

KASSON EDA REGULAR MEETING

Tuesday, October 2th, 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. Quarterly Financial Report**
- IV. Coordinator Report**
 - a. Dodge County EDA Meeting**
- V. Initiative Resolution**
- VI. Business Facade Improvement Program Guidelines**
- VII. Policy and Procedures Manual Update**
- VIII. Coffee Break Concept**
- IX. Other Business**
- X. Items for November EDA Meeting**
- XI. Adjourn**

Next meeting will be held on Tuesday, November 6th, 2018

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, September 4th, 2018

Pursuant to do call and notice thereof, a regular meeting of the Kasson EDA was held City Hall this 4th Day of September, 2018 at 12:00 noon.

The following members were present: Mayor Chris McKern, Michael Peterson, Dan Eggler, Tom Monson, Janice Borgstrom-Durst, and Richard Wegner.

Absent: Liza Larsen

The following staff members were present: Stephanie Lawson, EDA Coordinator

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

MINUTES OF THE PREVIOUS MEETING: 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 Mayor McKern, second by Monson. Unanimously approved.

COORDINATOR'S REPORT:

- a) **Dodge County Housing Study:** Lawson noted that study sub-markets had been determined and that Maxfield still anticipates delivering study results late this Fall. They indicated that they will be in touch with the cities in the coming weeks as they continue to progress.
- b) **Regional Development Tour:** Lawson stated that she conducted additional follow-up with tour attendees; providing listing details for the 1918 Kasson School Building to the four attendees that expressed interest. S. Lawson also noted that one of the four interested parties is working to arrange a viewing of the facility.
- c) **Main Street Visit – First Impression Report:** Lawson noted that Marty Walsh with CEDA conducted a walkthrough of Kasson's downtown, providing observations about possible development efforts in the form of a report. The "Initial Main Street Impressions Visit" report was included in the EDA packet for board review.
- d) **Other:**

Business Retention Visits & Meetings: Lawson provided updates on communications had with individuals and businesses throughout the community.

Website: Lawson is in the process of updating the EDA page on the website. Upon completion the website will reflect current information about the EDA and services/incentives that are offered with the appropriate applications. Options on how to accept property listing requests are also being pursued.

2019 BUDGET: Egglar and Mayor McKern presented budget adjustments discussed at August's meeting. They noted that the council had inquired about \$20,000 put towards programs, requesting further information on what the incentive program would look like. Mayor McKern also indicated that the marketing and membership budgets would be reviewed and adjusted.

PROGRAMS & INCENTIVES: After discussion and review of program options the board decided to start with a Façade Improvement Program. Lawson will be creating a draft of program guidelines for review at October's meeting.

FINANCE COMMITTEE: With the addition of a new program Lawson recommended that the board consider assembling a finance committee. This committee will be responsible for reviewing RLF and program/incentive applications, ensuring the application is complete prior to board review. The board appointed board chair Egglar and board member Wegner to meet with one staff member upon receipt of any applications.

OTHER BUSINESS: Lawson presented the opportunity for board members to attend a Business Retention & Expansion workshop being put on by the UofM Extension and PEC, which is taking place on Friday, October 12.

ITEMS FOR AUGUST EDA AGENDA: Incentive Program

ADJOURNED: Motion to adjourn was made by Monson second by Mayor McKern. Unanimously approved. Meeting adjourned at 1:05 pm.

Next Meeting will be held on Tuesday, October 2nd, 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
September 4, 2018 - October 2, 2018

Business Retention Visits & Meetings

1. Culligan
2. DEED - Building an Entrepreneur Ecosystem
3. CEDA Marketing in the Morning - Blogs
4. Tim Walz Listening Tour Discussion

Dodge County Housing Study - No New Updates

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.

Business Facade Improvement Program

A draft of the Business Facade Improvement Program Guidelines has been completed. Guidelines will be finalized after board review.

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. Letter templates are currently being worked on and up to date demographic information is being compiled.

Other Notes

Dodge County EDA Meeting

The County EDA meeting was held on the 19th of September. The most relevant discussion had was with regard to the potential Business Summit that was looking to be held. After poor survey response it was determined that it would not be the most effective use of EDA staff time and funds. As a solution the board has made the decision to implement a blog through the County website. This blog will contain monthly educational posts in addition to intermittent posts about happenings throughout the County with regards to events/tourism and business happenings. The EDA board will be determining post topics at their next meeting in November.

**CITY OF KASSON
RESOLUTION #10.x-18**

**INSUPPORT OF THE SMALL TOWN AND REGIONAL VITALITY INVESTMENT
ACT OF 2018**

WHEREAS, leaders in small towns and rural areas are facing critical challenges in meeting the current and projected needs of their local residents and business communities; and

WHEREAS, as America's population and tax base shifts to urban areas, there is a real and increasing need to meet these challenges which recognize rural communities' economic hardships to meet regulatory, economic development, and quality of life demands, and

WHEREAS, the needs of rural communities include but are not limited to affordable, quality child care; waste water treatment facility operation and maintenance; sufficient housing opportunities for local workforce; an increase in health care services and affordable health insurance options; reliable, high-speed internet; an increase in skilled, experienced workers; and an increase in amenities like art and music, sports, bike trails, and other outdoor recreational opportunities, and

WHEREAS, if rural communities' needs are met, then young families and skilled workers can be enticed to move to, move back to or stay in these communities, and

WHEREAS, no current federal initiative is designed to help rural communities to overcome specific, unique barriers to their own growth.

NOW, THEREFORE, BE IT RESOLVED that the City of Kasson supports an initiative for the federal government to properly invest in small communities via the "Small Town and Regional Vitality Investment Act of 2018" in which the USDA Rural Development shall administer revenue sharing grants to local and regional governments representing small towns and rural areas.

ADOPTED this XXth day of _____, 2018.

ATTEST:

Chris McKern, Mayor

Linda Rappe, City Clerk

The motion for the adoption of the foregoing resolution was made by Council Member -- and duly seconded by Council Member --. Upon a vote being taken, the following members voted in favor thereof: --. Those against same: --



CONGRESSMAN TIM WALZ

1ST DISTRICT, MINNESOTA

H.R. 6383: THE SMALL TOWN AND REGIONAL VITALITY INVESTMENT ACT OF 2018

Bill Summary

- This legislation creates a **new investment** initiative by sharing federal revenues directly with local governments to address the major challenges facing their specific communities while tying those decisions to their region's long-term strategic framework.
- USDA Rural Development administers the **revenue sharing grants to local and regional governments** representing small towns and rural areas.
- The legislation utilizes the U.S. Economic Development Agency's current system of regional planning, called "Comprehensive Economic Development Strategy" (CEDS) to ensure resources are used **efficiently** and **effectively**.
- Rather than the burdensome and often confusing process to access other funding streams, the Small Town and Regional Vitality Investment Act will **streamline** this process for counties while empowering local leaders to build up their communities and **create jobs** in the process

Who will qualify?	<ul style="list-style-type: none">• Small towns and local units of government representing a population of 30,000 or less are eligible to apply to their County Board for the competitive grants.
How will they apply?	<ul style="list-style-type: none">• To receive the grants, counties will only need to submit a needs assessment, public engagement plan, and certify they are covered by a CEDS regional plan to ensure resources are spent efficiently and effectively.• Letters of support from local, regional, state and federal elected officials may be encouraged to demonstrate broad support and accountability for the investments.
What can the funds be used for?	<ul style="list-style-type: none">• affordable, quality child care and early education options• fixing or constructing public infrastructure such as water treatment facilities and substance abuse treatment centers• building housing for the local workforce• deploying high speed broadband and internet connections• protecting and enhancing health care services, including mental health care• training skilled workers for the jobs of today and tomorrow; attracting and retaining talent• creating more community amenities like art and music, sports, bike trails, and other outdoor recreational opportunities

Background

How Walz listened:

For the past 12 years, Rep. Walz and his team have crisscrossed southern Minnesota's rural communities meeting with constituents, hearing from local leaders in the public, non-profit and private sector. For the last 18 months, Walz and his staff have been on the Southern Minnesota Way of Life Tour to all 21 counties of Minnesota's First Congressional District.

- **Town Hall Meetings** across the First District open to anyone in the public to share opinions and ideas.
- **Small Town Round Table Discussions** with community leaders and citizens held in smaller towns from Luverne to Mountain Lake to Lewiston to dig into questions about what's working and not working with government programs.
- **3 Regional Vitality Summits** in Luverne, Waseca and Winona. Brought together 60-70 leaders in each town for a full day examining global trends, identifying regional strengths and discussing local needs and priorities.
- And **countless more one-on-one conversations** with mayors, county commissioners, business owners, chambers of commerce, educators, and non-profit and labor leaders. Many of these conversations were held in their offices and on main streets.

What Walz learned:

- **Critical challenges facing communities:** Leaders in small towns and rural areas are facing critical challenges when it comes to meeting the current and projected needs of their local residents and communities. Given the trends in America's population and tax base, there is an increasingly pressing need to address these challenges with a specific focus on the regional vitality of rural areas.
- **One size does not fit all:** We have seen that "one size does not fit all" when it comes to federal programs helping small towns with community development and investing in critical public infrastructure. Some government programs are underfunded and others have burdensome paperwork and red tape. Too often small towns forgo applying for government funding because it may cost too much or take too long to jump through the hoops. Simply put, small towns often say they don't believe there is a return on investment for all of the time, energy and money it takes to even apply for the federal funding.
- **Missed Opportunities:** The result of the federal headaches listed above are missed opportunities in making critical investments in protecting and enhancing the small town way of life.
- **H.R. 6383, the Small Town and Regional Vitality Investment Act** addresses these needs, and in doing so, we can help empower our small towns to achieve their full potential and thrive for decades to come.

Business Facade Improvement Program Guidelines

Kasson Economic Development Authority

Program Intent:

The Kasson Economic Development Authority is a professional and confidential advocate for the business community. We provide ideas, information, venture capital, financial packaging, and expertise in business development. We focus on projects that aim to make Kasson a better place for business, innovation, and commerce; promoting ourselves as a community that provides diverse and sustainable economic opportunities for all.

In keeping with the above stated objective, the EDA established this program with the intent to enhance and improve the visual aesthetics of the community. This program is designed to encourage owners to restore existing properties and enhance the general character of the property.

Program Funding:	\$20,000 total has been designated for this program.
Duration:	The Program will accept applications from January 1, 2019 – November 18, 2019 . Unless approved by the EDA, all projects must be completed with submitted invoices and completion photos within 6 months of award date. Any projects not completed and/or submitted for reimbursement by that time will not be eligible for reimbursement irrespective of approval.
Matching Grant:	Up to \$2,000 per building
Match Requirement:	Dollar-for-Dollar Please Note: For projects in excess of \$4,000 both Business Façade Improvement funds and Revolving Loan Funds can be utilized. When utilizing both funds at the same time the borrower's match can assist in satisfying owner equity requirements of the loan program, but loan funds cannot be used as a match.
Eligible Properties:	Commercial buildings in the City. Please Note: Property must not have any outstanding obligations with the city or delinquent taxes.
Eligible Project:	See list of eligible project items on the next page.

To Apply:

*Applicants must submit one complete application including necessary attachments to City Hall by no later than the 3rd Tuesday of the month for consideration at the next month's EDA meeting. The EDA will not consider retroactive approval projects – **NO WORK MAY BE DONE PRIOR TO EDA APPROVAL.***

Required Application Documentation

- ☐ Completed application form.
- ☐ Cost estimates.
- ☐ Project plans **AND** drawings/sketches.
- ☐ Picture of property **before** work begins.
- ☐ Email confirmation from City Clerk Rappe that project is compliant with permitting and ordinances.
- ☐ *If property is leased:* A copy of the lease agreement **AND** written permission from the property owner.

Required Documentation for Reimbursement

- ☐ Picture of property **after** work is finished.
- ☐ Proof of payment such as copy of paid invoice, receipt, etc.

Business Facade Improvement Program Guidelines Cont.

Kasson Economic Development Authority

Eligible Project Items:

- Painting of building exterior including necessary scraping, repairing and preparation for completion.
- Rehab/replacement of exterior windows visible from public areas that enhance the character of the building.
- Rehab/replacement of exterior doors visible from public areas that enhance the character of the building.
- Siding.
- Installation of brick onto building façade.
- Brick tuckpointing.
- Awnings and canopies (including the installation of new awnings and removal of deteriorating awnings and canopies).
- Signage.
- Ancillary decorative lighting.
- Surface parking lots that improve the property's curb appeal.
- Screening of unsightly features such as utility connections, dumpsters, etc.
- Other permanent, fixed, above ground decorative features that enhance the visual aesthetics of the City.

Ineligible Project Items:

- Any interior work.
- New construction and building additions.
- Acquisition.
- Improvements not visible from public areas.
- Movable, non-permanent landscaping features.
- Improvements already completed or in progress at time of application.

Evaluation Criteria:

- Overall impact to the community.
- Aesthetic improvement to the area.
- Need for assistance.
- Total owner investment/equity in the project.
- Previous or concurrent usage of other EDA and/or City incentive programs.

Applications will be denied if, in the sole opinion of the EDA, the proposed improvements do not follow these guidelines or improve the general character of the building and community as a whole.

The EDA reserves the right of ultimate review. The EDA may, at its discretion, approve projects that deviate from these guidelines if the proposed project is deemed within the general intent of these guidelines and is in the best interest of the community.

Reimbursement will be provided to approved applicants or their vendors only after submittal of proof of pay (invoice) and photos of the completed project.

Incomplete applications will not be reviewed.

Business Facade Improvement Program Application

Kasson Economic Development Authority

Name: _____ Date: _____

Phone: _____ Email: _____

Mailing Address: _____

City/State/Zip: _____

Project Address: _____

Project Summary: _____

Total Project Cost: _____ Total Amt. Requested: _____

Application Certification

We, the undersigned certify that the information submitted is true and accurate to the best of our knowledge, that we have read, understand, and will comply with the program guidelines. We understand that this application will be reviewed based on the information provided herein and that if the final project does not meet minimum program guidelines, the City reserves the right to deny payment. We confirm that if approved, the City may use the approved company's name and information in promotional/publicity materials, events, etc.

But for the assistance provided through this program by the Kasson Economic Development Authority, we would not have the resources to complete this project or to complete this project to the extent that we will with assistance.

Name/Title (Printed)

Name/Title (Printed)

Signature

Date

Signature

Date

NO WORK MAY BEGIN PRIOR TO EDA APPROVAL.

September 2018

CITY OF KASSON

ECONOMIC DEVELOPMENT AUTHORITY

**POLICY AND PROCEDURES MANUAL
2017-2018**

MEETINGS

The Kasson Economic Development Authority shall meet on the first Tuesday of each month at 12:00 noon in the City Council Chambers of the Kasson City Hall. At least four members of the EDA must be present in order to transact any business.

The Agenda for each EDA meeting shall be prepared and distributed by the Economic Development Coordinator. Agenda items, other than those standard items defined below, shall be proposed by the Coordinator or any member of the Authority or City Council. If not self-explanatory, each agenda item shall be accompanied by a memorandum from the Coordinator detailing the item, its source and a review of the item's impact on EDA policies.

The Agenda packet for each EDA meeting shall be distributed by mail, e-mail or by hand to the members no later than the Friday prior to the meeting. All Agenda items and supporting documents shall be due to the Coordinator by noon on the Wednesday prior to the distribution of the Agenda packet. Incomplete items shall be held until all documents are received.

Each Agenda packet shall contain the following standard items:

1. Agenda for the meeting;
2. Minutes of the previous meeting;
3. A financial reports showing fund and loan balances and payment information for the previous month.

The Chairperson of the EDA, the Economic Development Authority Coordinator or any two members of the Authority may request a special meeting of the EDA. Upon such a request, the Coordinator shall immediately contact the members to ascertain that a quorum will be present. If a quorum indicates their ability to attend, the Coordinator shall set a meeting for at least three days later and distribute an Agenda packet as soon as practicable.

An applicant or other member of the public may request a Special Meeting of the EDA upon written notice. The fee for such a meeting shall be \$200, payable before the meeting is called. The procedure for calling such a Special Meeting shall be the same as if called by the Coordinator.

BUSINESS SUSIDY PROGRAMS

LAND SALES

Purpose

The City of Kasson owns residential, commercial and industrial land in the City. It is the intent of the Economic Development Authority to return the lands not necessary for the operation of the City of Kasson to the private sector tax roles through either market rate or discounted sales. Any discount from the appraised price shall be considered a subsidy and shall be required to meet the established Business Subsidy Criteria.

All commercial and/or industrial property owned by the City of Kasson shall be maintained in its highest and best condition. Vacant property shall be mowed and maintained as if it were a residential lot. Access will be maintained at all times. Municipal use of the property shall be allowed only by express authorization of the City Council upon recommendation of the EDA.

Vacant commercial or residential property shall be maintained by the City in a condition as required by the Municipal Code. In extraordinary circumstances, property may be leased to private operations or persons at either subsidized or market rates. Any subsidized leases must meet the Subsidy Criteria. Upon recommendation by the City Building Inspector that a property be demolished, the Economic Development Coordinator shall present quotes for such demolition to the City Council and, upon approval, arrange for required permits and the immediate demolition of the property.

Requirements

Either market rate or subsidized sales shall be considered according to their ability to serve the public interest in that:

1. the proposed purchaser has identified and committed to an immediate use of the property;
2. the proposed purchaser has evidence of ability to finance both the purchase, development and operation of the proposed re-use of the property;
3. the proposed re-use is compatible with the Zoning Code and all other appropriate plans adopted by the City of Kasson;
4. all sales shall be considered final at closing. The EDA shall exert no future control over the property other than what is required and/or authorized in the Municipal Code for all private properties.

Staff Responsibility

The Economic Development Coordinator shall be responsible for marketing city owned property to prospective buyers. This marketing shall be undertaken according to the best judgment of the Coordinator, but shall include, at a minimum:

1. maintenance of the property through the 'Location One Services' which can be found on the Minnesota Employment and Economic Development Web site; <http://mn.gov/deed>;
2. maintenance of a complete profile of the property on the city website;

The Economic Development Coordinator shall be the initial contact for all sales of the land. Any contact made to any other official or staff member of the City shall be immediately referred to the Coordinator. No other official or staff member shall have the authority or responsibility to discuss terms or conditions of sales.

Initial contacts with each potential purchaser shall include providing:

1. the property description and detailed information;
2. a request for a written offer on the property;
3. a copy of the business subsidy criteria policy, if applicable;
4. a request for documentation required by subsidy criteria policy, if applicable;

The Coordinator shall inform the Economic Development Authority members of all contacts at the next regularly scheduled meeting of the Authority. Updates on all contacts shall be made at each subsequent EDA meeting until, in the opinion of the Coordinator or Committee the contact is no longer viable. If a project is determined to be no longer viable, the Coordinator shall inform the EDA of that determination and the reason for it.

Committee Responsibility

Upon notification of the contact, the Chair of the EDA may appoint a committee of two EDA members to assist the Coordinator in the pursuit of the contact. If no such committee is appointed, the contact with the potential purchaser shall be the sole responsibility of the Coordinator and further action shall be at his/her discretion.

Upon notification of the Economic Development Coordinator that all required documentation is available, the Chair shall appoint a Committee of two EDA members to assist the Coordinator in negotiating a final sale recommendation to the EDA, if a business subsidy is applicable.

EDA Authority

Upon recommendation of the Economic Development Coordinator and the negotiating committee, the entire EDA shall vote upon a recommendation to the City Council. This recommendation shall include:

1. a positive or negative recommendation regarding the proposed sale;
2. a proposed sale price;
3. any conditions to be met prior to sale.

At the time of the recommendation to the City Council occurs, the responsibility of the EDA for the project ceases. Upon action on the recommendation by the City Council, the project becomes a strictly staff responsibility.

Use of Sale Proceeds

Upon the sale of any property, the proceeds, less any costs incurred by the City in executing the sale, shall be used to pay off any debts on the property; pay off any other obligations of the EDA, or; fund either of the Revolving Loan Funds.

Business Subsidy Criteria Policy

To broaden the tax base, encourage quality construction, develop an enhanced employment base, promote the highest and best use of the land and provide more and better services to the citizens of Kasson, it is the policy of the City of Kasson and the Kasson Economic Development Authority to encourage strong, viable growth and development for the residential, commercial and industrial areas of the City.

The City has a broad range of powers to assist community development; including tax increment financing, tax abatement, various grant opportunities, bonding and/or revolving loan funds. Therefore, when appropriate, the City will use its authority to financially participate in a project to accomplish community goals.

Financing from the City of Kasson is not intended as a “first dollar” investment or as a bid in competing with another City, but as a gap financing tool designed to enhance the viability of strong businesses with a sound reason to be in Kasson.

The City’s participation in a project can benefit the community by attracting development, creating employment opportunities, providing housing opportunities, and assisting in financing redevelopment to remove blight. The criteria to be considered by the City in determining whether business subsidies should be given to a project include the following:

1. But-for Test. There is a substantial likelihood that the project would not go forward without the business subsidy requested. This criterion must be supported by representations of the applicant for business subsidy.
2. Redevelopment. The project will remove, prevent or reduce blight or other adverse conditions of the property, thereby protecting the City’s property values and the general public health, safety, and welfare.
3. Attraction of New Business. The project will attract or retain competitive and financially strong commercial and industrial companies, which offer the potential for significant growth in employment and tax base.
4. Highest and Best Land Use. The use of the business subsidy will encourage quality construction and promote the highest and best use of land, consistent with the City’s Comprehensive Plan.
5. Needed Services. The project will provide a needed service in the community, including health care, convenience and social services that are not currently available.

6. Unmet Housing Needs. The project will provide housing alternatives the community currently needs but are not available.
7. Economic Feasibility. The recipient can demonstrate that it has experience and adequate financing for the project, and that the project can be completed in a timely manner.
8. Impact on City Services and Infrastructure. The project will not significantly and adversely increase the demands for service needs in the City.
9. Job Creation. The project will create or retain jobs that pay 105% of the federal minimum wage. The City may take into account the special needs of small or growth-phase businesses with potential to create high paying jobs in the future.
10. Tax Base. The project will increase the City's tax base and generate new property tax revenue.
11. Incentive for Additional Future Development. The project will create potential for additional future development.
12. Compatibility with Development Plans and Neighborhood. The proposed project is compatible with the City's overall development plans and objectives and is compatible with the neighborhood in which the project will be located.

REVOLVING LOAN FUNDS

The Kasson Economic Development Authority maintains two Revolving Loan Funds to encourage and assist in the expansion of the tax and job base for the City. The source of revenue for each of these funds shall be the repayments from previous loans plus whatever interest may be earned.

I. Commercial Incentive/Improvement Revolving Loan Fund

The purpose of the Commercial Incentive/Improvement Revolving Loan Fund is to provide low interest improvement loans to upgrade the appearance and energy efficiency of commercial and industrial properties and the commercial area as a whole and to provide generally for the improvement of Kasson's economic health.

Funds are to be used for the renovation and improvement of existing buildings or business relocation. Priority will be given to renovation, improvement or relocation in the designated revitalization areas of the central business district, commercial corridor adjacent to Mantorville Ave./Highway 57 and commercial-manufacturing zoned areas.

Eligible improvements under the program include all interior and exterior work on commercial buildings, such as:

- Cleaning, painting, staining and/or siding of exterior surfaces.
- Masonry repair or replacement, an/or roofing.
- Repair or replacement of building facades, cornices, entrances, doors, windows, decorative details and awnings.
- Building identification, sign removal, repair or replacement.
- Parking lots, including lighting, surfacing and landscaping.
- Fixed interior improvements including the repair of walls, ceiling, floors, lighting, windows, doors, entrances, electrical, plumbing, mechanical, air conditioning, architectural or energy conservation improvements.
- Reasonable engineering, legal, architectural, and related service fees necessary to the plan, including the cost of building permits and energy audits.

Interest on loans under this program are calculated using the Wall Street Journal Prime Interest Rate and adding 1.5 percent, as stated in the Assessment Policy, interest rates will be no less than the prime rate.

II. Business Expansion/Job Creation Revolving Loan Fund

The purpose of the Business Expansion/Job Creation Revolving Loan Fund is to facilitate small business expansions and/or relocation, thereby creating additional LMI (Low/Moderate Income) jobs in the community and increasing the tax base. At least 51% of all jobs created under this program are to be made available to LMI persons. LMI individuals or families refer to individuals or families whose household income does not exceed 115 percent of the median income for the area when adjusted for family size. The current median income for Dodge County can be found at <http://www.huduser.org/portal/datasets/il.html> at any time.

Eligible businesses and projects include manufacturing/assembly, retail, tourism, technology, professional offices and agricultural processing.

Eligible uses include acquisition of land, buildings, new construction, machinery and equipment, building rehabilitation, working capital and inventory.

Interest rates on loans under this program will be no less than the Wall Street Journal Prime Interest Rate plus 1.5 percent.

III. General Guidelines for both Revolving Loan Funds

Applicants may be individual owners, partnerships, corporations, tenant operators or contract for deed purchasers of any legitimate business whose primary place of business is located in Kasson (or within 2,000 feet). Loans are limited to one per year to any borrower. Ineligible borrowers include lending institutions, real estate brokers and non-for-profits.

At least sixty percent (60%) of the total project cost shall be funded privately or through a private lender, with not less than ten percent (10%) of the project provided by the business

owner/applicant in cash or owner equity. **The remaining forty percent (40%), the financing gap, may be provided by a Kasson Revolving Loan Fund.**

The terms of the loan shall be determined by the Kasson Economic Development Authority's Loan Review Committee, with the following as guides:

- | | | |
|----|-------------------------|-------------------------|
| 1. | Acquisition of Land | 20 year financing terms |
| 2. | Acquisition of Building | 20 year financing terms |
| 3. | New Construction | 20 year financing terms |
| 4. | Building Renovation | 15 year financing terms |
| 5. | Machinery and Equipment | 7 year financing terms |
| 6. | Working Capital | 5 year financing terms |
| 7. | Inventory | 1 year financing terms |

A service fee of 1% is charged on any loan, and is due at loan closing by the applicant.

All loans shall be secured by collateral adequate to safeguard the lenders. If the Kasson Economic Development Authority is the sole lender, it will take a first security interest in the assets financed.

Following funding of a project, periodic financial reporting, record keeping and other similar requirements may be necessary. Failure to abide by City requirements and approved plans will result in a call of the loan.

IV. Application Process

An applicant's property must conform to the City's Comprehensive Land Use Plan and Zoning Ordinance before any project is eligible.

An application is required to determine preliminary eligibility, financing need, and to explore all financing options. Applications must be completed and returned to City Hall by the 15th of the month to be considered at the following months meeting.

The application and material will be reviewed by staff for completeness, and referred to the EDA at a regularly scheduled meeting. The EDA will make a determination if a loan meets the business subsidy criteria and will yield a benefit to the City and its residents. If it is determined so, the board will refer the application to the EDA Loan Review Committee (LRC). The Loan Review Committee will review the applicant information and meet with the applicant if necessary. The LRC will make a recommendation to the full EDA Board at its next regularly scheduled meeting, who will then make the final determination on the loan application.

If approved, the responsible parties shall proceed with signing of a loan agreement, promissory notes, mortgages, and/or other documents required for loan closing. Upon completion of the project/improvements, the applicant's property shall comply with all

applicable code, permit and license requirements, and shall have a current certificate of occupancy.

Loan repayment shall be according to the amortization schedule included in the closing documents.

Valuation of a Business Subsidy

The City will calculate the value of assistance provided to a business in the following manner:

1. If the subsidy is a contribution or sale of real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City, less any amount paid.
2. If the subsidy is a loan, the amount of the subsidy will be the principal amount of the loan. If the subsidy is a loan guarantee, the amount of the subsidy will be principal amount of the loan guaranteed.
4. If the subsidy takes the form of payments over time (e.g., pay-as-you-go tax increment, tax abatement), the amount of the subsidy will be the sum of projected payments.

Guidelines

1. Construction of a project shall not commence until the appropriate City approvals have been given to the application for financing
2. The City will evaluate each request for a business subsidy on a case-by-case basis and reserves the right to deny any application at any stage of the proceedings prior to adoption of the final approval authorizing the financing.
3. Applicants for assistance shall complete an application form and supply all additional information requested by the City.
4. The City shall be reimbursed by the applicant for all costs incurred by the City in connection with the proposed or actual use of financial assistance including, but not limited to, legal fees, filing fees, engineering fees, development consultation fees, administrative expenses and/or tax increment financing consultation fees. At the time preliminary procedures are initiated, the applicant will deposit with the City an administrative fee to cover all anticipated costs to be incurred by the City in connection with the proposed project. The amount of the administrative fee will be based upon the type of financial assistance being requested.
 - (a) The fact that the City accepts the applicant's deposit is not to be construed as a guarantee that the City will authorize the project that is under consideration.

(b) The City may request and receive from the applicant additional administrative fees in an amount to be determined from time to time by the City should associated costs exceed the initial deposit.

5. At all times, procedures and policies related to the proposed or actual approval of the City's financial assistance will comply with the laws of the State.
6. All applications and supporting materials and documents shall become the property of the City and, as such, are public records.