

# MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

September 5<sup>th</sup>, 2017

Pursuant to do call and notice thereof, a regular meeting of the Kasson EDA was held City Hall this 5<sup>th</sup> Day of September, 2017 at 12:00p.m.

The following members were present: Mayor Chris McKern, Mike Peterson, Mike Langan and Dan Egler

Absent: Julie Olmsted, Rich Wegner and Jeff Stevenson

The following staff members were present: Theresa Coleman, City Administrator; Rebecca Charles, EDA Director

Also Present: Ron Carlson

**CALL TO ORDER:** Mayor McKern called the meeting to order at 12:00 pm.

**MINUTES OF THE PREVIOUS MEETING:** Chairman Stevenson asked if any clarification was needed for any of the minutes from last month. Motion to Approve the Minutes as submitted was made by McKern, second by Peterson with all voting Aye.

**REVOLVING LOANS FUND UPDATE:** R. Charles updated the board on the current revolving loan fund for the city of Kasson as per J. Stevenson's request at the previous EDA Meeting. As of now, the city has a total of \$231,748 currently loaned out into the community with \$89,278 cash on hand from the Revolving Loan Fund that is available to use. In total the RLF is approximately \$320,000. This will be included in all future financial documents. There were no questions from the board regarding this update.

**ROCHESTER AREA BUILDERS UPDATE:** R. Charles presented information on the benefits of the Rochester Area Builders Association (RAB) Membership as per J. Stevenson's request at the previous EDA Meeting. The associate membership to the RAB is free for the city. The RAB is a professional organization of commercial and residential builders, developers, businesses and associated communities dedicated to advancing the building industry in SE Minnesota. They have been a trusted voice for the industry and their recommendations are thought of quite highly by the state and area developers and investors. They help to connect communities with quality, local developers with competitive pricing. Benefits include monthly networking nights, which R. Charles does attend, they also assist with resource connections and marketing opportunities. No action is needed for this item.

**KASSON PROMOTIONAL PACKAGE:** City Administrator, Theresa Coleman will be attending the International Council of Shopping Centers (ICSC) trade show in Chicago on September 27<sup>th</sup> and 28<sup>th</sup>. The city is putting together a 'City of Kasson Promotional Package' that will be given out to potential commercial businesses looking to move to Kasson. These packages will be loaded onto custom USBs that have the city logo on them. The packages will include:

- Spec Sheets for each of our commercial properties with pricing included
- Letter from the Mayor on "Why Kasson"
- City Spec Sheet

R. Charles requested that if there is any information that the board had to suggest to also be included, to please let her know. This trip was organized through our contract with Buxton, and will be the first time Kasson has attend an event like this. T. Coleman expressed her desire to spend time networking with business representatives to show what Kasson has to offer. Will show them the benefits of making Kasson a home for their businesses. No action is needed for this item.

**SHOPKO UPDATE:** R. Charles informed the board that we did recently speak with our contact for the Shopko Lot. We were able to clarify a few questions that they had regarding our proposal. They were a bit surprised that we were not offering any compensation for the additional land, but we did not find it useful to offer it if they may just annex it back to us. There is no final decision at this point.

**SHOPKO LOT OFFER:** Ron Carlson, private citizen of Kasson, addressed the board regarding his proposal to purchase the Shopko Lot for the price of \$80,000. He is working with a counseling company called Fernbrook who is looking to expand their services in Kasson. They are already located in Kasson, but would like to hire on 7 to 8 more councilors and need more space. R. Carlson would build the building and lease to Fernbrook. He is aware of the covenants that are placed regarding the property. There would be two buildings placed on the property, with the second building coming with a second phase. They would be identical buildings. He is aware of the city's desire for a downtown feel to the buildings with longer pained windows, stone/brick around building.

R. Charles did clarify that the city could not move forward with purchase until we received access for an easement from Shopko. We also will need to know if the additional land will be included. She did clarify that when the lot does sell, that money will not be coming back to the city, it will be going to the construction TIF fund account. This means that if we do need to pay Shopko for the additional land, we would have to pay from the city, and therefore the cost may need to be added to the current offer. Current offer, as it stands, is already \$18,000 under the asking price, (18.4%).

It was asked if Mr. Carlson would be amenable to flipping his design so that the building is up against Mantorville Avenue, rather than the parking lot. Aesthetically, this would look much better. R. Carlson did not like that idea. T. Carlson mentioned that it would help with the small town feel that the city is aiming for. R. Charles did also reiterate that this lot is the most prime piece of commercial real estate for the city. Discussion continued regarding 25' setback for the property. The downtown lot was also suggested, but R. Carlson stated he is not interested in building there. He also reiterated that he does not want to move his parking off of the Mantorville Avenue side of the building. He stated that the contract with Fernbrook is not set in stone, so there is no guarantee that the building would be filled upon completion.

R. Carlson wants to get a commitment from the city to sell him the lot. He would like to have it on paper as soon as possible. He suggested a promissory notice contingent upon getting the easement from Shopko. A number of board members expressed their desire to wait until Theresa gets back from the trade show to make a decision, in case a commercial company was interested in the lot as well.

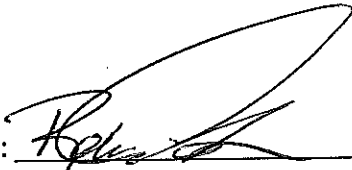
The board decided to have a special closed EDA meeting to discuss the issue. R. Charles will work to set this up.

**DODGE COUNTY HOUSING STUDY:** R. Charles informed the board that the county has received two proposals at this time which are about \$20,000 each. We are still waiting for one more proposal which we should have by the end of the week. Dodge County CEDA Rep Tom Munson is applying for a Rural Feasibility Grant to hopefully take off \$5,000 from the total cost. We are also looking to People's Energy to obtain an additional \$2,000. After that, Dodge Center will be putting in around \$3,000 and smaller towns giving approximately \$1,000 each. This will leave \$7,000 left to cover by Kasson. Kasson has budgeted for \$5,000. The final bid to come in is from Widseth Smith Nolting, who typically comes in with lower bid amounts, we may get a break from their bid. T. Coleman also mentioned that the county only committed to pay for the time working on obtaining the study. However, since R. Charles is the one doing it, not the county, we may be able to get them to pitch in some funds as well. No action is needed on this item at this time.

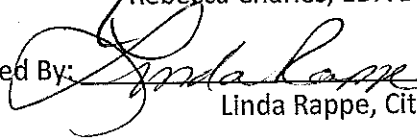
**OTHER BUSINESS:** No other business

**ADJOURNED:** Motion to adjourn made by C. McKern, second by M. Langan. C. McKern adjourned the meeting at 12:35 pm

Minutes Submitted By: \_\_\_\_\_

  
Rebecca Charles, EDA Director

Attested By: \_\_\_\_\_

  
Linda Rappe, City Clerk