

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, January 3rd, 2023

Kasson City Hall

12:00PM

MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Kasson Economic Development Authority (EDA) was held at Kasson City Hall this 3rd day of January 2023 at 12:00PM.

The following board members were present: Dan Egger, Chris McKern, John Ehmke, Tom Monson – arrived at 12:09PM, and Michael Peterson – arrived at 12:11PM

Absent: Janice Borgstrom-Durst, and Kathy O'Malley

The following staff members were present: Tim Ibisch – City Administrator, and Ian Albers – Community Development Assistant

- I. Call Meeting to Order. Egger called the meeting to order at 12:00PM.
- II. Business Spotlight – Home Federal Savings Bank. Matt Bradford, Market President, presented to the EDA on the history and current operations of Home Federal – focusing especially on various contributions made by the bank to the community. Following the presentation, members of the EDA board asked questions to Bradford on the housing market, the state of the economy, CD rates, and staffing. A certificate was then presented to Bradford.
- III. Approve Minutes of the Previous Meeting. Peterson motioned to approve the minutes. Monson seconded.

Ayes (5), Nays (0). Motion carried.
- IV. Financial Report. No financial report available for January due to staff turnover.
- V. Coordinators Report. Albers presented the Coordinator's report.

Business visits, assistance, and community updates

Over the last month, I have been involved with several inquiries on expansions for various businesses in Kasson, including MN Ag Group, LC Trucking, and Windsor Court among others. MN Ag Group has been in the process of transferring the ownership of the property and is interested in expanding their building, as well as improving access. LC Trucking is searching for a place to relocate their business as the new Kwik Trip comes to the existing site. Aside from expansion inquiries, this month I have also been involved with a conditional use permit for a new electronic sign at the Kasson State Theatre and the USDA RD funding application process for the new firehall project. Additionally, I represented the City at the internship fair at KMHS, and attended a meeting for the planned Dodge County Regional Park, and my second Southeast Economic Development Professionals meeting.

Business Spotlight – Home Federal Savings Bank

The third business to be featured in the Business Spotlight program is Home Federal Savings Bank. Matt Bradford, Market President of the Home Federal Branch in Kasson, has been invited to attend the January meeting to accept the award certificate.

Business Façade Improvement Program – Caribou Enterprises, LLC

A BFIP application was submitted to the EDA by Jerry Dallman, Owner and Managing Agent of Caribou Enterprises, LLC. Funds would be used to help cover the cost of removing exterior brick and replacing with new siding on the north, south, and east sides of the building at 501 Mantorville Ave South. This building is the site Domino's and Preferred Heating and Cooling. The total cost of the improvements completed in the spring of 2022 was \$41,350, and the full \$2,000 in funding is requested. The BFIP application with before and after photos is included in the meeting packet.

2023 Contribution to the Southern MN Initiative Foundation

In mid-December, the City was contacted by Forest Ward, Philanthropy Coordinator at SMIF, to request an allocation for 2023. Contributions have been made to SMIF every year since 2008 in varying amounts: \$1,000 each year from 2008-2018, \$1,200 from 2019-2020, then \$500 from 2021-2022. A summary of contributions is included in the meeting packet.

Recap of 2022 Priorities and Setting 2023 Priorities

At the February 2022 meeting, the EDA identified four priorities to focus on. These included the following: 1. Developing the Vail property; 2. Business attraction with a focus on retail; 3. Supporting businesses through the Hwy 57 project; 4. Housing. I believe that the Annual Report (to be presented in February) will be helpful in evaluating progress towards each of these priorities. In setting priorities for 2023, I would ask the EDA Board to consider ideas for new priorities to be defined at the February 2023 meeting.

Downtown Assessment Return Visit – Rethos

The return visit and presentation of the final products of the downtown assessment has been rescheduled for the City Council meeting on January 11th, starting at 5:00 PM.

Tax Abatement Request – Mike Belew

At the December 2022 meeting, the EDA voted to recommend to the City Council to approve tax abatement following the stepped-percentage plan proposed at that meeting. This stepped-percentage plan would abate 100% of the City's amount of property tax for years 1-5 of the program, then 50% for years 6-7, and finally 25% for years 8-9. The total amount abated would not exceed \$102,331.25. I have also been in contact with Laura Qualey of the Dodge County EDA, who has informed me that a tax abatement request was received and was brought before the Dodge County EDA on December 13th. The Dodge County EDA recommended to deny the request, citing their policy that retail businesses that compete with similar businesses in the area will not be considered for tax abatement unless the project creates substantial employment or tax base. On December 27th, the Dodge County Board of Commissioners denied the request. The public hearing and consideration for tax abatement from Kasson will occur during the City Council meeting on January 11th.

Downtown Lots – Petals2Metals

I called Chosen Valley Testing on December 28th for a status update on the engineering report from the soil borings completed on November 16th. They informed me that the report was still under review, although they were planning to send it out on December 29th. I will follow up with Jill Bondhus to see if the report was received.

Albers shared that Jill Bondhus had responded with an update regarding the engineering report after the meeting packet was sent out. Based on what the report included, Bondhus stated that she would not be moving forward with the purchase of the lots. Peterson asked for clarification on the Dodge County EDA's policy for why the tax abatement request was denied. Albers stated that their policy wasn't explicit on what constituted substantial employment or tax base. Ibsch expanded into discussion on the approximately 40-acre property in SW Kasson and mentioned that he and Albers met with representatives of

Windsor Court to discuss the option of developing a portion of it with manufactured homes. There have been other discussions with additional developers that have expressed interest in the property.

- VI. City Administrators Report. Report included in meeting packet.
- VII. Business Façade Improvement Program – Caribou Enterprises, LLC. Albers presented the request for façade program funds from Caribou Enterprises, LLC. The eligible improvements included removing exterior brick and replacing with updated siding at the building which houses Domino’s and Preferred Heating & Cooling. The work began in the spring of 2022, and the cost of the improvements was about \$41,000. The amount being requested is \$2,000. Ibisch expressed his belief that the request should be denied because work on the improvements began several months prior to submitting the request. Discussion followed on the eligibility of projects for which the work started prior to being approved for funds. At the December 2022 meeting, there was consensus that applications such as this would be considered so long as an application was submitted in the same calendar year, and that these applications would be considered less competitive than applications for which the work had not yet been started.
- VIII. 2023 Contribution to the Southern MN Initiative Foundation. Albers shared that a representative from SMIF inquired about a possible contribution for 2023. A summary of past contributions made to SMIF every year since 2008 was included in the meeting packet. The amount for each of the last two years was \$500. Ibisch stated that he reduced the budget line item for a contribution to \$400. Monson shared that SMIF gave a loan to Chaotic Good Brewing Co. Egger motioned to donate \$400 to SMIF. McKern seconded.

Ayes (5), Nays (0). Motion carried.

- IX. Recap of 2022 Priorities and Setting 2023 Priorities. Albers reminded the EDA of the four goals that were set for 2022: 1. Developing the Vail property; 2. Business attraction with a focus on retail; 3. Supporting businesses through the Hwy 57 project; 4. Housing. He then went through each of the goals and evaluated progress made towards each and noted that the annual report to be presented at the next meeting would show more detail. Albers stated that he wanted the EDA to set priorities for 2023 at the next meeting. Members discussed keeping the goals of supporting businesses through the Hwy 57 project and clarified that the goal for housing is geared toward expanding multifamily housing. A potential site for this would be in SW Kasson, which may also work in combination with commercial/industrial development in the area. Ibisch stated that revenue from a sale of the 40-acre property could be used for downtown beautification. Discussion followed on some ways to support businesses during the Hwy 57 project, which may include providing contact information of the workers to restaurants in town or improving communication/signage during construction impacts. Ibisch brought up the possibility of conducting a community survey to determine what type of restaurant Kasson residents would support. Monson discussed the growth of Chamber of Commerce events, which could involve more involvement by cottage industry businesses.
- X. Other Business/Open Discussion. None.
- XI. Items for February meeting. 4-5 priorities will be set for 2023. A draft copy of the annual report will be reviewed ahead of the first City Council meeting. The Downtown Assessment report from Rethos will be shared with the EDA members following the presentation on

January 11th. Monson asked for a copy of the 2023 budget to be included in the next meeting packet, and said that another priority for 2023 could be to create a plan for the downtown lots.

XII. Adjourn. Peterson motioned to adjourn the meeting. McKern seconded.

Ayes (5), Nays (0). Motion carried. Meeting adjourned at 12:58PM.

The next meeting will be held at 12:00PM on February 7th, 2023.

Minutes submitted by:

Ian Albers, Community Development Assistant

Dan Egger, EDA President