

KASSON EDA REGULAR MEETING

Tuesday, July 10th, 2018
12:00 noon

MEETING WILL BE HELD AT KASSON CITY HALL

12:00 Call Meeting to Order

- I. Roll Call**
- II. Approve Minutes of the Previous Meeting**
- III. Quarterly Financial Report**
- IV. Trail Creek Coffee Roasters - Revolving Loan Update**
- V. CEDA Updates**
 - a. Dodge County EDA**
 - b. Dodge County Housing Study Kickoff Meeting**
 - c. Kasson Chamber of Commerce**
 - d. Regional Development Tour**
 - e. Minnesota Department of Natural Resources, Outdoor Recreation Grant**
 - f. Minnesota Department of Natural Resources, EAB Grant**
- VI. Comprehensive Plan Update**
 - a. Action Items**
 - i. Sections 5.2, 5.5, 7.2**
 - b. Forum Suggestions**
 - i. Sections 5.1 & 5.4**
- VII. Long Term Capital Planning Discussion**
- VIII. Other Business**
- IX. Items for August EDA Meeting**
- X. Adjourn**

Next meeting will be held on Tuesday, August 7th, 2018

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, June 5th, 2018

Pursuant to do call and notice thereof, a regular meeting of the Kasson EDA was held City Hall this 5th Day of June, 2018 at 12:00p.m.

The following members were present: Mayor Chris McKern, Dan Eggler, Rich Wegner, Mike Peterson, Tom Monson, Liza Larsen & Janice Borgstrom-Durst

Absent: None

The following staff members were present: Rebecca Charles, EDA Coordinator

Also Present: Crystal Whitmarsh, of Trail Creek Coffee Roasters; Stephanie Lawson, CEDA & Dodge County EDA Director.

CALL TO ORDER: Vice President M. Peterson called the meeting to order at 12:00 p.m.

MINUTES OF THE PREVIOUS MEETING: M. Peterson asked if any additions or corrections were needed for any of the minutes from last month's regular meeting. Motion to Approve the Minutes as submitted was made by T. Monson, second by C. McKern, with all members voting aye.

TRAIL CREEK COFFEE ROASTERS – REVOLVING LOAN REQUEST:

R. Charles introduced Crystal Whitmarsh, who is co-owner, along with her husband James, of Trail Creek Coffee Roasters. They will be renting the old city Library building and will be taking ownership of the building in following the June 13th City Council meeting. The request is for \$5,000.00 from the EDA's Revolving Loan Fund. These funds would be put towards new flooring and other essential upgrades to the building. R. Charles stressed that the funds would be putting more equity back into a city owned building.

C. Whitmarsh addressed the board and explained her plan to start out as a coffee roastery and then evolve into a coffee shop further down the line. She stated that they were looking for the loan money to assist with the upgrades to the current facility. Whitmarsh also went on to discuss their financial plans, and her intention to have the loan paid off in the first year.

Rich Wegner, asked if they were planning to get other business in town to sell their coffee. C. Whitmarsh stated that yes, under the Cottage Food Law, they are currently able to sell their product at farmer's markets, community events, etc. This is because they are currently operating out of a garage. In order to expand the business and get online sales, or orders for restaurants, retail and grocery stores, they will need to move their roaster into a commercial space and get their wholesale food licensing. This is where they are currently at. She has had conversations with at least one local business and will be looking to have additional conversations. But they don't want to move too fast ahead of the licensing process. They also intend to provide their coffee at Erdman's County Market in Kasson for retail sale.

After some discussion, regarding interest rates and other terms of the loan, discussion came to a close. A motion was made by R. Wegner, to approve a \$5,000.00 loan at the current prime interest rate. Terms will be, according to by-laws, for 5 years at \$90.00 per month with a final balloon payment of the balance on the 60th month. Borrowers will secure the loan with a personal guarantee. Second was made by T. Monson, with all members voting Aye.

REVIEW OF FINANCIAL REPORT: Nancy Zaworski, with the City Financial Department, came to address the EDA Board Members and the members request at the May monthly meeting. N. Zaworski explained how the current accounts are funded and monitored. She explained the current expenses and how the annual budget for the board is decided as well.

CEDA UPDATE: R. Charles went over a number of items regarding her work in Kasson over the past few months. This included:

- a) **Dodge County EDA:** R. Charles introduced Stephanie Lawson, CEDA representative and Dodge County EDA Director. R. Charles went to on point out the packet insert of the final budget for the county housing study. The study is expected to take approximately 120 days to completion.

S. Lawson explained that Maxfield Research has asked for specific information from each city within the county. Once that information is provided, they will hold a formal kickoff meeting at the end of June. Maxfield will take over the study from there.
- b) **Kasson Chamber of Commerce:** R. Charles attended the May Chamber meeting. Current membership it at 64 members.
- c) **CEDA Annual Meeting:** R. Charles attended the CEDA Annual Meeting in St. Charles on May 17th. City Administrator Theresa Carlson, and EDA Board Member Tom Monson were also in attendance.
- d) **O'Reilly Auto Parts:** Still looking for a possible location in Kasson. R. Charles has given them contact information for the Real Estate Agent who manages Kwik Trips in the area. They are currently interested in the possibility of utilizing the old location.
- e) **Regional Development Tour:** Trail Creek Coffee Roasters have offered to donate 55 4oz bags of coffee to be distributed as gifts to bus tour guests on behalf of the City of Kasson. She will also reach out to John Erdman to see if they would be interested in donating beef sticks towards the tour as well. R. Charles and City Administrator T. Carlson have driven the route and gotten down the timing, stops and discussion points for the Kasson portion of the tour.

COMPREHENSIVE PLAN UPDATE: R. Charles updated the board that the planning commission has officially recommended that the comprehensive plan be approved by City Council. The item will go before the City Council on June 13th.

LONG TERM CAPITAL PLANNING: T. Monson would like to open a discussion within the EDA about a long term plan for the board's projects as well as how to plan financially for them. He

would like to see the city plan to create a program for the community. An example would include a façade improvement program. C. McKern agreed that looking at other ways that the EDA can work to benefit local businesses would be a great direction to go.

Following a time of discussion, it was decided that each member would send at least two different ideas to Rebecca prior to the next EDA meeting to be considered for further research.

OTHER BUSINESS: R. Charles asked the board if they would like to cancel or move the July EDA meeting which is currently scheduled on Tuesday, July 3rd. Motion was made by C. McKern to move the July EDA Meeting one week to Tuesday, August 10th. Motion was seconded by D. Egger.

ITEMS FOR JUNE EDA AGENDA: R. Charles has added this section to the agenda to encourage better planning for future EDA meetings.

ADJOURNED: Motion to adjourn was made by T. Monson second by D. Egger with all voting aye. Meeting was adjourned at 1:00 pm.

Next Meeting will be held on Tuesday, July 10th, 2018 at Kasson City Hall.

Minutes Submitted By: _____
Rebecca Charles, EDA Director

Attested By: _____
Linda Rappe, City Clerk

EDA Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	1.1.18 Balance	Prin Recvd YTD	3.31.18 Balance
Klampe	3/1/2005	\$ 8,293	2.0%	53.37	15 years 2/1/2020	\$1,356	\$153.58	\$1,202
L & A(Main Street Fitness)	4/29/2009	\$ 75,000	3.0%	415.95	20 years 4/29/2029	\$47,906	\$890.79	\$47,015
Dollar Video	8/1/2009	\$ 50,000	3.0%	345.29	14 years 9/1/2024	\$25,008	\$850.44	\$24,158
Gibbs	10/14/2015	\$ 80,000	3.0%	772.49	10 years 1/1/2026	\$66,464	\$1,823.54	\$64,640
Millwork	7/1/2016	\$ 90,000	3.0%	499.14	20 years 6/1/2036	\$84,959	\$862.38	\$84,097

225 EDA Financial Assistance Fund

Assets

Current Assets

CASH-OPERATING	37,382.32
INVESTMENTS AT COST	75,000.00
MONEY MARKET-SMITH BARNEY	639.34
INVESTMENT INTEREST RECEIVABLE	312.53
ALLOWANCE FOR MARKET VALUE	2.25
LOAN PRIN REC- 1760 MILLWORK	84,096.85
LOAN PRIN REC-GIBBS	64,640.69
LOAN PRIN REC- L & A (MAIN STREET FITNESS)	47,015.11
LOAN PRIN REC- DOLLAR VIDEO	24,157.63
KLAMPE LOAN-PRINCIPAL REC	1,203.38
SPECIAL ASSESSMENTS--DEFERRED	23,416.37

Total Current Assets 357,866.47

Total Assets 357,866.47

Liabilities and Equity

Current Liabilities

Deferred Revenue Assessments	23,416.89
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Total Current Liabilities 23,416.89

Total Liabilities 23,416.89

Equity

RESERVED FD BAL-LOAN RECEIVABLE	225,694.19
UNRESERVED FUND BALANCE	96,413.97
UNDESIGNATED FUND BALANCE ACCOUNTS	10,000.00
CURRENT YEAR INCOME/(LOSS)	2,341.42

Total Equity 334,449.58

Total Liabilities & Equity 357,866.47

290 Economic Development

Assets

Current Assets

CASH-OPERATING	15,358.69
DUE FROM OTHER FUNDS	76,877.89
PREPAID ITEMS	95.50

Total Current Assets 92,332.08

Total Assets 92,332.08

Liabilities and Equity

Current Liabilities

ACCRUED WAGE/SALARY PAYABLE	202.23
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Total Current Liabilities 202.23

Total Liabilities 202.23

Equity

UNRESERVED FUND BALANCE	107,432.44
CURRENT YEAR INCOME/(LOSS)	(15,302.59)

Total Equity 92,129.85

Total Liabilities & Equity 92,332.08

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 3 / 18

225 EDA Financial Assistance Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget	Variance
Revenue						
Community/Economic Development						
3621 INTEREST EARNED	699.39		2,337.42		0.00	2,337.42
3626 MONEY MARKET INTEREST	4.00		4.00		0.00	4.00
Total Department	703.39		2,341.42			2,341.42
Total Revenue	703.39	100.00	2,341.42	100.00	0.00	2,341.42
Net Income (Loss)	703.39		2,341.42			

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 3 / 18

290 Economic Development

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget	Variance
Revenue						
Community/Economic Development						
3101 CURRENT AD VALOREM TAXES	0.00		0.00		69,488.00	-69,488.00
3621 INTEREST EARNED	0.00		15.89	0.10	2,000.00	-1,984.11
Total Department			15.89	0.10	71,488.00	-71,472.11
Total Revenue	0.00	100.00	15.89	100.00	71,488.00	-71,472.11
Expenses						
Community/Economic Development						
Community/Economic Development						
101 FULL-TIME EMPLOYEES - REGULAR	827.71	72.47	2,478.11	16.18	40,450.00	37,971.89
121 EMPLOYER PERA CONTRIBUTIONS	61.51	5.39	184.14	1.20	3,034.00	2,849.86
122 EMPLOYER FICA CONTRIBUTIONS	48.91	4.28	146.42	0.96	2,508.00	2,361.58
123 EMPLOYER MEDICARE CONTRIBUTION	11.43	1.00	34.20	0.22	586.00	551.80
130 EMPLOYER PAID INSURANCE	79.40	6.95	238.22	1.56	4,000.00	3,761.78
150 WORKER'S COMPENSATION	0.00		138.00	0.90	300.00	162.00
210 OPERATING SUPPLIES	0.00		119.58	0.78	400.00	280.42
303 ENGINEERING FEES	0.00		0.00		3,000.00	3,000.00
304 LEGAL FEES	0.00		0.00		4,000.00	4,000.00
321 TELEPHONE	31.35	2.74	94.90	0.62	500.00	405.10
325 COMMUNICATION-OTHER	0.00		30.00	0.20	200.00	170.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		2,000.00	2,000.00
334 MEMBERSHIP DUES AND FEES	0.00		202.00	1.32	3,150.00	2,948.00
360 INSURANCE	81.91	7.17	81.91	0.53	360.00	278.09
413 Rental Expenses	0.00		0.00		2,000.00	2,000.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		1,020.00	6.66	4,500.00	3,480.00
440 PROFESSIONAL SERVICES	0.00		270.00	1.76	500.00	230.00
444 OTHER CONTRACTUAL SERVICES	0.00		10,281.00	67.12	0.00	-10,281.00
Account Total	1,142.22	100.00	15,318.48	100.00	71,488.00	56,169.52
Total Department	1,142.22	100.00	15,318.48	100.00	71,488.00	56,169.52
Total Expenses	1,142.22	100.00	15,318.48	100.00	71,488.00	56,169.52
Net Income (Loss)	-1,142.22	-100.00	-15,302.59	-99.90		

Economic Development Director's Update – Rebecca Charles

City of Kasson, MN

June 5th 2018 – July 9th 2018

Outreach and Networking

- **Dodge County EDA:** No meeting was held in the month of June
 - Dodge County EDA Forum: Dodge County EDA Director, Stephanie Lawson, is working to determine if the County should continue hosting these forums. She will be sending out an email survey to county EDA's, Chambers and government offices in order to measure interest and support for these events. It is her intent to work to increase attendance and marketing for the events to ensure that information is not only applicable to area businesses, but has attendance worthy of the event.

- **Dodge County Housing Study Kickoff Meeting:**
 - A kickoff meeting was hosted by the Dodge County EDA and Maxfield Research on Tuesday, June 26th at the Dodge County Government Building. At this meeting, information about what the study will cover, the process, and what Maxfield will need from cities within the county.

- **Kasson Chamber of Commerce Meeting:** R. Charles attended the June 13th meeting of the Chamber of Commerce. No New Updates.

- **Kasson Chamber of Commerce Board Meeting:** Board meeting was held at Misplaced Magnolia on Wednesday, June 27th.
 - Discussions on obtaining bags with the Chamber Logo on them for distribution in the community was discussed.
 - Chamber Bucks: For the rest of 2018 the Chamber will be doing a promotion on Facebook. Participants will Like, Share and Comment on relevant Chamber posts to enter for a chance to win \$50 Chamber Bucks. Awarded Chamber dollars will be void after 30 days.
 - Jeannine Hensly of Misplaced Magnolias took a moment to speak with the Chamber about her interest in creating a Classic Rock and Classic Cars event the third weekend in September in downtown Kasson. The event would have live music, events and would feature Main Street Kasson and its businesses.

- **Rochester Area Builders Association Networking Night:** The June event was held at First Primer Bank in Rochester.

Existing Projects:

- **Trail Creek Coffee Roasters:** R. Charles drew up loan documents for the EDA Loan to Trail Creek Coffee Roasters. The documents were reviewed and edited by City Attorney Melanie Leth, who also created an amortization schedule for the loan. Crystal and James Whitmarsh came to the City Office on Thursday, June 28th for the loan closing. Their first payment will be due on August 1st, 2018. R. Charles has sent a press release to the Dodge County Independent, Star Herald and CEDA for the Monthly Newsletter.

- **O'Reilly's Auto Parts:** No New Update

- **Regional Development Tour:** R. Charles has confirmed donation of 50 4oz bags of coffee from Trail Creek Coffee to provide as gifts to bus tour attendees. R. Charles has also confirmed a donation of beef sticks from Erdman's. The package has been completed and will be uploaded

Economic Development Director's Update – Rebecca Charles

City of Kasson, MN

June 5th 2018 – July 9th 2018

digitally to be distributed to all attendees of the Development Tour.

- **Lions Park Shelter:** R. Charles received a letter on 06-22-2018 from the Minnesota Department of Natural Resources, informing her that the Lions Park Project was not selected for funding for 2018. The city will be able to resubmit next year for park funding. There is also a grant request for half of the funding still being considered by the Otto Bremer Foundation.

New Projects:

- **Minnesota Department of Natural Resources EAB Grant:** Dodge County is currently under a quarantine order issued by the United States Department of Agriculture due to the infestation of the Emerald Ash Borer beetle, which has infested the ash tree population within the county. In an effort to slow/stop the spread of the infestation, the City of Kasson has developed a EAB Management Plan. The Minnesota Department of Natural Resources offers a grant to assist with implementing this plan. R. Charles submitted a pre-application to the department for a grant in the amount of \$30,000.00 towards the purchase and planting of new trees to replace the ash trees that are removed. R. Charles will be notified by July 13th if the city is selected to submit a full application.
- **Branding Meeting:** R. Charles reached out to Sarah Miller, founder of White Space to discuss branding options for the City of Kasson. Rebecca and City Administrator, Theresa Coleman met with S. Miller on Tuesday, July 3rd. The discussion centered on how the branding process works, the timeline and implementation of the final brand. Results of this discussion will be presented at the July 10th EDA meeting.

GOAL 5.2



Provide an atmosphere that promotes business development and growth from within the community.

- Policy 5.2.1** Seek opportunities to enhance telecommunication infrastructure, through continued partnerships with the private sector.
- Policy 5.2.2** Establish and preserve partnerships and coordination with local, regional, and state organizations that support economic development activities.
- Policy 5.2.3** Promote green businesses that are recognized under a local, regional or national program.

GOAL 5.3










Continue to promote and develop a strong, balanced and sustainable local economy that meets the needs of current and future residents by providing reasonable opportunities to live, work at a living wage, play, and shop in Kasson.

- Policy 5.3.1** Understanding the proximity to the regional economic center of Rochester, promote and encourage commercial development that meets the needs of the large volume of residents that commute from Kasson.
- Policy 5.3.2** Collaborate with educational institutions, economic development entities, and local businesses to address industry workforce needs and create career and educational pathways for residents of all ages.

ECONOMIC ACTION STEPS

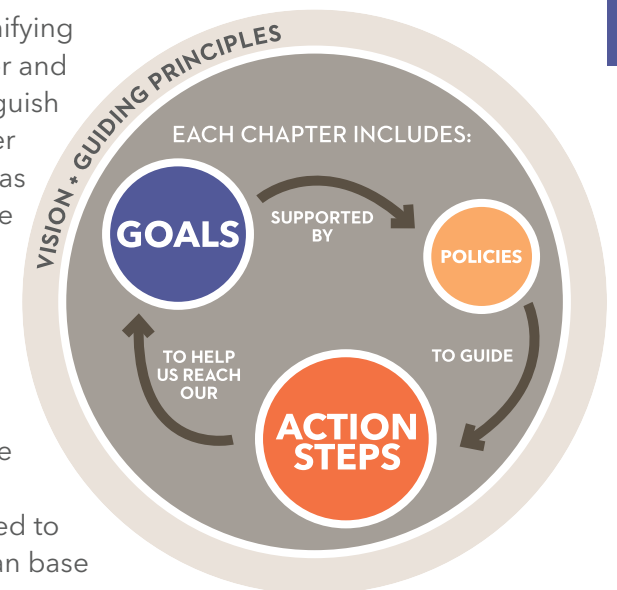
- ACTION STEP 5.1** Set up meetings with Chamber of Commerce and large employers to enhance communication and provide a forum to discuss retention and expansion opportunities.
- ACTION STEP 5.2** Improve community wayfinding signage to maximize exposure to the high volume of traffic on Highway 14 and Highway 57. This should include directional signage within the Community for places of interest.
- ACTION STEP 5.3** Conduct or participate in a buy local campaign for community members and local businesses.
- ACTION STEP 5.4** Provide a forum to align and connect community members strengths, skills, passions, and assets with the appropriate implementation strategy, project, or idea. The intent of this action step is to strengthen local entrepreneurship and connectedness within the community and region.
- ACTION STEP 5.5** A community 'brand' is a unifying idea or theme that represents the character and experience of a community. It helps distinguish a community from others, fosters a stronger sense of place and identity, and can serve as a connecting or unifying element within the business community. This action step is to evolve the vision and guiding principles into a unified community brand.
- ACTION STEP 5.6** Organizations such as [ISO Mitigation](#) develop programs that provide up-to-date information about municipal fire protection services. Information about the quality of public fire protection is developed to grade the community. Service providers can base

GUIDING PRINCIPLES

-  SMALL TOWN IDENTITY
-  PROSPEROUS
-  WELCOMING
-  VIBRANT
-  HEALTHY
-  INNOVATIVE
-  CONNECTED

Guiding Principles: see Chapter 03 Vision and Guiding Principles for more information.

The icons next to each goal indicate the Guiding Principles that are demonstrated within the stated goal. Guiding Principles that are most pertinent are shown in full color.



KASSON EDA

LONG TERM CAPITAL PLANNING

- A. Downtown Business Revitalization (MP)
 - a. Capital improvements to existing businesses
 - b. Promote Growth
- B. Promote Growth in current commercial developments and encourage new developments along the Highway 14 corridor. (MP)
- C. Help new business startups and assist businesses with growth (DE)
- D. Expansion Pack (TM)
 - a. Purchase credits towards accounting, attorney and marketing professional services
 - b. Rent reimbursement @ 50% Y1, 25% Y2 up to \$4,800 per year per business
- E. Fix Up Fund (TM)
 - a. Pay up to 50% of business façade improvements
- F. Kasson Business of the Year Awards (TM)
 - a. Annually award category winners based on nominations (i.e. best place to work, most innovative, entrepreneur to watch, etc.)
 - b. Media/Advertising
 - c. Partner with Chamber
- G. Program Marketing (TM)
 - a. Direct mailing to residents
 - b. Website/social Media
 - c. Local Shoppers and Newspapers
 - d. Chamber Announcement
- H. Façade Improvement/Downtown Revitalization Program (CM)