

DEVELOPMENT OPPORTUNITIES

2014 finally brought **NorthPark Addition** to a close with the final lot sold to SECTC. There are two lots in the area adjacent referred to as NorthPark Village along Wheatland Road that are still available for single family homes.

Oakwood Court and Rosewood II saw some activity and the jump across the by-pass to an area north of WalMart exchanged ownership September 30th. About 36 acres [of which just over 30 are developable] were acquired from Alben Oliver for \$300,000 by the Wahpeton CDC through and EDC Sales Tax Loan and formal approval from Council. This area has potential for multi-family housing, twin homes, and commercial development among other uses. As soon as it was purchased, city officials attracted a Fargo developer to this location and the CDC is currently negotiating a land sale with the developer. The new owner hopes to start construction of apartment units Spring 2015.

Housing Cooperatives are virtually non-existent in North Dakota. That isn't the case next door in Minnesota. Wahpeton Economic Development is learning from MN and studying this homeownership model West Briarwood. The 4.5 acres could accommodate as many as 20 manufactured or modular homes. Infrastructure installed in 1999 hasn't been used but there is street, water, sewer, and storm sewer which could make homes more affordable. Stay tuned!



In December, Blue Cross Blue Shield of North Dakota (BCBSND) announced it will create new job growth with up to 25 new positions in 2015 and lease space for its Customer Contact Center in downtown Wahpeton. BCBS opened a new location in the city Spring '14 and has been operating out of office space on the NDSCS campus. The partnership with the college has already proven to increase career opportunities for NDSCS graduates and job seekers in the area. BCBS will lease space at 403 Dakota Avenue known to locals as the "Opera House". A job incentive initiative came from a recommendation of the EDC to the City Council for final approval. The incentive is specifically designed for the healthcare coverage company and is part of a revitalization and reinvestment of main street properties.

BCBSND is expected to have a job fair early in 2015 and have 25 jobs filled by the end of the year.

400 BLOCK

A major undertaking along the Northside of the 400 Block of Dakota Avenue headlines the largest EDC project commitment in 2014. A total of \$1,127,500 in public loans & grants from the Sales Tax for Economic Development account was combined with private resources to rehabilitate 5 buildings in Wahpeton's Central Business District. Phoenix Housing contracted for repaired roofs, new sprinkler, firewall, and elevator systems, new store fronts and work to finish out 2nd floor apartments in a revitalization effort that will take just over a year to complete. No current tenants were displaced in the process and there is ample opportunity for a variety of new businesses to locate in this renewed downtown setting.

400 BLOCK MURAL



The newest tourist attraction in Wahpeton was created the summer of 2014. It is a mural of the city's

past and was painted by Wahpeton native Shawn McCann, an illustrator, street artist and mural painter. It took 850 hours, 60 gallons and 40 quarts of paint to cover a 135 foot long exterior wall. McCann enlisted the help of fellow artists Elaine & Samantha Klocke and Caleb and Olivia Schmidt. Together they spent between 10-12 hours every day for almost a month applying paint to the mural. Well-known buildings are depicted in the painting such as the Opera House, PV Elevator, Red River Valley School [now NDSCS] and the U.S. Indian School complex [Circle of Nations]. The mural is located on the corner of Fourth Street and Dakota Avenue in Wahpeton and contains 23 hidden items and animals, each object important to the city's past.



From the Economic Development Office

Activity measured in 2014 totaled 988 points of contact, slightly down from 997 in 2013. In 2012 this total was 985. Inquiries and requests totaled 127 for business start up & expansion, housing info, and program/grant information over a 12 month period. RLF loan inquiries dropped 20% over the previous year likely due to comparable low interest rates at banks.

The office tracks Revolving Loan Fund loans, Sales Tax loans and HELP [Housing-Entry Level Program] activity all year. The Loans Receivable balance for the Revolving Loan Fund at the start of 2014 was \$920,417.31 reporting 36 accounts: 32 active, 4 past due and 0 in default. This compares to the end of the year showing \$960,558.07 in principal remaining, 38 accounts: 34 active, 1 past due & 3 in default. **4 loans were satisfied & the office closed 6 new loans.**

Local Sales Tax Fund Report—Year 5 for 2%

2014 marked only the 3rd time that total collections for the year dipped slightly than the previous 12 months. A total of \$2,086,098.08 was recorded compared to \$2,138,510.87

Economic Development: \$709,273.35

Flood Mitigation: \$750,995.31

Recreation: \$104,304.90

Infrastructure/Flood: \$521,524.52

Sales tax on purchases in the city is 7% [5% state; 2% local]. Total Income received for Economic Development in 2014 totaled: \$793,173.65.

Funds available for Economic Development Projects balance amounted to \$849,781.84 on 12-31-14. The 400 Block Project closed in March of 2014 and required a large commitment of \$1,127,500 in Economic Development. The Recreation Set Aside [Fund 321] ended the year with an available balance for projects of \$60,742.96, down 53% from 2013.

Expenses in Fund 320 for the year totaled \$338,747:

Dept. Expense:	\$ 168,593
Oakwood Project:	\$ 48,086
BND FLEX PACE— Phoenix Housing	\$ 8,809
Julson Lawn Mow	\$ 20,122
BND PACE—Giants	\$ 960
WCCO (2)	\$ 19,523
Agco-Amity	\$ 30,766
SBDC Support	\$ 10,000
Dak. Ave. Appearance Grant:	\$ 10,888
Chamber of Commerce:	\$ 21,000

Mini-Match, a 14 year old program, provided funding for 7 businesses in 2014 [2 retailers and 5 service businesses]. A total of \$9,528 in Mini-Match dollars were expended. That amounted to 42% of the project costs [\$22,557.52] for those businesses that participated.

Feb—PACE buydown for Agco Amity for 2nd paint line-up to \$65,838 with \$35K from JDA acct & balance from Sales Tax; Approved add of \$90K to forgivable loan for Phoenix Housing 400 Block project.

Mar—\$10K grant for expanded Blue Goose Days event; re-allocated \$5K for RDAG grant agreement to include roof repairs; Bois de Sioux Golf Board did not use \$21,000 surplus grant [\$7K used].

May-Jun—EDC office, Mayor & EDC Chairman conduct primary sector surveys

Jul—Mitskog, Dale & Pope renew terms of office; \$1,000 Crazy Daze request approved; Dakota Avenue Appearance Grant Program officially retired; Barth presents info on Manufacturing Training Initiative; Flex PACE interest buydown for Lueken's Food Stores approved up to \$42,500 from JDA fund-payback of 1%.

Sep—Joint meeting of the EDC&CDC held to discuss property north of WalMart owned by Alben Oliver. The Olivers have agreed to sell the roughly 36 acres for \$300,000. EDC approved a \$300,000, zero interest, 5-year loan from Sales Tax to the CDC to make the purchase and develop the property. [See related article Page 2]

Oct—PACE interest buydown for ComDel Innovations \$2.6 million Federal Cartridge project that will add 10 new jobs [Item to be discussed next meeting]; Approved PACE Buydown for WCCO Belting to add a new press, up to \$35,535 for a \$1million project and 10 new jobs; \$10,000 grant awarded to Chamber for annual Holiday Promotion; \$10,000 approved for 2014 matching support dollars for local SBDC office operations and also \$12,500 approved for 2015 budget contingent on other entities participation; Loan to Grant conversion approved for BDS Golf club [had received a \$25,000 RLF loan and could not make payments] and this approval included a \$35,000 grant to cover shortfall to end of year; Approved \$4,547 out of Sales Tax for Recreation for clubhouse roof repair; Approved \$50,000 for community support of NDSCS Manufacturing Training Initiative

Nov—FlexPACE of up to \$25,148 approved for Jay Julson Lawn Mowing LLC for building acquisition [no payback]; Formally approved PACE buydown maximum of \$128,571 for CDI Federal Cartridge project; Negotiated terms and conditions for Downtown Project at 403 Dakota Avenue offering \$1,000 per position created by Blue Cross Blue Shield/Noridian up to a total of \$75,000 [or 75 FT positions] created over a 3 year period.

Dec—Second annual Holiday Social held at Red Door Art Gallery, a CDC/EDC sponsored networking event.

2014 STOREFRONT IMPROVEMENT PROJECTS: TANGLED & HINSVERK [VANITY BUILDING]

10.22.14—MANUFACTURING DAY

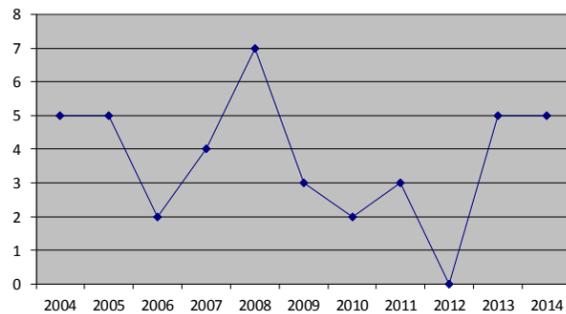
CITY OF WAHPETON RENAISSANCE ZONE PROGRAM

Year 11 of 15
RZ activity in the City for 2014:
MAR—Purchase and Lease RZ approved for SMJ Freight, Susie Whitney at 116 4th St South;

Wahpeton's Renaissance Zone will expire December 2018—option to extend 5 more years; **OCT**—Purchase with New Construction for Dan Moderow **DEC**—Purchase with Major Improvements and Lease RZ approved for Chuck & Laurie Bigwood and Bigwoods Electric.

SNAPSHOT: The Renaissance Zone Authority met 5 times and approved 5 projects in 2014. The Planning Commission itself met a total of 16 times.

RZ Projects Approved by the State



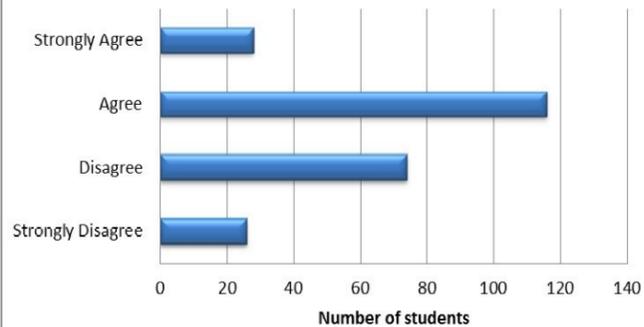
Keeping Track

- 2006 [INCLUDES WAL-MART]: \$12,261,629
- 2007 BUILDING PERMIT VALUATION: \$ 4,208,294
- 2008 BUILDING PERMIT VALUATION: \$ 7,049,648
- 2009 BUILDING PERMIT VALUATION: \$ 7,799,735
- 2010 BUILDING PERMIT VALUATION: \$ 5,930,557
- 2011 BUILDING PERMIT VALUATION: \$ 9,298,175
- 2012 BUILDING PERMIT VALUATION: \$13,590,315
- 2013 BUILDING PERMIT VALUATION: \$ 7,258,938
- 2014 BUILDING PERMIT VALUATION: \$26,988,970!

ND Governor Jack Dalrymple issued a proclamation making October 3, 2014 ND Manufacturing Day. Events were held in communities across the state including Wahpeton. The City hosted 203 WHS junior and seniors on October 22nd for tours in **Bobcat**, **WCCO Belting**, **ComDel Innovations** [photo below], and **Heartland Precision**. **NDSCS** also provided tours and lunch for the students. 284 students responded to the pre-tour survey. The students on the Fargo tours were from classes that taught skills which would likely be compatible with a manufacturing career. The students from these targeted classes may

skew the results slightly toward the industry. The Wahpeton students were from all class types. Prior to the tours there was a strong interest in manufacturing as a career [57%] and the post tour surveys showed that increased to 59%. Also important was that 89% of the students recommended the teachers and career counselors take the tours and 652% of the respondents recommended their parents take them too. Wahpeton Economic Development will be pursuing more of these opportunities in 2015 with a Tour of Manufacturing in April and another "students only" event in October.

I will consider a career in manufacturing.



Students engaged in learning more about precision manufacturing during interactive tours at ComDel Innovation.

Department of Economic Development
1900 4th Street North
Wahpeton, ND 58075
701-642-8559
Jane P. Priebe, CEcD, Director
Cheryl O'Meara, Assistant

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CITY OF WAHPETON NORTH DAKOTA



2014 Economic Development Commission

Alisa Mitskog, Chairman
Glen Tollefson, Vice-Chairman
Tiana Bohn replaced
by Steve Dale in July

Laurie Straus
Randy Pope
Roger Richels
Dan Zink

2014 Wahpeton Community Development Corporation

Victor Klosterman, Pres.
Randy Pope, 1st VP
Joel Sirek, 2nd VP
Brad Pauly, Treasurer
Craig Caspers
Geri Coyne
Steve Diederick
Perry Miller
Brad Odegard
Patrick Pithey
John Richman
Kurt Wickstrom
Rick Steckler
Bruce Weeda
Dan Zink

2014 Annual Report



Retention
Expansion
Housing
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Projects
Programs