

# MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

November 7<sup>th</sup>, 2017

Pursuant to do call and notice thereof, a regular meeting of the Kasson EDA was held City Hall this 7<sup>th</sup> Day of November, 2017 at 12:00p.m.

The following members were present: Chris McKern, Mike Peterson, Dan Egger and Rich Wegner

Absent: Julie Olmsted, Jeff Stevenson and Mike Langan

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

**CALL TO ORDER:** D. Egger called the meeting to order at 12:00 p.m.

**MINUTES OF THE PREVIOUS MEETINGS:** D. Egger asked if any clarification was needed for any of the minutes from last month's regular meeting. Motion to Approve the Minutes as submitted was made by C. McKern, Second by M. Peterson, with all voting Aye.

**TIF REQUEST:** Community member, Chad Stannard of 24749 619<sup>th</sup> Street in Mantorville, came before the board to request TIF for his new business, Kasson Storage Units. Mr. Stannard informed the board of his intent to build storage units on property he intends to purchase from the Leth Subdivision on the South Side of Highway 14, at 800 7<sup>th</sup> Street SE. He stated that he had some "sticker shock" after visiting with the County Assessor's Office and found out that his annual taxes would be \$16,000 or more for the property. He would like to find some financial relief through TIF for his project.

Mr. Stannard presented board members with a spreadsheet of expenses and potential income. The total finance cost would be \$477,284.00. He will be putting 20% down (\$72,000) to make the purchase. The rates that he used for the potential income, is based off rates that storage units are going for in both Byron and Dodge Center's current rental rates. Mr. Stannard asked if the EDA could recommend this to the City Council on his behalf. He would like to have a break on the taxes during the startup portion of the new business.

C. McKern informed Mr. Stannard that TIF would not be an option due to the fact that the development on the land has already been done. This includes the roads, water and infrastructure. C. McKern also informed Mr. Stannard that the City Council would only be one of three that could make its decision, the School and the County hold the other pieces. R. Wegner asked if he had closed on the property yet. Mr. Stannard stated that he has not yet done so because the bank is waiting for all of the numbers to come in before closing. He is also waiting on the cost estimates for the excavators.

C. McKern suggested that he speak with the County Assessor to lower the valuation of the property to make it more comparable to others with similar businesses. He looked on the Dodge County GIS and saw that the taxes being paid by another storage unit business were less than half of what Mr. Stannard had been quoted.

C. McKern requested that Mr. Stannard let us know what he finds out when he speaks with the Assessor's offer.

**UPDATE ON DRAFT PURCHASE AGREEMENT (SHOPKO LOT):** T. Coleman informed the board that the draft is with the City Attorney and will be addressed in a closed session with the City Council tomorrow, November 8<sup>th</sup>.

**DODGE COUNTY HOUSING STUDY:** R. Charles updated the board that Widseth Smith Nolting (WSN) ended up with the lowest bid for the study by \$660.00, and it appears that we will be going with them for the completion of the study. R. Charles also mentioned that she had emailed out a copy of the proposal to each board member and requested that if they have any questions/concerns that they contact herself or T. Coleman to address them.

**COMPREHENSIVE PLAN UPDATE:** T. Coleman informed the board that the second workshop occurred, and that the attendance was very low. She did state that she still has the group kits and that she will be bringing a kit along to the planning commission on the 13<sup>th</sup> of November and will work through the kit with the department heads. She suggested that if anyone else has a group they would like to utilize the kits with, to please do so.

C. McKern asked when the study was due to be completed. T. Coleman and D. Eggler agreed that they believe it is scheduled to be completed in May of 2018. D. Eggler stated that he was told it was running about a week or so behind, but it is basically on schedule.

**ICSC TRADE SHOW UPDATE:** T. Coleman informed the board that she and R. Charles drafted individualized letters and packets for each company that she felt was a good fit for Kasson. The packets held a letter, community tri-fold and spec sheets for all available properties or buildings for sale in the city that were thought to be a good match for the business.

Once we start to see responses come in from our letters, we will go to Buxton and ask them to put together Market Surveys for those that the City is still interested in working with, and send them out. Then they will follow-up with each business again. In the first batch of letters they included some market information, but the information sent was more customized to match more of what the businesses were looking for. The second round will be more specific market data.

**KASSON TO HOST "MARKETING IN THE MORNING" FOR GLOBAL ENTREPRENEURSHIP WEEK:** R. Charles informed the board that Kasson will be hosting the Marketing in the Morning event during Global Entrepreneurship Week. At this event, Heather Holmes, Project Director for Journey to Growth, will be sharing extremely valuable and relevant information on constructing and submitting effective press releases. Heather spent over a decade in television news and has won numerous awards including two Emmy nominations for video promotion production and journalism/storytelling. The event is free and open to the public. It will be held at the Kasson Public Library on Wednesday, November 15<sup>th</sup> from 7 to 8:00 am.



R. Charles will be attending the Chamber of Commerce meeting tomorrow and will be handing out flyers for the event. Flyers will also be available here at the City Hall and information is going out from CEDA press releases and invitations from CEDA representatives as well.

#### **CEDA UPDATES:**

- a. **CEDA PARTNERHSIP CELEBRATION:** Last Thursday, November 2<sup>nd</sup>, was the CEDA Partnership Celebration (attended by R. Charles and D. Eggler). Over 175 people attended the event with an amazing speaker who talked about product marketing.
- b. **MINNESOTA MAIN ST. PROGRAM: USING YOUR STORY TO SELL YOUR DOWNTOWN:** R. Charles attended this program on October 4<sup>th</sup> in Shakopee. This program focused on the city of Red Wing which was in a large national competition for a downtown grant. They ended up getting second place, against much larger communities. This program focused on using social media and community activism to help bring more activities, people and awareness to your downtowns. She and T. Coleman have been discussing the opportunities that the city may have in utilizing the city website and Facebook page to encourage more activity in downtown Kasson.
- c. **DAY AT THE CAPITOL COMMITTEE:** R. Charles attended her first meeting as a member of the Southeast Minnesota Day at the Capitol Committee which is run through the Rochester Area Chamber of Commerce on Thursday, October 19<sup>th</sup>. Her focus in this committee will be to ensure that the CEDA communities of SE Minnesota and their concerns are addressed with our legislators and on the agenda for the program. This will include lobbying, networking and discussions on bond issues. Following the next
- d. **OUT OF TOWN FOR THE HOLIDAYS:** R. Charles updated the board on her holiday schedule and that she will be unavailable during that time via phone or internet. CEDA representatives Joya Stetson and Tom Munson will be available for the city if anything urgent comes up. She will leave their contact information with T. Coleman.
- e. **CEDA PERFORMANCE APPRAISAL:** R. Charles informed the board of the performance appraisals for CEDA. R. Charles has emailed these appraisals to the board, which will need to be filled out and either returned to T. Coleman or emailed to CEDA President & CEO, Ron Zeigler. These appraisals will be used to help better the services that CEDA provides to the city of Kasson as well as other CEDA communities. She requested to have the appraisals returned by the end of the week.

**JANUARY EDA BOARD MEETING DATE FINALIZATION:** R. Charles asked board members today if they would like to keep the January meeting on the second of the month as scheduled, or if they wanted to push the meeting for a week due to the New Year's Day holiday. All members agreed that they would like to keep the date as is.

#### **OTHER BUSINESS:**

- a. **DODGE COUNTY EDA SUMMIT – CHILDCARE:** T. Coleman updated the board on the Dodge County EDA Summit which she and R. Charles attended on Wednesday, October

18<sup>th</sup> at the Government Building in Mantorville. The county is short over 140 spots for childcare. This also does not get much better as you move throughout southeastern Minnesota. There was also a follow-up luncheon where members discussed ideas of how to expand childcare in the county. Tax Abatement was something that was discussed to assist facilities in hiring additional staff, expand facilities, and help get more coverage for local childcare.

D. Egglar mentioned that childcare was a large discussion item at the meetings for the Comprehensive Plan. Community members have noticed the need for more childcare and would like to see something happen to remedy the situation.

- b. **STATUS OF REQUEST FOR LOT ACCESS FROM SHOPKO:** C. McKern asked about the status of the city's request that was made for access to the lot by Shopko. T. Coleman informed him that she was able to reach Patrick, her contact with Shopko, who told her that he will not have an answer until after the holidays. The owner of the property would be able to make the decision, but she has differed the decision for the access to Shopko. Therefore the only option other than waiting for the response from Shopko, which will be almost five months by the end of the year, would be to take the access by imminent domain. T. Coleman stated she would like to avoid using that tactic. C. McKern and D. Egglar were concerned about getting access to allow development of the available lot and also about the length of time that it is taking to get the purchase order ready for Mr. Carlson, who is looking to purchase the lot. T. Carlson clarified that Mr. Carlson did not submit a request to purchase, but a statement of what he would like. Therefore, the city attorney is working on drafting the agreement. It is taking some time, but that Mr. Carlson should have gone to his own attorney to draft his offer, then he could have brought the city the actual offer at the time when the EDA merely approved the concept of his offer. He is now getting his offer created by the city attorney for free. R. Charles mentioned that the proposal to purchase is contingent upon getting the lot access. Therefore the purchase still cannot go through until the access is given to the city.

**ADJOURNED:** Motion to adjourn was made by C. McKern, second by M. Peterson with all voting aye. Meeting was adjourned at 12:50 pm.

Next Meeting will be held on Tuesday, December 5<sup>th</sup>, 2017 at the Kasson City Hall.

Minutes Submitted By: 

Rebecca Charles, EDA Director

Attested By: 

Linda Rappe, City Clerk