

WATERTOWN DEVELOPMENT COMPANY

ANNUAL REPORT

A presentation of information on our 2021–2022 community
investments and collaborative initiatives.

2022

www.watertownworks.com

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This annual report presents information on our 2021–2022 community investments and collaborative initiatives, and shares stories and profiles of project partners who embody this work. We hope that these stories help convey the impact the WDC has on the community through our business development efforts, housing, and technical assistance.

LETTER FROM YOUR EXECUTIVE DIRECTOR

As we approach WDC's 75th anniversary this December – and the last year of the Grow Watertown 2018 - 2023 strategic plan, we reflect on the impact WDC has had on economic development in Watertown over the last 75 years and think about what's next.



How did we get here? By listening to our community and our stakeholders on what is important to them and where they see Watertown going over the next 5, 10, 20... years.

How did we get here? By listening to our community and our stakeholders on what is important to them and where they see Watertown going over the next 5, 10, 20... years. We then take our expertise as economic development professionals to create a plan and set goals – embracing change and sometimes, taking risks, to innovate and move us forward. As we execute that plan, we celebrate the wins and pivot as conditions change, learning along the way and driving continuous improvement.

What are we celebrating this year? A busy and exciting year of development in Watertown, which you will see in the pages of this report. From award winning workforce development and attraction programs and initiatives to driving commercial and housing development using Tax Increment Financing, WDC continues to lead and support projects and events that enrich our community and boost our economy.

What's next? We're looking at another busy year – including development of Calvin Park, facilitating housing and commercial development around the Prairie Lakes Ice Arena, launching a fresh new brand image and website, and continuing investment in initiatives that support our workforce. All of this in addition to a new capital campaign and strategic plan where we start again – reflecting, listening, making a plan, chasing our goals – embracing change and continuing to innovate, always adapting, and always improving.

WDC is proud to be Watertown's economic development partner and can't wait to get started on the next 75 years.

MICHELLE KAKACEK
Executive Director

Michelle Kakacek

PROJECT ACTIVITY



+ 15 

NEW JOBS CREATED WITH RITALKA/SPECSYS EXPANSION

In FY2022, WDC assisted Ritalka on an expansion project to devote additional production to rail and utility projects at their SpecSys manufacturing plant in Watertown.

This product line expansion is expected to create up to 15 new full-time jobs over the next 3 years.

FY 2022 BY THE NUMBERS



COMPANIES



RFI'S



HOSTING/
VISITS



COMPLETED
PROJECTS



JOBS
CREATED

FY2023 LOOKING AHEAD

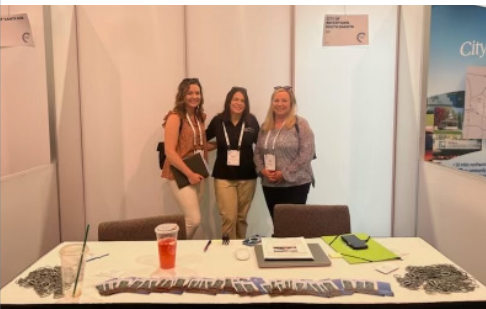
Development of Calvin Industrial Park

The Economic Development Administration (EDA) announced it's intent to award a \$1.1 million grant to the City of Watertown, South Dakota, for construction, water, and roadway infrastructure improvements in Calvin Industrial Park.

This project was made possible by the regional planning efforts of the WDC and First District Association of Local Governments (FDALG). The infrastructure improvements to the park will support the WDC's mission by creating new opportunities for businesses to establish and grow, increase the property tax base for the city, and build the community's workforce.

FY 2022 EVENTS

- Annual South Dakota Chamber and Economic Development Council Meeting
- Annual South Dakota Governor's Office of Economic Development Conference
- Annual SD Governor's Pheasant Hunt
- Black Hills State University Fuel the Growth Seminar
- Dakota Resources Learning Network Community Engagement Gathering
- Economic Development Professionals Association Virtual Summit
- For the Love of Watertown: Peter Kageyama
- ICSC Las Vegas
- Institute of Food Technologists 2022 Food Expo
- International Economic Development Council Future Forum
- International Economic Development Council Annual Conference
- International Manufacturing Technology Show
- Lake Area Technical Colleges Annual Governor's Luncheon
- Lake Area Technical Colleges Festival of Trees
- Mid-America Economic Development Council Competitiveness Conference
- MODEX Conference
- MRO Americas Conference
- New American Workforce Summit
- Sioux Metro Alliance Grow Smarter Conference
- Society for Human Resource Management State Conference
- Watertown Day at the Legislature
- Watertown Area Chamber of Commerces Annual Meeting
- Watertown Arrow Education Foundation's HARVEST
- WIN in Workforce Summit



NEWS & ACHIEVEMENTS

Mid-America Economic Development Council Award

In December, WDC was recognized with an award for its efforts in attracting workforce at the 2021 Mid-America Economic Development Council (MAEDC) Competitiveness Conference in Chicago.

Michelle Kakacek accepted the award in the Workforce and Talent category for WDC's Intern Engagement Initiative, a collection of tools designed to engage summer interns and integrate them into the community via networking opportunities and introduction to local attractions and amenities, greatly improving the probability of those interns returning to Watertown after graduation.



For many years, MAEDC has sponsored the annual Economic Development Awards competition to recognize and stimulate the creative use of quality marketing by economic development organizations throughout the 13-state Mid-America region in promoting their respective communities.

State Workforce Recruitment Program Funds

In September 2021, the Governor's Office of Economic Development (GOED) awarded WDC a workforce recruitment grant in the amount of up to \$100,000. The program funding, which was matched by the WDC, included workforce recruitment incentives such as relocation assistance, signing assistance, and upskilling.

CO.STARTERS Program For Entrepreneurs

WDC will soon offer CO.STARTERS Core, a national cohort-based accelerator program, aimed to equip aspiring entrepreneurs and business owners of all kinds with the insights, relationships, and tools needed to turn ideas into action.

This 10-session program is designed to help ideas gain momentum. The one requirement is that applicants have a concept or idea they are ready to test and are willing to study, shape, and fine-tune in a supportive, collaborative, and welcoming environment.

Registration fees will be waived for the first two cohorts thanks to a grant from the Small Business Administration and a partnership between Startup Sioux Falls and Dakota Resources.



Sessions will be facilitated by the Watertown Development Company staff members Michelle Kakacek, Executive Director, and Amanda Culhane, Marketing Specialist. Participants will hear from guest speakers including specialists and professionals from the Watertown area.

“We are thrilled at the opportunity to offer this resource to the area’s aspiring entrepreneurs and others who might be in business already but want to grow or innovate. The curriculum looks at entrepreneurship in a fresh, accessible way and encourages mentorship and peer-to-peer learning.”

MICHELLE KAKACEK
Executive Director

COMMUNITY OUTREACH

Multi-Purpose Ice Facility

The \$36 million dollar project will promote additional development in the Willow Creek area; including housing and commercial businesses.



The City of Watertown held a ground-breaking ceremony in September, where they announced that Prairie Lakes will be the Naming Rights sponsor with a total contribution of \$4.5MM.

Additional funding for the project will come from sales tax revenue bonds and fundraising efforts by the “Build it Now Committee.” This project is expected to be completed by Fall 2023.

This facility, and the additional development going up around the arena, will improve the quality of life in Watertown for decades to come. The WDC has been, and will continue to be, a pivotal player in completing the arena as well as the development around it, making sure it will be a jewel for the entire community.

**MAYOR
REID HOLIEN**

First District Association of Local Governments Grant

First District Association of Local Governments (FDALG) received a grant award from the Economic Development Administration (EDA) to aid the region with planning and preparation activities in response to the economic crisis caused by the COVID-19 pandemic.

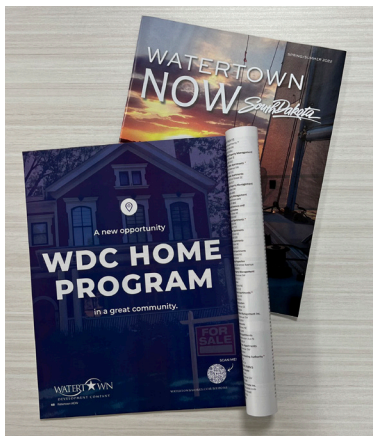
WDC was sub-awarded funds from the grant to assist in the development of a Regional/Local Economic Resiliency and Recovery Plan. Surveys were completed and video conferences were held with Economic Development Organization (EDO) partners in the eleven-county region to discuss how they responded individually to the crisis and used their insight in creating the plan. The plan will be helpful for communities to reference resources and processes specified in the plan to aid in potential future pandemics or natural disasters.

PROGRAM UPDATES

The WDC continues to create and invest in programs that further the economic development goals of the Watertown community in a variety of ways.

Home Program

The Home program was designed to attract new workforce relocating to the area to purchase a home. Qualified home buyers are provided a grant of up to 3% or \$6,000 to help cover their down payment and closing costs. To date, a total of **\$62,000** has been disbursed, adding an additional **11 employees** to Watertown's workforce.



This program has been marketed independently and alongside our Attract & Enhance program. A full page ad can be found in the latest edition of the *Watertown Now* magazine.

Urban Renewal Fund

Since the WDC took over the administration of the Urban Renewal Fund, there have been a total of **5** approved applicants and a total of nearly **\$80,000** loan funds disbursed. These funds have been used for façade improvements, foundation repairs, and buildouts for new businesses.

Karnival on Kemp

The Downtown Advisory Committee organized and held its second annual "Karnival on Kemp" on June 4th, 2022.

This family-friendly event was created to encourage the patronage of Downtown businesses as summer came to an end.

Many businesses reported that they increased, if not doubled, their typical Saturday sales. Proceeds from the dunk tank totaled over **\$1,200** and were donated to the Watertown School District.

Merry & Bright Christmas

For the second year in a row, Downtown Watertown was converted into the "North Pole of Downtown," with giant decorations, lighted boulevard trees, and a 20-foot-tall Christmas tree.

Special events such as Santa at the Sleigh, Christmas Tree Extravaganza, and carriage rides were held as an effort to increase retail traffic downtown.

Many of the downtown businesses joined in the Christmas spirit by decorating their storefronts, participating in the tree decorating, and promoting holiday sales.

USING TIF AS A TOOL FOR ECONOMIC DEVELOPMENT

First implemented in the 1950s, Tax Increment Financing (TIF) has been an integral part of the economic development toolbox as a self-financing way to assist with development projects in designated areas known as TIF districts. TIF captures the anticipated increase in tax revenues generated by the project, which can be used to pay for the development of the area or the debt service on the bonds sold to provide initial financing for the project.



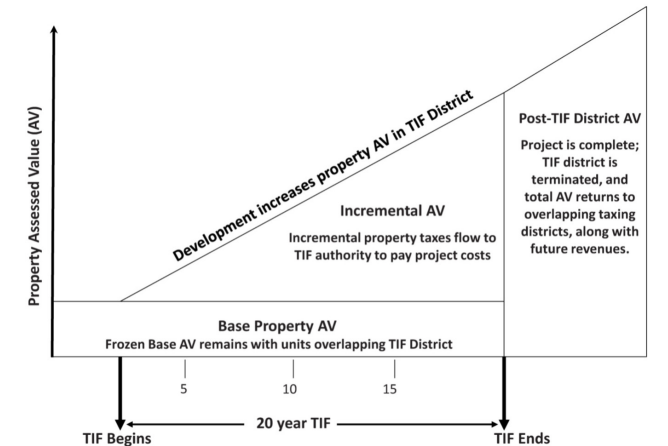
The City of Watertown has participated in 20 projects that include the use of TIF. Since the inception of the GROW Watertown campaign, WDC has assisted in the creation of 13 of those TIF districts, 6 of which were created over the last year alone. The City's use of TIF has achieved, or is on track to achieve, most of its goals for the purposes for which they were established.

In Watertown, TIF has stepped up to fill the void in funding projects and has become one of the first financing techniques economic development professionals look to in order to finance a significant economic development or redevelopment project that will benefit the community.

In the past five years, the City has used TIF to achieve the goal of growing the community in three areas: housing, commercial, and industrial development. It has resulted in positive benefits for the community, including increased tax revenues, redevelopment of blighted property, additional workforce, and development of housing.

With development projects WDC has been involved in, TIF has been effective at raising funds to bridge the gap in financing them. For many of those projects, TIF funds have been able to cover construction costs such as land acquisition, site development, property rehabilitation and construction, water and sewer expansion, and roadway improvements.

For larger projects, TIF has been used as part of a broader financing package. It has also been used in multi-use projects to help rebuild an area of town, such as Downtown Watertown.



In even larger financing packages, it has effectively been used as leverage with private developer funds and equity, grants, and other sources of funds and financial incentives

By providing a large, long-term reliable source of revenue dedicated to pay specific capital expenditures, TIF has been able to provide the glue that seals major public-private partnership deals between local government officials, private developers, and other stakeholders

Used expertly, with care and forethought, TIF can and will continue to improve the quality of life in Watertown.

T I F I M P A C T S O N W A T E R T O W N



TOTAL TIF
PROJECTS



JOB S C R E A T E D
A N D / O R R E T A I N E D *



A S S E S S E D V A L U E
2021



A N N U A L P R O P E R T Y
T A X - 2021

*Jobs created or retained numbers are the reported expectation of jobs at the time of the project.

WORKFORCE INITIATIVES

The WDC continues to invest in its strategic goal of growing, retaining, and developing a world-class workforce through a number of programs. The WDC also administers the Watertown Workforce Advisory Council, which was created to keep an active dialogue on workforce development issues important to our area.

Intern Engagement

Building on last year's intern engagement effort, WDC brought back the popular "Passport to Watertown," packet as well as an in-person networking event at North Shore, featuring dinner, games, and connections with local leaders.

The in-person event hosted over **30** people, and intern Passports were distributed to **39** summer interns from **7** different companies. WDC looks to grow this program in the future and capitalize on the opportunity to retain those students.

Attract & Enhance

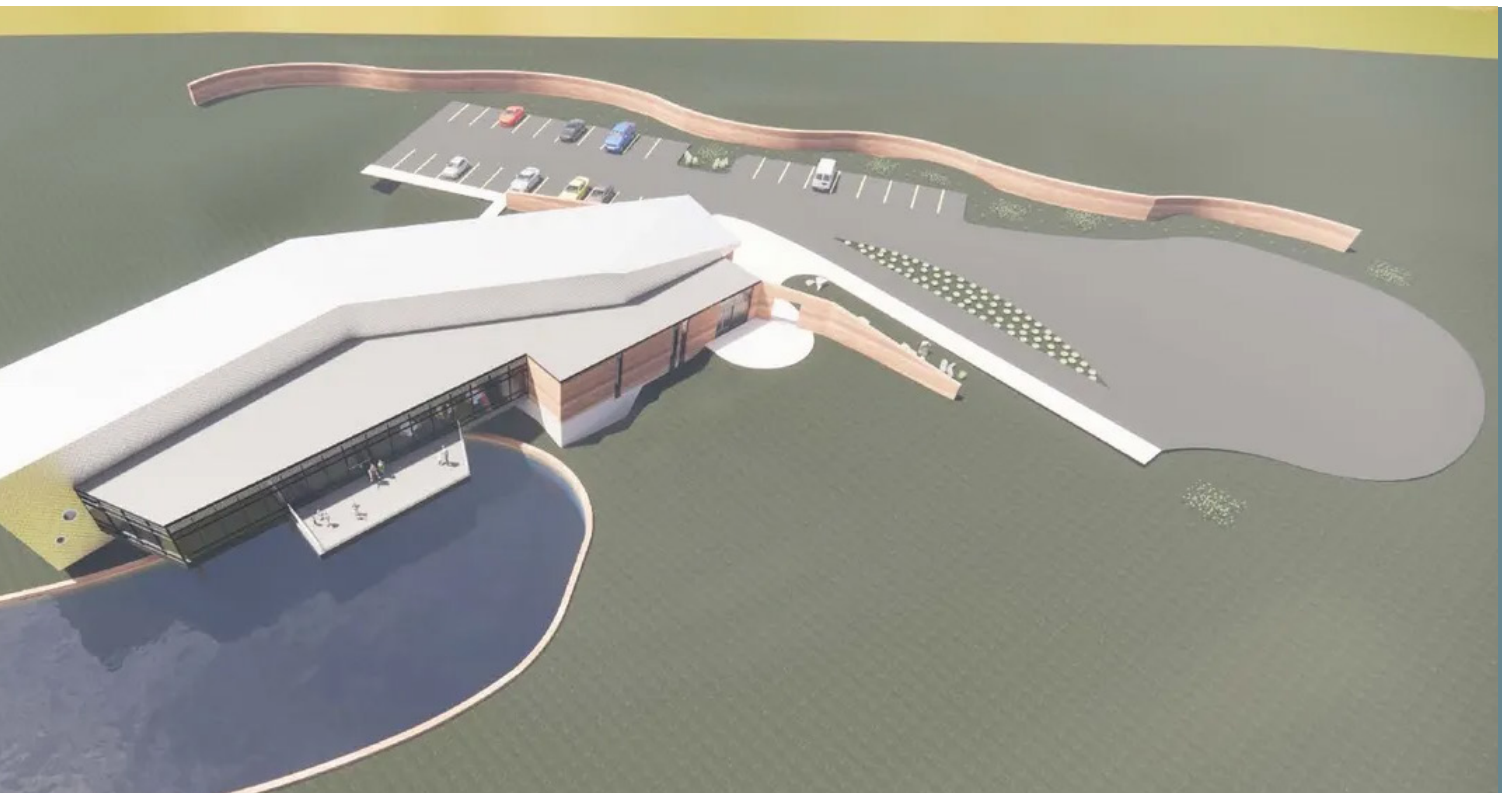
WDC's Attract & Enhance Program has invested in growing our area workforce and increasing skills of the current workforce by providing matching funds to employers for relocation expenses for qualifying positions and investment in training and up-skilling of current employees.

Since its inception, the Attract & Enhance Program has approved nearly **\$156,000** in matching funds, impacting **219** employees at **25** different companies.

Partner in LATC's Stretch the Million Program

In 2019, WDC committed up to \$50,000 a year to assist industry partners in funding Build Dakota Scholarship students under LATC's Stretch the Million program.

To date, WDC's investment in the program has supported a total of **20** industry partners in funding **34** students. This impactful investment helps our local industries secure a pipeline of skilled graduates and creates a larger and more skilled area workforce overall.



Challenger Learning Center of South Dakota

Watertown has been chosen as home of the first Challenger Learning Center in South Dakota. This interactive, space-themed experience will encourage youth of all ages to explore the wonders of science, technology, engineering, and mathematics.

The Sisters of Mother of God Monastery have dedicated 25 acres of their land to become the home to Challenger Park and will feature the MARK II Voyager scaled solar system, an educational model that will include 13 learning points that stretch more than 2,000 feet, creating a sense of the vast distance between objects and planets in our solar system.

Freedom's Haven for New Americans' Workforce

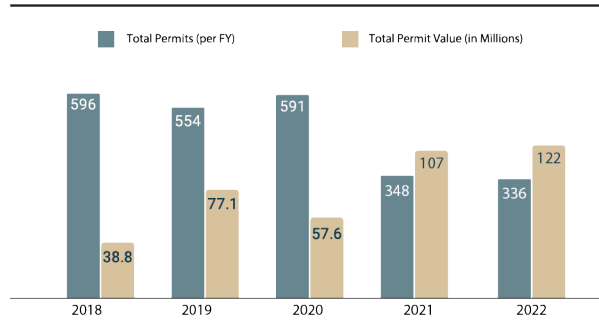
The Freedom's Haven for New Americans Workforce initiative was created through a statewide humanitarian effort with a goal of welcoming 10,000 Ukrainian war refugees into South Dakota. With tens of thousands of jobs open, the leadership group recognized that New Americans are an important part of South Dakota's future economic growth. To help support sponsorship of refugees, the Freedom's Haven Fund was started with a \$50,000 matching grant challenge at the South Dakota Community Foundation.

WDC HIGHLIGHTS

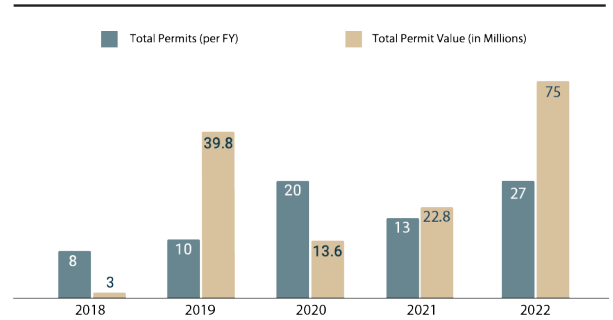
Unemployment in Codington County is at a 5-year all time low, with the yearly average being 2.6% and less than 500 people in the labor force unemployed.

Watertown building permit values continue to increase despite the slight decrease in total permits from last year. New commercial and single-family projects continue to rise, bringing much needed development to Watertown.

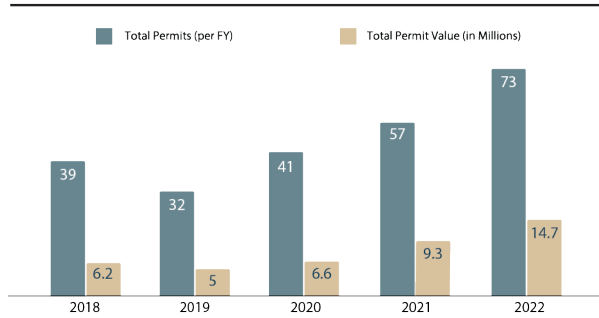
Watertown Building Permit Values



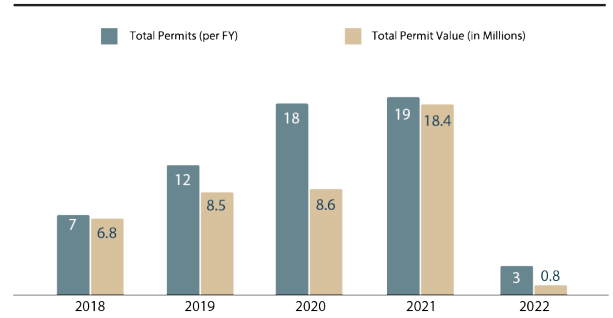
Watertown New Commercial Permit Values



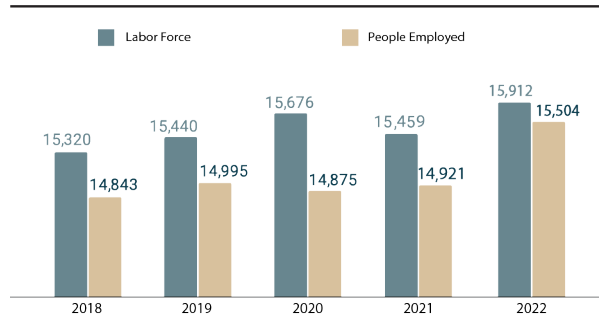
Watertown New Single-Family Permit Values



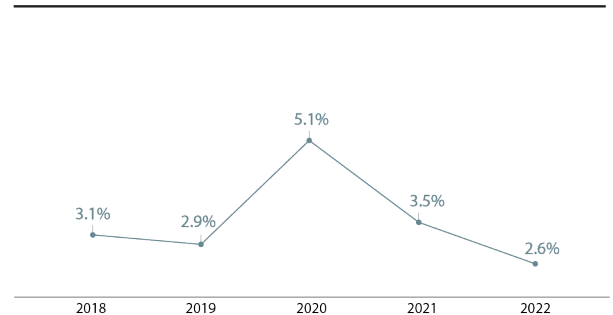
Watertown New Multi-Family Permit Values



Codington County Workforce



Codington County Unemployment Rate



BOARD OF DIRECTORS

Comprised of visionary individuals from our region's private and public sectors, industries, and governing bodies, our Board's ideas, connections, and commitment have been a driving force behind our success.



JIM REDLINGER
President
Redlinger Bros. Plumbing & Heating



STEVE LEHNER
General Manager
Watertown Municipal Utilities



MIKE CARTNEY
President
Lake Area Technical College



TROY ZEBROSKI
Market President
Dacotah Bank



AMANDA MACK
City Manager
City of Watertown



JIM ROBY
Attorney
Green Roby Oviatt LLP



BRENT HASSLEN
Principle-In Charge
Hasslen Construction



MARK DUNN
VP-Market Leader
First Premier Bank



DAN GARVEY
Director Supply Chain
Terex



JIM SEURER
CEO
Glacial Lakes Energy, LLC



DUSTIN FLATTEN
Co-Owner
Active Heating Inc.



JOSH HOGUE
President
Reliabank



COREY BALOUN
Business Banking Manager
Great Western Bank



TROY VANDUSEN
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Codington County



SAM MOONEY
Branch Manager
Dakotaland Federal Credit Union

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