



## 2024 Year in Review

In 2024, the Hayfield Economic Development Authority (EDA) was able to make substantial progress on a number of project and initiatives. This includes the continued planning for an expansion of community trails through the State's Safe Routes to School Program, continued work with Hayfield Grocery & Hardware Store, and adopted the city's first Emerald Ash Borer Management Plan.

The EDA has begun to explore new tools for making Hayfield an even more attractive place to live, work, and start a business. The 2025 work plan included at the conclusion of this document, is designed to prioritize projects that will increase both livability and civic pride in the community. We look forward to more progress and innovation in the new year, and we thank you for your continued dedication to the Hayfield Economic Development Authority.

With gratitude,

A handwritten signature in blue ink, appearing to read "Rebecca Charles", is positioned below the text "With gratitude,".

Rebecca Charles, City of Hayfield Economic Development Authority Director  
Community and Economic Development Associates

# HAYFIELD EDA COMMISSIONER OVERVIEW

The City of Hayfield EDA was established with specialized powers and obligations to promote and provide incentives for economic development and redevelopment; and assist with the preservation and creation of jobs, the enhancement of the tax base and to promote the general welfare of the people of the city (from Establishing Resolution, October 17, 1994). The EDA regularly offers a revolving loan fund to provide loans to businesses in the community looking to start a new business or expand a current businesses.

The EDA board contracts with Community & Economic Development Associates (CEDA) to provide an Economic Development Authority Director and work to assist with projects benefiting the development and overall quality of life of Hayfield residents. The current Director, Rebecca Charles has been serving in Hayfield since 2018 and her 2024 contract was for one day every other week plus one day each month. This typically provides three days each month or an average of 25.5 hours each month and a total of 304 hours each year.

In December of 2024 the Commission updated the EDA By-Laws to establish the City Clerk position as a permanent commissioner on the city’s Economic Development Authority.

Board Leadership has been selected at the first board meeting of each year. The 2024 board President and Vice President were selected by a motion and vote of the board on January 3<sup>rd</sup> of 2024. Commissioners and their titles, terms and attendance are listed below:

## 2024 Economic Development Authority

- 2024 EDA Board President: Jared Holton - Term up December 2026
- 2024 EDA Board Vice President: Tyler Anderson - Term up December 2027
- Mayor Rich Fjerstad (City Council) - Term up December 2026
- David Subbert (City Council) - Term up December 2026
- Lori Kindschy, Board Treasurer (City Clerk) - Term up December 2024
- David Johnson - Term up December 2029
- Jolene Schimek - Term up December 2026
- Rebecca Charles, EDA Executive Director and Secretary

Commissioners	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Absences
Jared Holtan (P)													0
Tyler Anderson (VP)								A				A	2
Rich Fjerstad					A			A			A		3
Lori Kindschy									A				1
Dave Subbert	A												1
David Johnson			A										2
Jolene Schimek	A		A			A			A				4

# BUSINESS SUPPORT AND DEVELOPMENT

## Hayfield Grocery & Hardware Store

In 2023 the EDA was notified that that the Hayfield Grocery Store was facing imminent closure due to the deteriorating condition of the buildings roof. The store was sold later that year to Brett Lunning and his partners who have been working to update the structure and have expanded it to include not only the city's only grocery store, but also a new hardware store and liquor store. In 2024 the EDA worked to assist the new and expanding business with an application for the state's Good Food Access Program. The program works to increase the availability of and access to affordable, nutritious, and culturally appropriate foods for underserved communities in low- and moderate-income areas. The grants help grocery stores and small food retailers to make physical improvements and purchase equipment to stimulate sales of such foods. The application requesting \$75,000 was submitted before the March 28 deadline and was ultimately not funded due to a large number of applicants for the program. The state reported that only 20% of applications were approved due to the high volume of applicants. The program will be opening again in January of 2025. The business will be contacted to see if another application could be submitted for the project. EDA staff worked with the EDA and City Council to provided the needed funding to the business to ensure the survival of the city's essential business.

**Revolving Loan:** EDA staff worked with the business owner to put together an application for the Hayfield EDA's Revolving Loan Fund in the amount of \$75,000. The loan was approved by the EDA and the loan is to be repaid with 0 payments for the first six months at 1% interest for the first six months, and then 2% interest for the remainder of the loan.

**Forgivable Loan:** EDA staff worked with city leaders to allocate \$30,000 of the city's remaining dollars from the American Rescue Act to the business for the purpose of saving the downtown structure. This was done in the form of a \$30,000 forgivable loan agreement. As long at the funds are used to assist in the repair of the structure's roof and the business remained open for five years following loan closing, the loan will be forgiven.

# COMMUNITY DEVELOPMENT

## Emerald Ash Borer

The city continued its work with the Minnesota DNR Protecting Community Forests Grant Program. The program saw substantial movement in 2024 with the completion and implementation of the city's Emerald Ash Borer Management Plan. The plan was authored by EDA staff and was reviewed by city staff prior to being approved by the Hayfield EDA, and then the approval and implementation of the Management Plan by City Council in July of this year. Bi-Annual Reports were provided to the DNR by their June and December deadlines. In 2024 the EDA was able to claim \$10,146.94 of grant program dollars for the removal of 16 trees and their stumps. The EDA also reported \$14,308 in in-kind contributions towards the program match. Remaining funds for the program will be spent removing the final trees and planting of new trees. This

activity is expected to take place in the Spring of 2025.

**Tree Removal – Public Property:** In addition to the completion of the Management Plan, the city was able to remove almost all of the remaining infected trees located on public property this year.

**Tree Removal – Private Property:** EDA staff has been working to identify potential funding to establish a rebate program to assist Hayfield residents with the removal of dead/dying ash trees located on private properties located within city limits. While no funding has been identified at the conclusion of 2024, the search to establish this program will continue in 2025.

## **Safe Routes to School**

An application was authored and submitted in January of this year for the State’s Safe Routes to School Design Assistance Grant Program. The program intends to bridge the gap between Safe Routes to School plan strategies and implementation. Design assistance reports verify existing methods and identify new engineering strategies to improve walking and biking routes to and from schools. The resulting documents include a project summary with concept-level drawings and a list of potential infrastructure projects prioritized by effectiveness in addressing safety risks, possible usage and estimated costs. The value of this program is estimated at \$45,000 by the state of Minnesota. The city was awarded the grant and assembled a team to participate in the program. The team for the project included EDA staff, City staff, County Highway Dept. staff, School staff and private residents from the community. The kickoff meeting for the project took place on the morning of March 19<sup>th</sup>, 2024. The final document was received in early December of this year and will be used to plan for next steps and identifying funding sources for project implementation. Throughout the month of December, EDA staff worked to explore the city’s ability to apply for the Safe Routes to School Infrastructure Grant Program. Following discussions with the city engineer and city staff, it was determined that the project will need to wait for the next round of this program to provide time to identify funding for final engineering documents and project oversight.

## **National Bike/Roll to School Day 2024**

EDA staff worked with Hayfield Public Schools to encourage students to participate in the National Bike/Roll to School Day that took place on May 17<sup>th</sup> of this year. EDA staff designed marketing flyers in both English and Spanish and distributed them to the school, city hall and throughout the community to advertise the one-day event. EDA staff also created certificates of participation and tracking sheets for teachers for the day of the event. All students who participated, were provided a certificate of participation and were able to present this certificate at City Hall to receive a free bike helmet from the city. Only four bike helmets were redeemed through this program.

## **Hayfield Parks**

Continuing from 2023 was the Earl B. Himle Memorial Park Improvement Project. EDA staff continued to work with SEMCIL contacts in 2024 to design the potential park upgrades and author an application for the State’s Outdoor Recreation Grant Program. SEMCIL had committed to seeking additional funding to

compliment the state application. While no funds were secured by SEMCIL, EDA staff was able to apply for funding from several sources including the following:

- Minnesota DNR Outdoor Recreation Grant Program (\$350,000)
- Minnesota Energy Resources Grant Program (\$50,000)
- Otto Bremer Trust Foundation (\$50,000)
- SMIF Taylor Rural Improvements Grant (\$25,000)

None of the applications were successful in securing the funding needed to complete the project. Without the support of additional funding, the Outdoor Recreation Grant was denied and therefore financial support for the project was not secured to receive approval from additional grant applications.

### Hayfield Emergency Services

EDA Staff worked with city staff throughout the year to identify potential funding opportunities for the city Ambulance and Fire Department. The following opportunities were shared with the city for review and to submit applications.

- In February of 2024 EDA staff identified the Rewarding Responders Grant, funded by Minnesota Energy Resources. Grant offered a Maximum of \$2,000.
- In August of 2024 EDA staff identified the Emergency Ambulance Service Aid Funding program and provided relevant documents and information to city staff and ambulance contacts.

## HAYFIELD EDA FINANCIAL PERFORMANCE

### Incoming Funds for 2024

Fund & Fund Balances	Uses	Fund Activity for 2024
Revolving Loan Fund (250) 2023 Ending Balance: \$40,465.47 2024 Ending Balance: \$24,406.10	Revolving Loan Fund	The EDA received \$5,791.61 in principal payments, and \$208.39 in interest payments, totaling \$6,000 paid in 2024.
General Operating Fund (651) 2023 Ending Balance: \$164,627.95 2024 Ending Balance: \$129,481.01	General Use	No income was provided to this account in 2024. Reimbursement for Emerald Ash Borer Costs will arrive in January of 2025.
Scattered Housing Tif Dist. (396) 2023 Ending Balance: \$123,002.43 2024 Ending Balance: \$165,232.07	Proceeds from the Scattered TIF Housing District	Received \$43,229.64 in TIF Proceeds in 2024*

## Outgoing Funds for 2024

Program	Summary of Expenses
Emeral Ash Borer Community Forests Grant Program	The EDA paid out a total of \$10,146.94 to P Squared Tree Removal over the year to pay for tree removal and stump grinding of EAB infested trees. Funding reimbursement was requested in the program's bi-annual report in December of 2024.
EDA Revolving Loan Fund	In 2024 one new loan was provided to Shivansh Group in the amount of \$75,000. Payments will begin in March of 2025.

## Revolving Loan Fund Active Loans

Loan	Original Loan Amount	Loan Origination	Principal Paid in 2024	Interest Paid in 2024	Remaining Balance
Hayfield Group LLC	\$25,000.00	08/02/2023	\$5,791.61	\$208.39	\$19,208.39
Shivansh Grocery*	\$75,000	10/3/20224	\$0.00	\$0.00	\$75,000.00

\*First payment is scheduled for 03/03/2025

# EDA GOALS AND ACTION PLAN FOR 2025

## I. Residential Development

- A. Workforce Housing Revolving Loan Fund: This program is now active and ready to receive applicants.
  - 1. Additional ways to market this program will need to be explored in 2025.
  - 2. Work to identify additional revenue sources for the fund.
- B. Vacant/Infill Properties: Complete an inventory of vacant or infill lots in Hayfield in an effort to identify potential locations for housing solutions. Create a document with all parcel dimensions and details regarding flood planes and other potential impediments to development.

## II. City Parks and Recreation

- A. Trail Planning & Development
  - 1. Safe Routes to School Infrastructure Grant Program: Work towards the ultimate goal of applying for the full infrastructure grant. Additional funding for engineering costs and project oversight needs to be identified before an application for the full project can be submitted in 2026 or 2027 when the next cycle opens.
- B. National Night Out 2025: Explore Support for this night and how it can help with building a more active business community.
  - 1. Local Market
  - 2. Bike Rodeo
- C. DNR Outdoor Recreation Grant Program:
  - 1. Work with City Parks and Recreation to determine needs and expectations for recreational growth.

## III. City Programs, Events & Amenities

- A. Emerald Ash Borer in Community Forests Grant: This program will be completed before the end of the year.
  - 1. Complete final tree removal
  - 2. Complete Planting
  - 3. Final Grant Report Funding Request
- B. Hayfield Emergency Services: Requests were made by EDA and City Council members to keep an eye out for financial programs pertaining to emergency services. This will not be a priority project for the EDA, but the Director will remain vigilant for any qualifying programs.
  - 1. Hayfield Ambulance
  - 2. Hayfield Fire Department
- C. Collaborate with Hayfield Chamber of Commerce:
  - 1. Invite to February meeting
  - 2. Regular updates