

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



# 2025 EDA Annual Report



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# 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

Cody Eager  
Andy Gappa  
Glen Christensen  
Matt Gunderson  
Mark Slater

## Staff

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

## Fund Report

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

*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

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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*

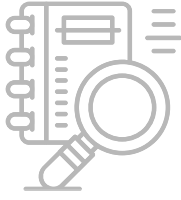
Throughout these disruptions, Madelia's business community provided its own sense of stability. Longstanding businesses like Madelia Ford, Preferred Printing, and Sweet Indeed continued to serve customers, while newer businesses such as Elite Electrical Innovation kept building their footing. Their steady 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>