweries, ethnic and specialty restaurants, outdoor and indoor music venues, outdoor seating for various eating establishments.
- Child Care facilities.

- Definitely there is still opportunity in housing rental market.
- Neighborhood commercial nodes, convenience, and service stations specifically West of Diagonal Road and its South Easterly projection to serve what amounts to a commercial desert in South West portions of the community.
- Boutique, antique, and specialty stores that emphasize local flavors, arts and culture.
- Establishments and events that highlight the rich cultural food, music, history, and industry of the region.

What we are sharing with you represents the roughly 125 million dollar market that is not being captured by the local market as documented in the 2014 University of Minnesota Extension Office Market Analysis.

If we do not believe that these opportunities are real right here in our own town then it will be more difficult to sell outside investors on the same opportunities, especially while other markets are beckoning.

Click (*cntrl+click*) on link below to access available properties in Nobles County:

<http://www.worthington-minnesota.com/WREDC%20upload/Worthington%20-%20Nobles%20County%20MN%20Available%20Parcels.pdf>

**Copies of studies, articles, and reports are available at WREDC website or by contacting Alyssa at 507-372-5515*

Our Mission:

Worthington Regional Economic Development Corporation's primary objective is to promote economic and community development throughout Nobles County. WREDC is a public/private partnership funded by member businesses through membership contributions, the City of Worthington, Nobles County, and Worthington Public Utilities. WREDC offers its services regardless of membership to all Nobles County communities.

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