

KASSON EDA REGULAR MEETING

Tuesday, September 4th, 2018

12:00 noon

MEETING WILL BE HELD AT KASSON CITY HALL

12:00 noon Call Meeting to Order

- I. Roll Call**
- II. Approve Minutes of the Previous Meeting**
- III. Coordinator Report**
 - a. Dodge County Housing Study**
 - b. Regional Development Tour Follow-Up**
 - c. Main Street Visit – First Impression Report**
 - d. Other**
- IV. 2019 Budget Review**
- V. Programs & Incentives**
- VI. Finance Committee**
- VII. Other Business**
- VIII. Items for October EDA Meeting**
- IX. Adjourn**

Next meeting will be held on Tuesday, October 2nd, 2018

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, August 7th, 2018

Pursuant to do call and notice thereof, a regular meeting of the Kasson EDA was held City Hall this 7th Day of August, 2018 at 12:20p.m.

The following members were present: Mayor Chris McKern, Dan Eggler, Tom Monson and Liza Larsen

Absent: Janice Borgstrom-Durst, Michael Peterson and Richard Wegner

The following staff members were present: Theresa Coleman, City Administrator

CALL TO ORDER: EDA President D. Eggler called the meeting to order at 12:00 p.m.

MINUTES OF THE PREVIOUS MEETING: D. Eggler asked if any additions or corrections were needed for the minutes from last month's regular meeting. Motion to Approve the Minutes as submitted was made by T. Monson, second by L. Larsen. Unanimously approved.

QUARTERLY FINANCIAL REPORT: As the Quarterly Financial Report was included in the July packet no further review was needed.

CEDA UPDATE: Administrator Coleman went over a number of items regarding S. Lawson's work in Kasson over the past two weeks. This included:

- a) **Dodge County EDA:** S. Lawson attended the meeting held on July 25th. She assembled and disbursed an electronic survey through the chambers within the County. As of the meeting date 19 responses had been received to date with 57% of responders showing interest in courses. Preference between one course session or multiple were split pretty evenly leading to discussion on how a course series may look. The board discussed the concept of providing quarterly training opportunities as a starting point, but ultimately weren't comfortable enough with the number of responses to make a determination as to whether or not conducting a course(s) is worthwhile. The survey will be pushed out again in an effort to increase responses.
- b) **Dodge County Housing Study:** Maxfield staff is progressing on study and currently working to firm up sub-market areas within the county. To S. Lawson's knowledge Maxfield has all obtained all necessary data from the City.
- c) **Regional Development Tour:** CEDA's 3rd Annual Regional Development Tour occurred on August 2nd and was a great success! Throughout the tour Administrator Coleman and S. Lawson touched base on a number of development opportunities in addition to educating attendees on projects previously accomplished. Mayor McKern spoke to attendees at Veterans Memorial Park about why he and his family chose Kasson, bringing a personal touch. Administrator Coleman also noted that the 1918 school building drew the interest of three developers in attendance. S. Lawson will be following up with attendees in the coming weeks in an effort to make additional connections.

- d) Minnesota Department of Natural Resources, EAB Grant:** S. Lawson received notice on July 31 that Kasson was not one of the 14 communities selected to proceed with the EAB Grant application process. The DNR did indicate that they would continue to seek additional funding opportunities to help communities manage their ash, so there may be opportunities to reapply in the future.

Administrator Coleman provided a status update on communications with Alliance Technologies. She stated that she had been in contact with Jeff Bennett, owner of Alliance Technologies.

Administrator Coleman also noted that an ad was placed in the City newsletter that was sent with the utility bills letting any business owners know that their business can be listed on the City webpage in attempt to find out where home businesses are.

e) New Projects:

Website: The EDA page on the website will be updated to reflect current information about the EDA and services that are offered with the appropriate applications. In addition, property listings will be updated.

Marketing/Promotional Packet: In an effort to set ourselves apart a marketing/promotional packet is going to be created. Having this tool will allow the city to easily provide pertinent information to site selectors, developers, and potential businesses.

2019 Budget:

- a) Memberships:** Administrator Coleman stated that she spoke with Ryan Noland with RAEDI and plans to invite him to discuss RAEDI's plans on how to assist communities throughout the region. After presentation membership will be further discussed. Kasson Chamber, Transportation Alliance and Zumbro Water Trail participation were also included in membership fees from previous years.
- b) Community Wide Branding:** The board reviewed and discussed the Brand Development Proposal provided by White Space and made the decision that it is not something worth pursuing at this time. Rather than spend \$18,900 on branding the board would rather put the funds towards programs that would help the City retain and gain businesses. Once those programs are established branding will be looked at again.
- c) Programs/Incentives:** Mayor McKern stated that there is opportunity for Electric Utility and Liquor Store funds to be utilized for Economic Development programs. Further discussion will be had on what programs may look like and where those funds will come from once a preliminary budget is assembled.

Administrator Coleman presented additional ideas on potential budget adjustments. Adjustments recommended include shifting funds from line item 101 – Support Staff to line item 444 – Contractual Services. This adjustment would leave line item 101 with a balance of

\$11,000 and line item 444 with a balance of \$42,500, which is the current CEDA contract plus 3%.

OTHER BUSINESS: Mayor McKern and Administrator Coleman noted the turn out for SEMCAC's ground breaking in addition to the ground breaking set to take place for the merry-go-round at the library on the 14th.

ITEMS FOR AUGUST EDA AGENDA: 2019 Budget

ADJOURNED: Motion to adjourn was made by T. Monson **second by L. Larsen**. Unanimously approved. Meeting adjourned at 12:40 pm.

Next Meeting will be held on Tuesday, August 7th, 2018 at Kasson City Hall.

Minutes Submitted By: _____
Stephanie Lawson, EDA Director

Attested By: _____
Linda Rappe, City Clerk

ECONOMIC DEVELOPMENT AUTHORITY COORDINATOR'S REPORT



Stephanie Lawson
August 7, 2018 - September 4, 2018

Business Retention Visits & Meetings

1. Cadence Manufacturing
2. Kent Keller - Image Building
3. Alliance Technologies
4. Trail Creek Coffee

Dodge County Housing Study

Study sub-markets have been determined. Maxfield has indicated that they are still on track for a late Fall delivery. They will be in touch with the cities in the coming weeks as they continue to progress.

Regional Development Tour Follow-Up

Additional follow-up with tour attendees has been conducted. Listing details for the 1918 Kasson School Building also provided to the four attendees that expressed interest on the tour.

Main Street First Impression Report

Marty Walsh with CEDA conducted a walkthrough of Kasson's downtown to make observations about possible development efforts that could be made in the model of the Main Street Program from the National Trust for Historic Preservation. Additional comments can be found in the "Initial Main Street Impressions Visit" document provided by Marty.

Long Term Capital Planning

Research has been done to determine what other communities in the region are doing to incentivize current businesses to maintain their properties and increase business retention that fits into the Long Term Capital Planning Goals. Programming options for start-ups or businesses looking to relocate to the community were looked into as well.

Some of these programs include:

- Downtown Redevelopment Programs
- Business Facade Improvement Programs
- Existing Building Purchase Incentive Programs
- Business Incubation Programs
- Expansion Pack Programs (Follow-up information provided by T.Monson)

Website

The EDA page on the website is in the process of being updated. Upon completion the website will reflect current information about the EDA and services that are offered with the appropriate applications. We are also pursuing options on how to accept property listing requests.

Marketing/Promotional Packet

In an effort to set ourselves apart a marketing/promotional packet is going to be created. Having this tool will allow the city to easily provide pertinent information to site selectors, developers, and potential businesses. This project has not yet been started.

Other Notes

Southeast Minnesota Economic Impact Study Draft Recap

On Wednesday, August 15th SEMLM and CEDA hosted an event in Chatfield to discuss high level findings of the impact study thus far. The study has utilized the existing economic forecast, which is thought to be too conservative as it omits current initiatives, to create a new model that includes both regional and local initiatives to forecast growth in population, jobs, housing, etc. to the county level. The final report that will likely be presented in mid-September.

Initial Main Street Impressions Visit
Kasson, MN
June 12th, 2018

On June 12th, as part of comprehensive services provided by CEDA, I visited downtown Kasson to make observations about possible development efforts that could be made in the model of the Main Street Program from the National Trust for Historic Preservation. These are my personal observations as a professional with Main Street program experience and should not be seen as official recommendations from the National Trust or the Minnesota Main Street Program.

Main Street operated as four-pronged program in which each portion is equally the most important aspect of aiding the development of the downtown. While many communities excel at one portion of the program or another, the programs that best develop the asset that is their historical downtowns consistently balance and excel at all four portions. The four pillars of the Main Street Approach are:

- Organization - “The Backs, the Bucks, the Ears and the Eyes.”. This is the engine that drives everything else and it must be managed to prevent burnout, conflict of interest or other hazards to long term viability.
- Promotions - This is what many people see the most in a Downtown Organization, the street dances, art crawls and farmers market type things. The key asset here is the ability to get feet, eyeballs and wallets downtown.
- Design - Main Street is primarily about recognizing the value of historic preservation to Economic Development efforts. The Design pillar works to help communities preserve the aesthetic value inherent in their downtown, but also to accentuate it. This might be beautification efforts, public art, building clean up grants, or something else that works well for the specific community.
- Business Improvement/Economic Restructuring - The B.I.E.R. efforts of Main Street are often the most behind the scene and are the place where Main Street most overlaps with traditional Economic Development. They are important to keeping shops full and businesses contributing to the communities economic growth, but often involve a different “touch” than when working with larger companies.

When we say that Main Street is about recognizing the inherent value of the downtown, we mean a few things. One is the aesthetic value it adds to your town’s brand. Few if any people say “doesn’t Galena have such a great Wal-Mart?”, but they do all love the downtown. It sets the community apart. But also, historic downtowns often are the most tax-dense portions of the community. I would recommend looking at the tax value per acre of the downtown as compared to newer developments. In my personal experience, I have seen even vacant buildings generating more tax per acre than large, new retail big boxes, while at the same time requiring far less infrastructure or municipal support. Walkability from dense construction means

not only less wear and tear on roads, but also more greenspace (in other parts of the community) for stormwater absorption and a healthier population.

In light of the four pillar structure of Main Street, I organized my notes to fall into those four categories.

Organization

- There needs to be a dedicated, structured group responsible for the downtown. This can be an independent organization, or more likely, a dedicated committee within the Chamber. This gives some continuity to efforts, allows the build up of institutional knowledge over time, and provides some responsibility to the broader community.
- Officially, a Main Street community is supposed to have a dedicated director. However, in the short term, I don't feel Kasson needs this. The role of a staff person is to provide an unbiased ear and mouthpiece for the organization that can constantly be on the lookout for opportunities and challenges.
- With a dedicated group should come dedicated funds. These should come in part from the city, but also from business and property owners, as well as generally concerned citizens. The important thing is they be specifically dedicated to the "Main Street Mission".

Promotion

- There should be a constant (1-3x per week) flow of year round events, small medium and large. This includes everything from Christmas in Kasson to the weekly farmers markets to in-store events.
- The City/Chamber does not need to run all (or any) of these events, but they can help ensure there is a constant flow by maintaining a calendar of events. The calendar does not just have to be informative to patrons, but can also be an analytical tool for the group to see "needs" weekends where additional events are needed and overlap weekends to avoid.
- Since there is such a nice residential area around the downtown, a "walk to downtown" themed event could be great. Maybe build off the idea of walking school buses and do a walking city bus/moving party?

Design

- The Municipal Liquor store is, frankly, unattractive and needs to be replace/redesigned to set a better example of appropriate construction.
- Because the alleyways are so accessible, they would make great spots for public art/murals. This could be done in coordination with the school to help build a sense of ownership within students.

- Public Art (again possibly a partnership with the school) in the form of an art walk could also be a strategic way to connect the Main Street core with the outlying businesses along South Mantorville Ave. To further create a sense of connection would require restructuring the intersection of Mantorville Ave and Veterans Memorial Highway to be more “urbane” and pedestrian friendly.
- Either through a DEED SCDP Grant or self funded, the program should offer some sort of facade rehab grants. Even if these are “micro” grants to fix very specific things or for general clean up, they can go a long way towards setting the tone of building ownership.
- The City Planning (or equivalent) department should produce a marketing piece that highlights design standards and incentives that would promote the appropriate development.
- There needs to be a better connection to the Erdman’s grocery store. This may be wayfinding or allowing a vintage style painted sign (with cooperating business) on the side of the building that faces Main.
- The Streetscape needs improvements, particularly for walkability. The intersecting streets are very wide. Even bollard style cement planters that create bump-outs to cut 5-10 feet off the crosswalk distance would be helpful.
- A branding campaign for the neighborhood might be helpful.
- Ask an architecture firm or architecture program to host a “charette” to inspire building owners.
- Remind people that windows are good, they create a more friendly space.
- Blade sign program for buildings.
- Host window decorating competitions? Partner businesses with non-profits to drive loyalty.
- Get rid of that Christmas tree ASAP!
- Host a signage workshop
- Put more visual screening on the Main Street side of the Legion lot.
- Avoid lawns and large setbacks downtown. To me, the downtown ended at the Dentist office.

Business Improvement/Economic Restructuring

- Do businesses coordinate hours? In particular do they have same “late” nights?
- Do an evaluation of the mix of businesses, is there a surplus or leakage of certain types of business?
- Consider a retail or professional incubator, partnering with SBDC
- Create a “Vision Board” on the city lot where people can write what they would like to see go in the spot.
- Work with Farmers Market vendors to go “full time”
- Are there any empty storefronts that could do “pop-up” shops for the summer or for holidays?

Another note: there needs to be a strategic plan to deal with the old school. As a residential development, museum, incubator or anything, it is too big of an asset to let go.

ECONOMIC DEVELOPMENT						as of 6/30		PROPOSED	COMMENTS
COMMUNITY/ECONOMIC DE		BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL		
		2016		2017		2018		2019	
290.4650.101	FULL-TIME EMPLOYEES - REGULA	39,900	39,087	40,450	13,906	40,450	5,375	11,500	
290.4650.121	FULL-TIME EMPLOYEES - OVRTIME								
290.4650.121	EMPLOYER PERA CONTRIBUTIONS	2,993	2,745	3,034	861	3,034	399	863	
290.4650.122	EMPLOYER FICA CONTRIBUTIONS	2,474	2,325	2,508	872	2,508	318	713	
290.4650.123	EMPLOYER MEDICARE CONTRIBU	579	544	587	204	587	74	167	
290.4650.130	EMPLOYER PAID INSURANCE	3,800	3,827	3,850	907	4,000	485	1,200	
Personnel Subtotal		49,745	48,527	50,428	16,749	50,578	6,651	14,442	
290.4650.150	WORKER'S COMPENSATION	300	247	300	165	300	138	300	
290.4650.210	OPERATING SUPPLIES	400	368	400	513	400	235	400	
290.4650.216	PERIODICALS		103		-		-		
290.4650.240	SMALL TOOLS/MINOR EQUIP		128		-		-		
290.4650.303	ENGINEERING FEES	-	1,248	-	4,242	3,000	-	3,000	
290.4650.304	LEGAL FEES	3,000	4,182	3,000	3,266	4,000	-	4,000	
290.4650.321	TELEPHONE	500	389	500	386	500	192	500	
290.4650.325	COMMUNICATION-OTHER	200	160	200	279	200	60	200	Postage
290.4650.333	STAFF MEETINGS & CONFERENCE	2,000	1,026	2,000	321	2,000	-	500	
290.4650.334	MEMBERSHIP DUES AND FEES	7,150	250	3,150	300	3,150	356	3,150	
290.4650.343	ADVERTISING	-	-	-	-	-	-	-	
290.4650.351	LEGAL NOTICES PUBLISHING	-	-	-	-	-	-	-	
290.4650.352	GENERAL NOTICE/PUBLIC INFO	-	-	-	-	-	-	-	
290.4650.360	INSURANCE	1,000	(1,427)	360	278	360	164	360	
290.4650.380	UTILITY SERVICES		69		-		-		
PROGRAMS								20,000	Commercial Programs
290.4650.413	Rental Expenses	2,000	-	2,000	-	2,000	-	-	
290.4650.430	OTHER SERVICE/CHARGES-MISC.	-	7,254	4,000	2,239	4,500	3,025	4,500	includes \$1,000 SMIF
290.4650.440	PROFESSIONAL SERVICES	500	150	500	210	500	270	5,500	Marketing
290.4650.444	OTHER CONTRACTUAL SERVICES				23,290		20,562	42,500	CEDA
Operations Subtotal		17,050	14,146	16,410	35,489	20,910	25,001	84,910	
Total ECONOMIC DEVELOPMENT		66,795	62,673	66,838	52,239	71,488	31,653	99,352	



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Rate Schedule Economic/Community Development Staffing 2019

Per project hourly rate: \$62.00 per hour

Client in-house staffing:

One day every other week	\$12,700 annually
One day per week	\$25,400 annually
Two days per week	\$42,355 annually
Three days per week	\$57,365 annually
Four days per week	\$70,255 annually
Five days per week	\$82,070 annually

Other options available upon request

Benefits of contracting with CEDA:

- Professional, cost effective team members
- All team members are available to assist in projects that a community/county may encounter
- Results driven, non-profit organization
- Stable, 32 year-old company
- 30 day contract termination clause
- Ability for the community to meet with team member(s) prior to commitment to assist with team member decision making process.
- References available