

Why Housing on the Spec Building Property?



A healthy rental market is expected to have a vacancy rate of about 5% to allow for sufficient consumer choice and unit turnover.

Rental Vacancy Rate	2014	2016	2018	2020
2014	3.7%	2.3%	2.5%	>1%

The EDA Spec Building has been for sale or lease since 2001 when it was built. We have not actively marketed the building, since Fast Global Solutions' first lease in 2016. The Windom EDA does have an offer to purchase the EDA Spec Building. Our priority is to support Fast Global Solutions, since they are an existing business. We are currently researching new warehousing options with Fast Global Solutions.

The EDA also wants to **support HyLife Foods Windom , LLC** (formally Comfrey Farm Prime Pork) as they grow. Additional market rate rental housing units are needed to support planned job growth. Only 29 percent of HyLife's current employees live in the 56101 zip code. Growing this number will help to support HyLife and businesses in Windom.

Rental Unit Demand: HyLife has a goal to hire 300 additional employees. New employees are currently living in area hotels. This is not a long-term solution so additional rental units are needed.

Tax Impact:

In 2019, the annual gross property tax from the EDA Spec Building was \$24,600. The estimated remodel cost to create a 21 unit apartment in the EDA Spec Building is \$2 million plus. This will increase the annual gross property tax and grow our local tax base.



Population 5,000+ = \$275,000 to \$325,000 per year in State aid for our Streets

Questions? Contact

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