



**Madelia Area Economic Development Authority**

Madelia City Council Chambers

March 23rd, 6:00 PM Agenda

**1. Call to Order**

**2. Approval of Agenda**

**3. Approval of Board Minutes- January 26th, 2026**

**4. Financial Reports**

4.1 EDA Program Funds Reports

4.2 Outstanding Loans Report

**5. Old Business**

**6. New Business**

6.1 2025 Madelia EDA Annual Report

6.2 Hotel Feasibility Study

6.3 CEDA Personnel Transition

**7. Staff Report**

7.1 EDA Specialist Update

**8. Public Comment**

**9. Upcoming Events**

April 27th, 2026: EDA Meeting

**10. Adjournment**



**Madelia Area Economic Development Authority**

Madelia City Council Chambers  
January 26th, 2026, 6:00 PM Minutes

The meeting was called to order by Chair Cody Eager at 6:00 pm. Those in attendance were Cody Eager, Matthew Gunderson, Andrew Gappa, Glen Christensen, and Mark Slater. Others present include Chris Fischer, Heather Utz, Celia Viesselman, and Jim Petterson.

Eager asked for a motion to approve the agenda. Slater made a motion to approve the agenda. Christensen seconded. The motion was passed unanimously.

A motion was made by Gappa and seconded by Gunderson to approve the minutes from December 22nd, 2025. The motion was passed unanimously.

The board reviewed the program fund reports and outstanding loan reports.

A motion was made by Glen Christensen to elect Cody Eager as President, Andrew Gappa as Vice President, and Chris Fischer as Secretary for the Madelia EDA. Matt Gunderson seconded the motion. The motion was passed unanimously.

Viesselman shared the final report from the LOST analysis completed by UMN Extension. The board discussed the timeline for establishment of a LOST and the materials required to bring this matter to the State for approval. Preliminary discussions were held regarding the tax impacts on the public. No vote was taken to pursue a LOST request at the State this cycle. Eager asked that Viesselman determine whether a public vote can be held prior to the State legislative approval.

A copy of the EDA specialist update is included in the packet.

The meeting was opened to public comment at 6:16 pm. Public comment was closed.

Eager reviewed the upcoming events.

With no further business before the EDA, a Motion was made by Christensen and seconded by Gappa to adjourn the meeting at 6:16 pm.

Typed this 28th day of January, 2026,

Celia Viesselman, CEDA

EDA Outstanding Loans Report (Estimate as of December 31st, 2025)

*Forgivable loan with clawback for early sale  
or death*

Beneficiary	Loan Status	Principal balance	Origination Date	Maturity Date
Valdez, Maria and Angel	Current	\$32,000.00	11/12/2016	11/12/2026
Schmidt, Vicki	Current	\$29,280.00	6/15/2017	6/15/2027
Schwartz, Tara	Current	\$22,502.00	11/7/2016	11/7/2026
Rojas, Delmy	Current	\$31,870.00	1/28/2017	1/28/2027
Rodriguez, Maria	Current	\$23,131.00	4/15/2017	4/15/2027
Moore, Alan and Angela	Current	\$25,750.00	7/31/2017	7/31/2027
Kuennen, Aaron and Carol	Current	\$25,735.00	8/24/2017	8/24/2027
Kilmer, Shari	Current	\$32,000.00	8/1/2017	8/1/2027
Lopez, Josseline and Gomez, Mario	Current	\$32,000.00	11/10/2016	11/10/2026
Coners, Amy	Current	\$28,571.00	12/16/2016	12/16/2026
Balderas, Maria and Niave, Carlos	Current	\$24,900.00	5/25/2016	5/25/2026
Callejas, Benancio and Zeidy	Current	\$30,051.00	10/20/2016	10/20/2026
Gomez, Iris	Current	\$31,885.00	10/6/2017	10/6/2027
Orellana, Gladys	Current	\$31,000.00	11/11/2016	11/11/2026
<b>Total Balance Outstanding</b>		\$400,675.00		
<b>Total Cash Balance in Fund</b>		\$52,478.00		

**Fund 40-Commercial SCDP**

Company Name	Loan Status	Principal balance	Origination Date	Maturity Date
<b>Total Balance Outstanding</b>		\$0.00		
<b>Total Cash Balance in Fund</b>		\$3,457.34		

**Fund 41-Commercial USDA**

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Filip Diesel Repair	Current	\$58,873.81	\$413.89	3%	10/15/2025	11/01/2025
Dream River Marketing Group, LLC	Current	\$4,078.54	\$341.67	1%	2/13/2017	03/15/2017
J Henry Properties, LLC	Current	\$47,707.10	\$344.92	1%	5/1/2018	06/01/2018
<b>Total Balance Outstanding</b>		\$110,659.45				
<b>Total Cash Balance in Fund</b>		\$6,219.03				

EDA Outstanding Loans Report (Estimate as of December 31st, 2025)

**Fund 45-Commercial**

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Madelia Lumber	Current	\$27,495.65	\$636.69	1.00%	7/22/2019	09/01/2019
Sud UR Duds	Current	\$349.65	\$175.25	1.00%	04/12/2016	05/20/2016
Lost Sanity Brewing	Current	\$80,034.71	\$597.86	1.00%	09/01/2017	10/01/2017
J Henry Properties	Current	\$18,615.65	\$114.97	1.00%	08/01/2020	09/01/2020
Shellum Properties Management, LLC	Current	\$51,622.97	\$659.89	4.00%	09/01/2023	10/01/2023
Bryngelsson Holdings	Current	\$51,679.74	\$580.59	3.00%	07/15/2024	08/15/2024
<b>Total Balance Outstanding</b>		\$229,798.37				
<b>Total Cash Balance in Fund</b>		\$121,205.05				

**Fund 46-Downpayment Assistance/Housing**

Beneficiary	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Eser, Sterling	Current	\$451.45	\$91.18	4.00%	05/09/2016	06/15/2016
Forstner, Michael	Current	\$865.09	\$100.00	6.00%	11/15/2016	12/15/2016
Guyer, Ryan	Current	\$1,161.55	\$99.95	6.00%	02/13/2017	03/15/2017
Hogg, Darrell	Current	\$619.25	\$53.05	5.00%	02/13/2017	03/15/2017
Rodriguez, Maricela	Current	\$947.09	\$91.19	4.00%	05/01/2017	05/01/2017
Ordoff, Brandon and Sonya	Current	\$3,044.95	\$109.07	8.00%	09/20/2018	10/15/2018
Sandoval, Ismael	Current	\$3,963.77	\$104.50	7.00%	09/01/2019	10/01/2019
J Henry 115 LLC	Current	\$123,086.72	\$693.25	3.00%	04/01/2025	10/15/2025
<b>Total Balance Outstanding</b>		\$134,139.87				
<b>Total Cash Balance in Fund</b>		\$163,215.45				

**Fund 52- Economic Development**

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
VanHale Properties	Current	\$129,692.77	\$920.14	1%	5/1/2018	06/15/2018
ProSide LLC	Current	\$17,428.39	\$569.72	1%	8/13/2018	10/01/2018
<b>Total Balance Outstanding</b>		\$147,121.16				
<b>Total Cash Balance in Fund</b>		\$283,458.86				

TO: EDA Board  
 FROM: Celia Viesselman, CEDA  
 SUBJECT: EDA Program Funds Report  
 DATE: March 23rd, 2026

### EDA Program Funds Report (Estimate as of February 28th)

Fund Name	Fund 39	Fund 40	Fund 41	Fund 43	Fund 44	Fund 45	Fund 46			Fund 52
<b>Fund Purpose</b>	Housing	Commercial	Commercial: Small and Emerging	Child Care	Commercial: Small and Emerging	Commercial	Housing - MF Construction	Housing- Rehabilitation	Housing- Down Payment Assistance	Development Fund
<b>Fund Source</b>	SCDP	SCDP	USDA and City (SCDP)	First Children's Finance	USDA	SCDP	SCDP			Riverview Heights Lot Sales and Loan Repayments
<b>Program Policy</b>	2015 SCDP Housing	2015 SCDP Commercial	Business Assistance Program	Madelia Child Care Start-Up / Expansion Grant	Business Assistance Program	Business Assistance Program	Multifamily Housing Loan Program	<i>In Development</i>	Down Payment Assistance Program - CLOSED	Loans: Business Assistance Program
<b>Current Structure</b>	Forgivable Loan	Forgivable Loan + Installment Loan	Low-interest loans	Grants	Low-interest loans	Low-interest loans	Low-interest loans	<i>In Development</i>	Low-interest loans	Loans
<b>Cash on Hand</b>	\$52,478.00	\$3,457.34	\$6,219.03	\$9,166.11	\$99,000	\$121,205.05	\$163,215.45			\$223,458.86
<b>Restricted Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$60,000
<b>Loans Receivable</b>	\$400,675.00	\$0.00	\$110,659.45	\$0.00	\$0.00	\$229,798.37	\$134,139.87			\$147,121.16
<b>Loans Outstanding</b>	14	0	3	N/A	0	6	1	None	7	2

TO: EDA Board  
FROM: Celia Viesselman, CEDA  
SUBJECT: 2025 Madelia EDA Annual Report  
DATE: March 23rd, 2026

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Please review the attached 2025 Madelia EDA Annual Report.

**Board Action Requested:** No Action needed.

CITY OF  
**MADDELIA**  
Minnesota  
*Pride of the Prairie*



# 2025 EDA Annual Report



Prepared by: Celia Viesselman  
*Community and Business Development Specialist*

# Madelia EDA Overview

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**Mission** To promote investment, job creation, redevelopment of blighted areas, and diversify the areas industrial, commercial, and retail base to insure Madelia and the surrounding area's long-term viability.

## **Board**

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Cody Eager  
Andy Gappa  
Glen Christensen  
Matt Gunderson  
Mark Slater

## **Staff**

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Chris Fischer  
*City Administrator*  
Celia Viesselman  
*Community and Business  
Development Specialist*

## **Fund Report**

<b>Funds</b>	<b>Cash on Hand</b>	<b>Outstanding Loans</b>
<b>Fund 39-Forgivable Housing Rehab Loans</b>	<b>\$52,478.00</b>	<b>\$425,368.00</b>
<b>Fund 40-Commercial Rehab Loans (Forgivable/Installment)</b>	<b>\$3,457.34</b>	<b>\$0</b>
<b>Fund 41-Commercial USDA-RBDG Loans</b>	<b>\$4,018.07</b>	<b>\$112,470.14</b>
<b>Fund 45-Commercial Loans</b>	<b>\$116,947.93</b>	<b>\$233,257.41</b>
<b>Fund 46-Down Payment Assistance and Multifamily Development Loans</b>	<b>\$160,895.81</b>	<b>\$136,007.36</b>
<b>Fund 52-EDA Fund</b>	<b>\$280,479.14</b>	<b>\$149,852.26</b>

*Note: This is an unaudited estimate of the fund balances.*

# Economic State of Madelia

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In 2025, Madelia continued to grow and show strong economic momentum. The City's population is estimated at **2,380**, one of its highest levels on record, and the total market value of property has increased **10.3%** since 2024, signaling rising demand and sustained reinvestment. Residential and commercial vacancies are increasingly limited, prompting the Madelia Economic Development Authority to explore expansion opportunities in 2026.

In 2026, Madelia will mark ten years since the Downtown Fire, an event that displaced nine businesses and reshaped the community. Today, nearly all rebuilt downtown properties are full and home to thriving businesses. Over the past decade, the City has also faced major floods in 2018 and 2024, the COVID-19 pandemic, and significant road construction projects. Despite these challenges, Madelia has remained resilient. These experiences have reinforced the City's ability not just to recover, but to grow, and have positioned Madelia well for continued investment and long-term success.



**\$60k** in loans to businesses this year

**15** visits with businesses regarding business plans and financing

**23** individuals attended business workshop on Digital Marketing, Quickbooks, and Succession Planning

## Encouraging Next Generation of Entrepreneurs

Through working with the **Madelia High School** Entrepreneurship class, the EDA and **Madelia Chamber** introduced students to key elements of business planning and supported them in designing a complete business plan for their snack cart. These learning experiences create a stronger pipeline of future business owners and innovators.



## Filip Diesel Repair

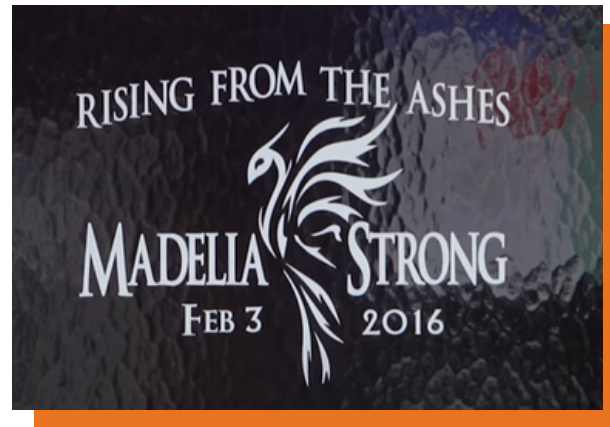
Funded shop addition through a low-interest loan to allow expansion into selling critical products for the region

# A Decade of Resilience: Madelia Ten Years Later

On a winter night in February 2016, a fire tore through Madelia's downtown and displaced nine businesses from the heart of the community. In a matter of hours, Main Street was fundamentally altered. For business owners, the loss was immediate and deeply personal. For the community, it raised an urgent question about what downtown Madelia would become.

The response was swift. Building owners, business owners, and community members worked together to clear debris, plan next steps, and support those affected. That collaboration shaped the pace of recovery. Eight of the nine businesses displaced by the fire ultimately reopened, and six remain in operation today. Most were able to reopen by the end of 2016, a remarkable timeline given the scale of damage. La Plaza Fiesta, the final displaced business, reopened in spring 2017, marking a meaningful milestone in downtown's recovery.

Rebuilding was not just fast. It was intentional. Business owners chose to reinvest. Property owners committed to reconstruction. Customers continued to show up. The result was not a hollowed-out downtown, but one that slowly regained activity, confidence, and momentum. Today, nearly all rebuilt downtown properties are occupied by thriving businesses.



That momentum mattered, because the fire was only the first in a series of challenges. In the decade that followed, Madelia businesses navigated major flood events, including federally declared disasters in 2018 and 2024. They endured the disruption and uncertainty of the COVID-19 pandemic, adapting operations and finding new ways to serve customers. Prolonged state and local road construction projects further tested visibility and access, forcing businesses to remain flexible and creative to retain their audience.



*Pictured: 2024 Flood*

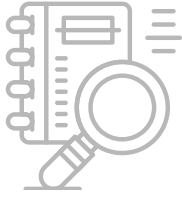
Throughout these disruptions, Madelia’s business community provided its own sense of stability. Longstanding businesses like Madelia Ford, Preferred Printing, and Sweet Indeed continued to serve customers, while newer businesses such as Elite Electrical Innovation kept building their footing. Their steady presence helped maintain jobs, customer confidence, and a sense of normalcy as the community worked through repeated disruptions.

Taken together, the last ten years tell a story that extends well beyond a single disaster. Madelia’s businesses faced fire, flood, a global pandemic, and prolonged construction impacts, and kept going. Recovery was not accidental. It was driven by collaboration, by community support, and by business owners who believed in Madelia even when circumstances made that belief difficult.

As Madelia approaches the tenth anniversary of the downtown fire, the defining legacy is not what was lost, but what endured. Downtown Madelia today reflects a business community that chose to stay, adapt, and reinvest, again and again. That resilience remains one of Madelia’s greatest strengths and a foundation for the next decade of growth.



# Housing



Participated in a countywide **housing study** to prioritize investments in housing. Complete study anticipated in February 2026.



Approved **Multifamily Low-Interest Loan** and **Tax Abatement** Programs to encourage new developments



Funding provided to one Madelia homeowner through the **Watonwan County Affordable Housing Aid Program** to support home rehabilitation



Awarded **\$130,000** to support housing infrastructure in the Madelia Mobile Village through the Tier II MN Cities Grant

# Public–Private Partnerships for Housing

*Strengthening Madelia's housing supply through strategic investment and collaboration*

In 2025, the Madelia EDA continued to leverage public dollars to unlock private investment in new housing. These partnerships support community growth, expand local housing options, and ensure that Madelia remains a competitive and vibrant place to live. Each project demonstrates how targeted EDA investments generate long-lasting benefits for residents and the local economy.

## **Expanding Market-Rate Rental Access**

To meet Madelia's urgent need for quality rentals, the EDA provided a \$125,000 low-interest loan to J Henry 115 LLC for a new four-plex at 115 Benzel Ave SW. Completed in October, the units leased immediately and have remained full. This strategic investment expanded housing options and leveraged private development to strengthen the local economy.

## **All Lots Sold: New Homes on the Way!**

In 2025, the EDA successfully sold all remaining nine lots in the Riverview Heights subdivision, one to a local family for a private build and eight to Miller Homes of Montgomery, MN, who will develop market-rate single-family homes. This milestone marks the completion of a subdivision originally launched in 2000 to encourage new housing opportunities. With construction already underway on the first lot, these new homes will bring stability, growth, and new families into the community.

## **Setting the Stage for New Residential Growth**

To expand residential options, the EDA entered a 50/50 cost-share agreement with VanHale Properties LLC, up to \$200,000, to install infrastructure for up to nine new lots in the Stone's subdivision. This model boosts the City's ability to attract private investment to expand the housing stock essential for workforce stability.



*Pictured: Riverview Heights*

Quality of life is not a side project in Madelia. It is a core economic development strategy. When a community is safe, welcoming, and livable, people choose to stay, families choose to move in, and businesses feel confident reinvesting for the long term.

In 2025, the City of Madelia and the Madelia Economic Development Authority focused on projects that make everyday life better while preparing the community for long-term resilience. These efforts reflect what residents have told us they value and what employers look for when deciding where to invest.

## **Advancing Watona Park as a Community Anchor**

Watona Park is one of Madelia's most visible and heavily used community assets. To guide future investment, the City conducted a targeted survey focused on Watona Park, receiving 274 responses. Residents identified three clear priorities: flood mitigation, the City Pool, and additional gathering spaces and shelters.

Those priorities are now shaping real projects. Planning progressed on a nearly \$1.5 million Safe Room, which will provide tornado protection for campground guests while also serving as a year-round community gathering space. The City also approved going out for bids on November 24 for a new bathhouse attached to the City Pool, a necessary step to allow the Splash Pad project to move forward.

To guide longer-term improvements, the City is partnering with the University of Minnesota Design Center on a Riverfront Redevelopment Plan that builds on past planning and resident input to identify flood-resilient recreational amenities and practical flood-mitigation strategies.



## Improvements That Shape Daily Life

Beyond Watona Park, the City continued to invest in infrastructure that impacts residents every day. The City completed the first year of construction on the \$12.8 million Center Avenue Reconstruction Project, delivering utility upgrades, safer roadways, and improved pedestrian and bicycle access from Old Highway 60 South to Main Street. Construction will continue north in 2026.

To strengthen walkability, the City launched a sidewalk inventory, now approximately 75% complete and expected to finish in Spring, providing a data-driven foundation for future sidewalk maintenance and investment.

In partnership with Madelia Municipal Light and Power, the City also pursued two grant opportunities to bury overhead electric lines, increasing grid resiliency, reducing outage risk, and replacing aging infrastructure.

## Quality of Life as an Economic Investment

Together, these investments strengthen Madelia's quality of life and reinforce confidence in the community's future. Safe public spaces, reliable infrastructure, and modern amenities help attract residents and businesses while encouraging reinvestment from those who already call Madelia home. These efforts position Madelia for sustainable growth and continued economic success.



# 2026 EDA Goals

## Goal: Support Business Retention and Expansion in Madelia

- Facilitate Zoning Code Update
- Market Revolving Loan Funds
- Partner with Chamber to market Madelia
- Investigate commercial/industrial expansion opportunities

## Goal: Increase and Preserve Available Housing Stock in Madelia

- Track/manage VanHale housing development partnership
- Administer Greater MN Tier II Small Cities Program
- Investigate residential expansion opportunities

## Goal: Facilitate Quality of Life Improvements

- Support MMLP with State and Federal Grant Administration
- Research and facilitate redevelopment of Watona Park Riverfront
- Communicate updates on Center Avenue Reconstruction Project
- Facilitate sidewalk audit to prioritize planning for future sidewalk improvements
- Facilitate redesign of arrival/dismissal at Madelia Elementary and St. Mary's
- Manage FEMA Saferoom Grant



# Appendix

**Table 1. Madelia Economic Market Value**

<b>Market Category</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Residential Homestead	92,229,563	121,439,254	120,209,938	131,236,300
Other Residential	3,597,800	4,438,800	4,590,500	7,393,700
Ag	1,341,453	1,774,907	1,820,204	1,834,800
Other	69,700	154,700	162,200	171,000
Commercial/Industrial	13,554,200	13,779,000	16,922,275	17,851,300
<b>Total</b>	<b>110,792,716</b>	<b>141,586,661</b>	<b>143,705,117</b>	<b>158,487,100</b>

TO: EDA Board  
FROM: Celia Viesselman, CEDA  
SUBJECT: Hotel Feasibility Study  
DATE: March 23rd, 2026



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Since 2023, community members have brought up a need for additional lodging options within the City of Madelia.

Mountain Lake is in the process of building a hotel. Their EDA mentioned that a hotel feasibility study was critical towards defining the local need for a hotel. Hotel R&D, LLC conducted their hotel feasibility study. They have extensive experience in hotel management, development, and feasibility and market research.

**Cost:** \$6,000

**Timeline:** 30 days

Please see the attached proposal.

**Board Action Requested:** Review and take appropriate action regarding a hotel feasibility study.

PROPOSAL FOR:

HOTEL MARKET & FEASIBILITY STUDY

**City of Madelia Minnesota**

Submitted to:

Celia Viesselman  
Community and Business Development Specialist  
City of Madelia EDA

VIA EMAIL: [celia.simpson@cityofmadeliamn.gov](mailto:celia.simpson@cityofmadeliamn.gov)

March 10, 2026

**Hotel R & D, LLC**  
**Hotel Research & Development**

March 10, 2026

Ms. Celia Viesselman  
Community and Business Development Specialist  
City of Madelia EDA  
Madelia, MN 56062

**PROPOSAL FOR HOTEL MARKET AND FEASIBILITY STUDY**

Celia:

I would like to submit this proposal for a Hotel Market and Feasibility Study for the City of Madelia. I would appreciate the opportunity to evaluate the community, Watonwan County and the south-central region of Minnesota for new lodging development needs. As you will read, Hotel R&D, LLC offers extensive experience in hotel feasibility studies and projects in a variety of Minnesota and other midwestern markets.

**HOTEL R&D, LLC**

Michael P. Lindner is sole proprietor of Hotel R&D, LLC, a hotel consulting firm specializing in market research and feasibility analysis for new lodging developments. I began market research services in 1993 as an independent consultant to AmeriHost Inns, a limited-service hotel brand focused on secondary and tertiary communities throughout the United States.

I have extensive knowledge of hotel operations ranging from our 3 family-owned Wisconsin motels to management positions with a Marriott Convention Hotel, Hilton Garden Inn and an independent waterpark resort in Wisconsin Dells. I have also co-developed hotels in Minnesota, Wisconsin and Iowa.

Since 1993, I have performed over 500 market studies. My experience in operations, development, and market research gives me a unique perspective on new market projects through the eyes of an operator, developer, and analyst. My studies are “blank slates” free of any predetermined franchises, features, or property types. I let local market demand determine the optimum property.

A resume and selection of previous assignments with results are attached to this proposal.

## **BACKGROUND AND UNDERSTANDING**

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It is understood that the City of Madelia is interested in an independent evaluation to determine the potential of attracting new hotel development to the city. A preference for a new lodging facility that offers a unique alternative to the existing hotel operations in the city is desired. Focus will be placed on locally and regionally generated hotel demand that may be leaving the city for overnight accommodations in other nearby markets due to the dissatisfaction of the quality and/or quantity of hotel rooms in Madelia.

Therefore, it is the goal of this comprehensive hotel market study to determine the overall demand for overnight accommodations by any and all sources including business, leisure, highway transient and group-related visitors. The conclusions of the study will recommend room styles, features, amenities, and possible franchises that will appeal to current visitors as well as potential guests.

Financial projections contained in a Hotel R&D market and feasibility study are based on detailed local/regional hotel development costs (current) and operating expenses in a format created from actual hotel profit & loss statements. Local lender and potential investor interest are investigated during the fieldwork portion of the study. Debt service coverage and investor return on equity are two primary factors presented that help determine the actual feasibility of the project.

The economic and socio-economic impact of a new hotel would have on the community (employment, taxes, development appeal, and overall quality-of-life improvements) will be measured. The impact on existing lodging operations within the city, if any, will also be evaluated and presented.

The primary focus of this study will involve a thorough Hotel Demand Analysis as outlined below. The final report will provide a full hotel market and feasibility study, also outlined below.

## **SCOPE OF PROJECT**

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### **General Market Analysis**

The Hotel Market Analysis will provide a comprehensive evaluation of the region encompassing but not limited to all of Madelia and the nearby communities that influence or are influenced by Madelia. This includes the impact from neighboring communities within a competitive travel radius of the city. Among the key factors to be presented are:

#### **Market Definition and Site/Neighborhood Evaluation**

- A description of Madelia and the surrounding market through the eyes of a business, leisure and transient traveler.
- Define the primary, secondary and tertiary markets that influence or are influenced by lodging, dining, retail and other services provided in Madelia.
- A review of demographic and economic trends
- Retail/Service industry sales trends (including eating & drinking places)
- Highway traffic volume trends
- Hotel lodging tax collection trends of the surrounding area
- Targeted sites and neighborhood analysis. This analysis will encompass an evaluation of the site's accessibility, visibility, and physical characteristics that might affect the marketability of a new hotel project. A SWOT analysis will be presented to assist in the ranking of potential sites.

### **Competitive Supply Analysis**

- The Competitive Supply Analysis will present a detailed description of each primary and secondary competitive property (determined) to include pertinent information. This information includes room mix, features, rates and occupancy estimates, online traveler comments, key demand generators and additional details.
- Strengths and weaknesses of the primary and secondary competitive hotels in the market will be identified. This includes franchise reputation, physical appearance and quality of accommodations.
- Secondary competitive supply includes the performance of short-term rental units in and around the city. Focus on 1- and 2-bedroom units is placed as these tend to offer a closer representation to standard lodging operations including extended stay hotel potential.
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## **Hotel Demand Analysis**

An emphasis on current and potential growth in hotel demand generated by local businesses and attractions will highlight the Demand Analysis section of the report. Among the strategies to complete this section will include the following steps:

### **Interviews**

- City, County and State tourism agencies  
*Gather attendance trends of area events and attractions as well as regional and statewide activities that could impact hotels in Madelia and neighboring communities.*
- Key personnel of local and regional businesses  
*Discuss specific hotel demand wants and needs of top employers along with a general demand survey of all potential demand generating businesses (corporate, service, retail, etc.)*
- Attraction and event venue management  
*Aside from learning about current group function trends, the ratio of meeting and banquet capacities to available hotel rooms can influence the number of rooms recommended and discover consistencies in lost business (due to lack of rooms).*
- Local and regional hotel management  
*Includes conversations with hotel management companies operating local properties regarding market strengths and weaknesses.*

Interviews will be conducted through personal calls, emails and one-on-one visits during the fieldwork portion of the study. Likely contacts will be presented to the city prior to interviews and fieldwork visits. This will allow for corrections, changes and the addition of potential demand generators not identified during our initial research.

### **Demand Analysis**

- A thorough definition of the types and estimated volume of demand for overnight accommodations (and related services) will be vital in determining gaps in local lodging supply (type and quality of hotel). Estimated volume of demand will also be critical in projecting the seasonal and annual performance of a new hotel.
- Projections of demand growth will be determined from previously listed interviews and historic trends of occupancy by demand market segmentation as described above.

# **Hotel R & D, LLC**

## **Hotel Research & Development**

*Madelia Hotel Study Proposal*  
*(Demand Analysis continued)*

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- The Demand Analysis will identify key demand generating companies, attractions and events in Madelia and the surrounding markets.
- Unaccommodated or untapped demand markets will be identified along with potential opportunities to induce new demand with the proper new lodging facilities.

### **Preliminary Findings Summary**

After the project fieldwork and initial analysis are completed, a summary of preliminary conclusions will be sent to the client. Should the results of the initial work determine that the market will not support new lodging development, no further work will be performed, nor will there be any additional fees to the community. A discussion regarding the reasons for the determination will be scheduled. The negative conclusions will be addressed in detail along with potential remedies for future consideration.

Negative conclusions are often caused by a lack of sufficient demand for additional overnight accommodations. The markets' inability to support the average rates necessary to provide a positive return on investment can also be a factor. Any potential rectification of negative conclusions will be suggested and presented in the preliminary conclusions report.

**Assuming the preliminary findings are positive, the second phase of the hotel market study will continue upon your approval. This phase will include:**

### **Full Hotel Market Study**

Final preparation and reporting of the Hotel Market and Feasibility Study will be completed and presented. The completed study will include:

- a. Executive Summary
- b. Conclusions and Recommendations of type of facility, size, features and amenities, potential branding, and optimum location
- c. Complete Market Description and background support data
- d. Site Analysis evaluating and ranking potential parcels with SWOT evaluation and determination of optimum site(s).

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**Hotel Research & Development**

*Madelia Hotel Study Proposal*  
*(Full Hotel Market Study continued)*

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- e. Detailed supply analysis of the primary and secondary competitive markets including short-term rental performance
- f. Trends and projections of hotel demand by market segments
- g. Estimate the financial impact and economic benefits on the city including:
  - i. Hotel room tax collection
  - ii. Property tax
  - iii. Sales and other local taxes
  - iv. Potential added restaurant, retail, and service industry sales created by a new lodging facility
  - v. Sample of public incentives that could benefit the appeal of the project and the benefits to the community
- h. Complete financial analysis including break-even, opening year and 10-year proforma:
  - i. Projected complete development costs including franchise and independent variations based on conclusions and recommendations.
  - ii. Profit and loss statement scenario providing line-item details of:
    - i. Revenue sources
    - ii. Operating expenses including current and local wages, staffing, property taxes, utilities and all other expenses extended into a 10-year proforma.
    - iii. Projections taken to EBITDA
    - iv. Return on Investment based on financing scenario using current interest rates and lender requirements of equity, debt service coverage and exit strategy CAP rates.
    - v. Financial and marketable impact on area businesses

**Next Step Meeting – Post Project**

After the final report is delivered, reviewed, and settled, a meeting will be scheduled, at your determined time, to discuss the project in general and answer any questions that may arise. Suggestions regarding location, features, franchising, and the overall development process, including issues and items not included in the final report can be discussed. This can include unique discussions regarding potential hotel investors, developers and operators identified during the fieldwork portion of the study.

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*Madelia Hotel Study Proposal*  
*(Next Step Process continued)*

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A strategy and any additional material required to attract developers and investors will be created with specific and timely goals. This may include additional contact and summarized materials coordinated between Hotel R&D and the client. Follow-up meetings and material may be required to formalize a hotel development agreement. No additional costs will be imposed by the city unless the nature of the requested services varies from the study and next step process.

**Project Timeline**

Research, fieldwork and preliminary conclusions	30 days
Final report completion	21 days
Next Step process	TBD

This time frame will allow proper preparation, fieldwork follow-up and a discussion of the preliminary findings summary with client's approval to complete the final draft. Delays in final approval could result in later completion. This projected timeline assumes a commencement date within 60 days of the date of this proposal.

**Project Cost**

The cost of the Hotel Market Study will include a full evaluation and analysis completed in a two-phase approach. The purpose of a two-phase process allows for the presentation of potential risks or other issues that would restrict the success of a new hotel. These risk factors, if any, will be explained in the preliminary findings summary that will be presented after the fieldwork and initial analysis. You will have the opportunity to forgo any further work on the study with no additional charges beyond the required retainer as described below.

Compensation for the Hotel Market and Feasibility Study will be **\$6,000.00** inclusive of all expenses directly associated with the fieldwork and preparation of the study. It also includes required visits and meetings with the client.

A retainer of **\$3,000.00** is required at the commencement of this project. The retainer is applied towards the purchase of various reports as well as time, travel, and other materials. This retainer includes the Phase One preliminary report and follow-up meeting.

The balance of **\$3,000.00** will be due upon receipt of the final presented study. Fees are inclusive of all expenses directly associated with the fieldwork and preparation of the study. It also includes required visits and post-project meetings with the client.

**Hotel R & D, LLC**  
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*Madelia Hotel Study Proposal*  
*(Project cost continued)*

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The balance of the project fee will be due upon receipt of the final presented study.

**Agreement**

**Your approval of this proposal/agreement is indicated by the receipt of this signed agreement and the required retainer fee. Again, I appreciate the opportunity to provide this proposal and am available for any comments or questions.**

A full resume of experience, including past market study locations, is included with this proposal.

Sincerely,

*Michael P. Lindner*

Michael P. Lindner  
Hotel R&D, Inc  
944 Evans Street  
Oshkosh, Wisconsin 54901  
414-379-2105

Approval:

\_\_\_\_\_

Signature

\_\_\_\_\_

Printed Name

\_\_\_\_\_

Date



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## ***SYNOPSIS OF EXPERIENCE***

944 Evans Street  
Oshkosh, Wisconsin 54901  
Telephone: (414)-379-2105

### ***Michael P. Lindner***

A 40-year veteran of the lodging industry, I began my career in hotel operations working at our family-owned independent motel in the Milwaukee area. During this time, I joined the management team of a 400-room **Marriott Convention Hotel** and oversaw the front office operations and was ultimately promoted to the National Sales Manager position.

Five years later, I joined a fellow Marriott-alum to expand **Hospitality Marketers, Intl.**, a hotel consulting firm specializing in the creation and implementation of sales and marketing strategies for independent resorts and hotels. HMI soon expanded into a market research and feasibility analysis firm providing services to national franchises, investment groups, institutional lenders and government agencies including Small Business Administration and U.S. Department of Agriculture.

I formed **Hotel R&D, LLC** in 1993 to pursue greater involvement in the hotel development process. I utilize my experience in research and development to assist hotel investors, owners and operators in creating optimum performing lodging and other tourism operations. I specialize in unique and specific market-driven properties that are designed by the demographic and economic strengths of the region.

Research services were expanded in 2010 with a focus on free-standing event venues including waterparks, conference centers, entertainment venues, and athletic complexes. The addition of Travel Plaza/C-Stores, Senior Housing and Self-Storage market and feasibility studies began in 2019 with a series of projects in Minnesota, Illinois and Missouri.

Through these consulting services, I've accumulated a vast and diverse portfolio of successful projects and positions including:

Co-founder of **Award Hospitality**: hotel management company overseeing the turn-around strategies and successful implementation of 12 bank-owned limited-service hotels. The goal of reinvigorating each property including brand conversions, property renovations and aggressive staff training resulted in the successful sale of each property within a 2-year span.

Other significant projects and assignments include:

Consulting Director of Operations for a 300-room **Holiday Inn Convention Center and Expo** (Stevens Point, Wisconsin) during its transformation from the national franchise to an independent resort brand. Initial involvement including feasibility of owners' vision leading to one year of daily management of operations and renovations.

Co-owner and manager of former **Raintree Resort**, a 156-room, full-service waterpark hotel in **Wisconsin Dells**. The goals of rebounding this distressed resort and attracting new investors was met within 1 year of ownership ultimately leading to the sale of the property to local investors.

Received Certification of General Management from Hilton Hotels during General Manager assignment at a 130-room **Hilton Garden Inn** in Oshkosh, Wisconsin.

In addition to these consulting projects, I have performed over **500 market and/or feasibility studies** in 39 states, Canada and Europe. Projects have ranged from limited-service brands to extensive golf and waterpark resorts. To date, studies have included 14 hotel waterparks or the expansion of existing properties to include waterpark and other recreational features.

## Synopsis

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### Hotel/Resort Management

- Family -owned independent roadside motel in Milwaukee
- National Sales Manager of Marriott Hotel Brookfield, Wisconsin
- Co-owner and manager of Raintree Waterpark Resort Wisconsin Dells
- Director of Operations Country Springs Resort Stevens Point, Wisconsin
- Interim (consulting) General Manager, Hilton Garden Inn
- Interim General Manager, Lake of the Wood Resort in Wisconsin

### Development

- Hearthside Extended Stay Hotel – Shakopee, Minnesota
- Amerihost Inn brands (now Wyndham), 22 Midwest and West Coast markets
- Comfort Inn & Suites northern Wisconsin
- Independent Resort Hotel in Door County region of Wisconsin

### Feasibility and Market Research

- Performed over 500 hotel and resort studies in 39 states, Canada and Europe including infrastructure analysis in 4 urban markets of Poland.
- Community Demand Analysis and “State of the Local Lodging Industry” reports for individual organizations
- Collaborated on *Hotel Research and Market Analysis Strategies*, an independent study guide and text supplement for the University of Wisconsin - Extension.
- Co-hosted "Attracting Hotel Development after the Pandemic" webinar to Midwest community economic development directors in 2022.

**Hotel R&D**

**Recent Hotel Study Project List**

<b>Project</b>	<b>Start Date</b>	<b>End Date</b>	<b>Proj Days</b>	<b>Results</b>
<p><b>City of Green Bay Wisconsin</b>            Population 107,000            Joe Truehart            Hoffman Development Group            Appleton WI            jtruehart@hoffman.net            (920) 731-2322</p>	3/22/2025	5/19/2025	48	Currently planning Courtyard by Marriott or Hyatt House development with investor presentations.
<p><b>Alexandria Minnesota</b>            Population 14,900            Mr. Shane Johnston            Developer            Alexandria MN            shanejo@ellingson.com            320-762-8645</p>	10/24/2024	1/31/2025	61	Study resulted in 92-room Holiday Inn Express currently under development. Hotel R&D is providing continuous assistance in investor and lending structuring and general development assistance.
<p><b>Cambridge Springs Pennsylvania</b>            Population 2,320            Carl Archacki            President            CREATE (City Economic Development Corp)            Cambridge Springs Pennsylvania            carl_leonard@verizon.net</p>	Jul-24	Sep-24	59	Resulted in independent contactless boutique hotel still under development
<b>Recent Similar Size Market Studies</b>				
<p>Cumberland Wisconsin            Randy Reeg, City Administrator            cityadmin@cityofcumberland.net</p>	Population 2,302			Currently seeking local investors and developer for 40-50 room regional franchise.
<p>Amery Wisconsin            Patty Bjorklund, City Administrator            patty.bjorklund@amerywi.gov</p>	Population 2,934			Best Western Plus under development
<p>Mountain Lake, Minnesota            Rod Hamilton, Economic Development Director            City of Mountain Lake            rhamilton@mountainlakemn.com</p>	Population 1,944			Private developer working on financing for AmericInn or similar hotel.

TO: EDA Board  
FROM: Celia Viesselman, CEDA  
SUBJECT: February and March Monthly Update  
DATE: March 23rd, 2026



**Childcare:** Provided information to County group on feasibility of County employee childcare options

**FEMA Grants:** Wrapped up reporting on 3 FEMA grants from the 2018 Flood.

**Housing - Tier II Cities Grant to support MMV:** Working on grant contract and project planning. Anticipated to support 3 lots to include demolition of two vacant homes on A row in MMV.

**Riverview Heights Park:** Sought quotes from two playground companies. Quotes will be brought to the April City Council meeting.

**Watona Park:**

Met with UMN Ext and Design Center to finalize details to wrap up plan  
Worked on lease agreement drafts with potential community partners

**Water Department Grants:**

Working with Watonwan County SWCD and BWSR to submit a grant to seal well number 4. Due March 25th.  
Submitted inventory of Galvanized lines requiring replacement to MDH for 2027 DW PPL

**Workforce Development:**

February Career Fair: Provided EMS and CNA Career Exploration opportunities  
Shark Tank: Business Pitches from Intro to Business Students  
Southpoint Budget City Workshop: Volunteered and helped secure volunteers