

KASSON ECONOMIC DEVELOPMENT AUTHORITY

Kasson City Hall
Tuesday, March 3rd, 2020

~~12:00 noon~~

12:30PM

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Next meeting will be held on Tuesday April 7th, 2020

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, February 4th, 2019

12:00PM

DRAFT

MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Kasson Economic Development Authority (EDA) was held at City Hall this 4th day of February 2020 at 12:00PM.

The following board members were present: Chris McKern, Liza Larsen, Janice Borgstrom-Durst, and Tom Monson.

Absent: Dan Egger and Michael Peterson.

The following staff members were present: Timothy Ibisch - City Administrator, Nancy Zaworski - Finance Director, and Nicholas Ouellette - EDA Coordinator

- I. Call Meeting to Order. McKern called the meeting to order at 12:00PM.
- II. Approve Minutes of the Previous Meeting. Larsen motioned to approve the minutes of the previous meeting as submitted. Monson seconded.

Ayes (4), Nays (0). Motion carried.
- III. Timothy Ibisch - City Administrator Introduction. Ibisch introduced himself to the Board and discussed his goal to create new programs and alternative funding sources for the EDA.
- IV. Coordinator Report. Ouellette first discussed his meetings for the month of January, which included the Downtown Lots Committee, Loan Review Committee, developers Jamie Judisch & Aaron Thompson, Adalberto Guzman, K-M Schools Career Navigator, SEMLM, and Mantorville EDA Coordinator Abby Wright. Ouellette updated the board on progress made towards planning improvements for the Downtown Lots. Ouellette discussed his meeting with Jamie Judisch and Aaron Thompson who plan to construct townhomes and apartment buildings at 504 16th Street NE, the project plans will be discussed at the next Planning & Zoning Board meeting, Ouellette noted should the project be approved by Planning & Zoning, there will likely be a request for TIF. Ouellette informed the Board Adalberto Guzman applied for gap financing through the Dodge County RLF to start a bakery in Kasson, and Guzman's application will be reviewed by the Dodge County EDA Committee on February 11th. Ouellette also discussed his meeting with Abby Wright to explore opportunities for collaboration between Kasson and Mantorville on projects or grants. Ouellette told the Board the Business Façade Improvement Program will be on the March agenda for the Board to approve. Ouellette discussed his attendance at the SEMLM Annual Meeting, including an update on the SE Regional Transportation Coordinating Council. Ibisch also noted SEMLM would be lobbying the State government to capitalize their Diversification Loan Fund program.

Ouellette told the board he and Tim would be working towards developing a strategic plan. Ouellette asked the Board if they would fill out a strategic plan worksheet to inform him of their ideas and goals for the City of Kasson. Ouellette informed the Board of the Future Forward website platform which is a new tool being used by the K-M schools to connect students with local career opportunities. Ouellette informed the Board he is exploring opportunities to conduct local market research on Kasson's economy. The Board discussed having a booth at the Dodge County Expo.

- V. EDA Board Seat. Ouellette asked the Board what type of requirements the Board would like to set out for Board seat applicants, as well as how long the Board would like to advertise the open seat. Monson discussed that Board seat requirements could be factored into the strategic planning process but would be a lengthier timeline to determine those requirements. Ibsch suggested the EDA Board receive applications through February. Ouellette will email out applications to the Board as they come into City Hall. Monson motioned to advertise the open seat on the EDA Board through the month on February and insert the EDA Board seat requirements in the Policy and Procedures draft as "the applicant must live in Kasson *or* the applicant must own a business, operate a business, or work in Kasson". Borgstrom-Durst seconded.

Ayes (4), Nays (0). Motion Carried.

- VI. Revolving Loan Fund Capitalization. Ouellette discussed the recommendation which came from the Loan Review Committee to capitalize the Revolving Loan Fund with \$20,000 from the EDA cash balance. McKern motioned to capitalize the Revolving Loan Fund with \$20,000 from the EDA cash balance. Larsen seconded.

Ayes (4), Nays (0). Motion Carried.

- VII. Tax Abatement Agreement - Elite Marketing & Investments, LLC. Ouellette discussed with the Board the necessity to create a new tax abatement agreement with Elite Marketing & Investments, LLC. Ouellette noted the original subsidy was given to the business as an incentive to relocate their business to Kasson; this purpose would justify the re-created tax abatement agreement with the condition the business remain in Kasson through the remainder of the abatement. Ouellette discussed the conditions and value of the proposed tax abatement agreement with the Board and noted the business owner was aware of the situation and agreed to the details of the proposed tax abatement agreement. Monson asked Ouellette if there would be a condition that should the property owner be delinquent on their taxes, the City would be able to withhold the tax abatement for that year. Ibsch described the process for tax abatement, clarifying that tax abatement will be held until December of each year to allow the City time to verify property taxes were paid for that year. Ouellette informed the Board the new tax abatement agreement will be prepared for the March 3rd EDA meeting with a public hearing as well.

- VIII. EDA Policy and Procedures Amendments. Ouellette discussed drafted additions to the EDA Policy and Procedures manual. Ouellette noted this draft was for the EDA Board to review and provide input. A public hearing for the proposed amendments will be held at

the March 3rd EDA meeting. Borgstrom-Durst requested Ouellette send out a copy of the original Policy and Procedures along with a draft of the proposed changes.

- IX. Other Business. Borgstrom-Durst inquired with the Board about the capacity for Ouellette to work on a grant for KARE on the Old Public School. Ouellette will be able to review the Grant in an editorial capacity.
- X. Items for the March EDA Meeting. Ouellette listed items for the March EDA meeting, being EDA Policy & Procedures, Board seat applicants, the Tax Abatement Agreement, Strategic Planning, and the Opportunity Profile.
- XI. Adjourn. McKern motioned to adjourn the meeting. Monson seconded.

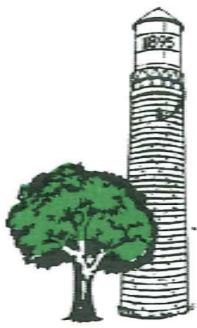
Ayes (4), Nays (0). Motion carried and meeting adjourned.

The next meeting will be held at 12:00PM on March 3rd, 2020.

Minutes Submitted by: _____

Nicholas Ouellette, EDA Coordinator

Dan Egger, EDA President



TREE
CITY
USA

CITY OF
KASSON

401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4737

MEMO

To: Kasson Economic Development Authority

From: Nicholas Ouellette, EDA Staff

Date: February 25, 2020

Re: Elite Marketing & Investments, LLC Tax Abatement Agreement

Summary:

A Tax Abatement Agreement has been proposed to outline the terms, schedule, and procedures for the tax abatement on the property located at 301 5th Street SE, Kasson.

Action Requested:

It is requested that the EDA Board approve the proposed Tax Abatement Agreement with Elite Marketing & Investments, LLC.

Background:

A Tax Abatement Resolution was approved for Elite Marketing & Investments, LLC, in January 2017 without a Tax Abatement Agreement in place to define the terms, schedule, and procedures for the abatement. The business had unpaid taxes for the past three years which brought the absence of an agreement to the City's attention in order to determine the proper procedure to address the issue. The business is now current on all taxes.

The Loan Review Committee recommended to establish a Tax Abatement Agreement with Elite Marketing & Investments, LLC to properly define the abatement, its terms, and procedures. City Administrator Ibisch and I have worked with Joe Lonzo, of 1760 Millwork, to create a new Tax Abatement Agreement with terms agreeable to all parties in accordance with the terms described in the corrected Tax Abatement Resolution.

Included in the packet is a copy of the Tax Abatement Agreement with Elite Marketing & Investments, LLC. The new Tax Abatement Agreement will allow for proper record keeping and will provide guidelines to ensure the abatement is enacted according to the agreed upon terms through the end of the abatement period in 2026.

TAX ABATEMENT AGREEMENT

BY AND BETWEEN

CITY OF KASSON, MINNESOTA

AND

ELITE MARKETING & INVESTMENTS, LLC

THIS AGREEMENT, made as of the 3rd Day of March, 2020, by and between the City of Kasson (the “City”), a municipal corporation under the Constitution and laws of the State of Minnesota, and Elite Marketing & Investments, LLC, a Minnesota limited liability company (the “Business”) to delineate the terms set forth in City of Kasson Resolution 5.1-16 [CORRECTED],

WITNESSETH:

WHEREAS, the Business purchased the property located at 301 5th Street SE, Kasson, MN 55944, comprised of Dodge County Parcel Identification No. 24.355.0080 (the “Business Property”).

WHEREAS, pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, the City has established a Tax Abatement Program pursuant to which the City is authorized to grant an abatement of ad valorem property taxes imposed by the City under certain conditions; and

WHEREAS, by operation of Minnesota Statutes, 116J.993, subdivision 3(17), the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement; and

WHEREAS, the City believes that the Project will meet the conditions of the Tax Abatement Act; and

WHEREAS, the Business and the City desire to enter into this Agreement in satisfaction of applicable requirements of the City, and to set out the undertakings and obligations of each party from this point forward with respect to the Project.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

**ARTICLE I
REPRESENTATIONS AND WARRANTIES**

Section 1.1 Representations and Warranties of the City. The City makes the following representations and warranties:

- (1) The City is a body politic and corporate and political subdivision organized under the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.
- (2) The Tax Abatement Program was created, adopted, and approved in accordance with the terms of the Tax Abatement Act.
- (3) To finance the costs of the Project to be undertaken by the Business, the City proposes, subject to further provisions in this Agreement, to reimburse the Business for Project costs as further provided in this Agreement.
- (4) The City has made the findings required by the Tax Abatement Act for the Tax Abatement Program.
- (5) This Agreement has been duly approved by the City Council of the City of Kasson and execution and delivery of this agreement has been authorized by the City of Kasson Economic Development Authority Board.

Section 1.2 Representations and Warranties of the Business. The Business makes the following representations and warranties:

- (1) Elite Marketing & Investments, LLC is a limited liability company duly organized, in good standing, and validly existing under the laws of the State of Minnesota and is registered and in good standing with the Office of the Secretary of State of Minnesota, with full authority to transact business in this State, has the power to enter into the Agreement and to perform its obligations hereunder, and is not in violation of its charter, articles of incorporation, operating agreement or any local, state, or federal laws.
- (2) The relocation of 1760 Millwork Mfg. Co., LLC to the Business Property and renovation of the Business Property would not be undertaken by the Business, and in the opinion of the Business, would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Business provided for in this Agreement.

ARTICLE II UNDERTAKINGS BY THE BUSINESS AND CITY

Section 2.1 Project Execution.

- (1) The Business will renovate the Business Property in a good and workmanlike manner and at all times prior to the termination of this Agreement will operate, maintain, and preserve and keep the Project or cause the Project to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in good repair and condition.
- (2) The Business will relocate 1760 Millwork Mfg. Co., LLC to the Business Property, result in the creation of new employment opportunities for its citizens, and increase the tax base in the City.

Section 2.2 Transfer of Project and Assignment of Agreement. The Business may assign its rights or obligations under this Agreement, or any portion of them, to a third party with the written consent of the City which consent the City may grant or withhold in its sole and absolute discretion.

Section 2.3 Real Property Taxes. The Business acknowledges that it is obligated under law to pay all real property taxes and special assessments payable with respect to all parts of the Business Property acquired and owned by it which are payable pursuant to this Agreement, State law and any other statutory or contractual duty. The Business agrees that for tax assessments, so long as this Agreement remains in effect, the Business will not seek any tax valuation review, additional tax deferral, or tax abatement not expressly provided for in this Agreement so long as this Agreement remains in effect.

Section 2.4 Economic Development Goals. The Business shall satisfy the provisions of Minnesota Statutes, Sections 116J.993 to 116J.995 (the “Business Subsidies Act”). The public purpose of the Business Subsidy is to relocate 1760 Millwork Mfg. Co., LLC to the Business Property, create new employment opportunities for local residents, and increase the tax base.

Section 2.5 Tax Abatement Program.

- (1) The Tax Abatement paid to the Business shall be in accordance with and subject to the terms and conditions contained in the Abatement Resolution, the Tax Abatement Act, and the Tax Abatement schedule in Appendix A.
- (2) On or before December 24th each year commencing in 2017 the City shall pay the Business the amount of the Tax Abatement for that year, on the condition ad valorem real property taxes on the Business Property for the year of abatement have been paid in full.

**ARTICLE III
EVENT OF DEFAULT**

Section 3.1 Event of Default Defined. The following shall be an “Event of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, the following event:

- (1) If the Business is in default under any mortgage and has not entered into a workout agreement with the Mortgagee within sixty (60) days after such default.

Section 3.2 Remedies on Default. Whenever any Event of Default referred to in Section 3.1 occurs and is continuing, the City, in addition to any other remedies or rights given the City under this Agreement, after the giving of thirty (30) days’ written notice to the Business citing with specificity the item or items of default and notifying the Business that it has thirty (30) days within which to cure said Event of Default.

Section 3.3 Release and Indemnification Covenants.

- (1) The Business expressly agrees to indemnify and hold the City and its officers, agents, servants, employees, all members of the City of Kasson Economic Development Authority Board, and all members of the City Council harmless from and against all claims, cost and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the Project, the Business Property, or the performance of work at the Business Property and elsewhere pursuant to this Agreement, and further releases such officers, employees, agents, and members from any personal liability in connection with handling funds pursuant to the terms of this Agreement. The indemnification provided hereunder shall not apply to intentional acts or gross misconduct of the individual or entity so indemnified.
- (2) Except for any willful misrepresentation or any willful or wanton misconduct of the following named parties, the Business agrees to protect and defend the City and its officers, agents, servants, and employees, all members of the City of Kasson Economic Development Authority Board, and all members of the City Council, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from a breach of the obligations of the Business under this Agreement, or the transactions contemplated hereby or the acquisition, renovation, installation, ownership, maintenance, and operation of the Project.
- (3) The City and its officers, agents, employees, all members of the City of Kasson Economic Development Authority Board, and all members of the City Council shall not be liable for any damages or injury to the persons or property of the Business or its officers, agents, servants, or employees or any other person who may be about the Project due to any act of negligence of any person.
- (4) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City and not of any officer, agent, servant, employee, any members of the City Council, or other board or commission of the City in the individual capacity thereof.

ARTICLE IV ADDITIONAL PROVISIONS

Section 4.1 Conflicts of Interest/No Personal Liability. No member of the governing body or other official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects their personal interests or the interests of any corporation, partnership or association in which a person is directly or indirectly interested. No member, official or employee of the County shall be personally liable to the Business in the event of any default or breach by the City or for any amount that may become due to the Business for any obligations under the terms of this Agreement.

Section 4.2 Non-Discrimination. The Business shall not violate any law applicable to it with respect to civil rights and non-discrimination including, without limitation, Minnesota Statutes, Section 181.59.

Section 4.3 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally and

(1) in the case of the Business is addressed or delivered personally to:

Joe Lonzo
Elite Marketing & Investments, LLC
301 5th Street SE
Kasson, MN 55944

(2) in the case of the City is addressed or delivered personally to:

City of Kasson
401 5th Street SE
Kasson, MN 55944

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 4.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 4.5 Duration. This Agreement shall remain in effect through December 2026, unless earlier terminated or rescinded in accordance with its terms.

Section 4.6 Provisions Surviving Rescission or Expiration. Sections 3.3 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 4.7 Data Practices. The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name on its behalf, and the Business has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

ELITE MARKETING & INVESTMENTS, LLC

By _____

Its _____

By _____

Its _____

CITY OF KASSON, MINNESOTA

By _____

Its Economic Development Authority President

By _____

Its City Administrator

**APPENDICIES FOR THE TAX ABATEMENT AGREEMENT BY AND
BETWEEN CITY OF KASSON, MINNESOTA AND ELITE MARKETING &
INVESTMENTS, LLC**

APPENDIX A

ABATEMENT PAYMENT SCHEDULE

Year	Abatement Payment Status	Value
2017	Abatement released	\$ 3,597.33
2018	Abatement withheld	\$ 3,597.33
2019	Abatement withheld	\$ 3,597.33
<i>Past Abatement withheld (to be paid*):</i>		\$ 7,194.66
2020	<i>Future abatement</i>	\$ 3,597.33
2021	<i>Future abatement</i>	\$ 3,597.33
2022	<i>Future abatement</i>	\$ 3,597.33
2023	<i>Future abatement</i>	\$ 3,597.33
2024	<i>Future abatement</i>	\$ 3,597.33
2025	<i>Future abatement</i>	\$ 3,597.33
2026	<i>Future abatement</i>	\$ 3,597.33
Total Future Abatement Value:		\$ 25,181.31
Total Abatement Value:		\$ 35,973.30

*Abatement to be paid pending evidence Elite Marketing & Investments, LLC is up to date on 2017, 2018, and 2019 property taxes.

APPENDIX B

DEFINITIONS AND RULES FOR INTERPRETATION

Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning appears from the context:

Agreement means this Agreement, as the same may be from time to time modified, amended or supplemented;

Benefit Date means every date on which the City makes a payment of the Tax Abatement to the Business according to the specific provisions of Section 2.5, consistent with the statutory definition of the term contained in Minnesota Statutes, Section 116J.993, Subdivision 2;

Business means Elite Marketing & Investments, LLC, and their respective successors and assigns;

Business Day means any date except a Saturday, Sunday, or a legal holiday or a day on which banking institutions in the State are authorized by law or executive order to close;

Business Property means the real property located at 301 5th Street SE, Kasson, MN 55944, comprised of Dodge County Parcel Identification No. 24.355.0080;

City means the City of Kasson, Minnesota;

Event of Default means the event described in Section 3.1;

Project means the relocation of the 1760 Millwork Mfg. Co., LLC at the Business Property, as well as renovations to the commercial facility on the Business Property;

State means the State of Minnesota;

Tax Abatement Act means Minnesota Statutes, Sections 469.1812 through 469.1815;

Tax Abatement means the City's reimbursement to the Business of the City's share of ad valorem property taxes of the Business Property for a period not to exceed ten (10) years, specifically with respect to the payable 2017 through 2026 property taxes, for the amount of the Business Property's 2016 property tax value (\$3,597.33), in a total amount not to exceed \$35,973.30, pursuant to the specific provisions of Section 2.5.

Rules for Interpretation. All italicized terms used and not otherwise defined herein shall have the following interpretations unless a different meaning appears from the context:

Governing Law. This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

Includes Entire Agreement. The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision refer to this Agreement as a whole rather than any particular section or subdivision thereof.

Original Sections. References herein to any particular article, section, or paragraph hereof are to the section or subdivision of this Agreement as originally executed.

Headings. Any headings, captions, or titles of the several parts, articles, sections, and paragraphs of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provision.

Conflict Between Agreements. In the event of any conflict between the terms, conditions and provisions of this Agreement and the terms, conditions and provisions of any other instrument, the terms, conditions and provisions of this Agreement shall take precedence.

Entire Agreement. This Agreement shall include any Schedules and Exhibits hereto contain the entire agreement of the parties relating to the subject matter herein, and no other prior or contemporary agreements, oral or written, shall be binding upon the parties hereto.

Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns as provided and as conditioned in this Agreement.



MEMO

To: Economic Development Authority Board

From: Nicholas Ouellette, EDA Staff

Date: February 27, 2020

Re: EDA Policy and Procedures Manual – Updates and Amendments

Summary:

This memo outlines proposed amendments to the EDA Policy and Procedures Manual.

Action Requested:

It is requested the EDA Board approve the proposed amendments.

Background:

It was determined certain guidelines, policies, and procedures were lacking information or absent from the document. Key changes to the new Policy and Procedures 2020 Draft include:

- Addition of a description of the Kasson Economic Development Authority.
- Addition of EDA Officer positions, roles, and details for EDA elections.
- Clarification and language changes for EDA Board meetings policy and procedure.
- Addition of annual review of EDA sub-committees, programs, and ongoing projects.
- Addition of a provision for amendments.
- Addition of the RLF Program Guidelines under Business Subsidy Programs.
- Addition of EDA Board Seat requirements (once decided upon by the EDA).

These additions were derived from Minnesota DEED's *Economic Development Authority Handbook*, which includes sample bylaws for EDA manuals. The additions will provide context and direction for the EDA Board and staff members in the future.

City of Kasson

Economic Development Authority

Policy and Procedures Manual

2020

DRAFT

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THE AUTHORITY

KASSON ECONOMIC DEVELOPMENT AUTHORITY

The name of the Authority shall be the “Kasson Economic Development Authority” (which may sometimes be referred to as the “EDA”, “Kasson EDA”, or the “Authority”), and its governing body shall be called the Kasson Economic Development Authority Board (the “EDA Board” or the “Board”). The EDA Board shall be the body responsible for the general governance of the Kasson EDA and shall conduct its official business at meetings thereof. The Kasson EDA shall consist of seven Board members, of which two members are constituted by the Mayor of Kasson and a member of the Kasson City Council.

As required by Minnesota Statutes, Section 469.097, Subdivision 1, the Authority shall use the official seal of the City of Kasson as the Authority’s official seal.

The offices of the Kasson EDA shall be located at Kasson City Hall, 401 5th Street SE, Kasson MN, 55944.

OFFICERS

The officers of the Kasson EDA Board shall be a President, Vice-President, and a Secretary. The President, Vice-President, and Secretary shall be elected annually at the first meeting of each calendar year. No Board Member may be both the President and Vice-President simultaneously. The Secretary does not need to be a member of the Board.

The President shall preside at all meetings of the EDA Board. Except as otherwise authorized by resolution of the Board, the President and Secretary, (the Vice-President in the President’s or Secretary’s absence), shall sign all contracts, deeds, and other instruments made or executed by the Authority. At each meeting, the President shall submit such recommendations and information they consider proper concerning the business, affairs, and policies of the Authority.

The Vice-President shall perform all of the duties of the President in the absence or incapacity of the President. In the case of the resignation of the President, the Vice-President shall perform such duties as are imposed on the President until such time as the Board shall elect a new President.

The Secretary shall keep minutes of all the meetings of the Board and shall maintain all records of the Authority. The Secretary shall also have such additional duties and responsibilities as the Board may from time to time and by resolution prescribe.

The officers of the Board shall perform such other duties and functions as may from time to time be required by the board or the bylaws or rules and regulations of the Authority.

Should the office of President, Vice-President, or Secretary become vacant, the Board shall elect a successor at the next regular meeting, or at a special meeting called for such purpose, and such election shall be for the unexpired term of said officer.

The Board may from time to time employ such personnel as it deems necessary to exercise its powers, duties, and functions. The selection and compensation of such personnel shall be determined by the board.

MEETINGS

Regular meetings of the Kasson EDA shall be held on the first Tuesday of each month at 12:00 noon in the City Council Chambers at Kasson City Hall. Four members of the Board shall constitute a quorum for the purpose of conducting the business and exercising the powers of the Authority, as well as for all other purposes. If a quorum is not obtained, the meeting may be adjourned and rescheduled for a time when a quorum is obtained.

The Agenda for each EDA meeting shall be prepared and distributed by EDA staff. Agenda items, other than those standard items defined below, may be proposed by staff or any member of the Authority or City Council. If not self-explanatory, each agenda item shall be accompanied by a memorandum from the EDA staffer 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 Friday prior to the meeting. All agenda items and supporting documents shall be due to staff by noon 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 report, presented on a quarterly basis, showing the fund and loan balances and payment information for the previous financial quarter.

The President of the EDA, Secretary, or any other two members of the EDA may request a special meeting of the EDA. Upon such a request, staff shall immediately contact the members to ascertain that a quorum will be present. If a quorum indicates their ability to attend, the EDA staff shall set a meeting for at least three days later and distribute the 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 such as described in this paragraph shall be the same as if called by the President, Secretary, or any two members of the EDA.

MISCELLANEOUS

The policies and procedures of the Kasson EDA may be amended by a majority vote of all Board members, provided that any such amendment shall first have been delivered to each Board member at least five days prior to the meeting at which such amendment is considered.

Applicants to open seats on the EDA Board must meet the following requirements: the applicant must live in Kasson *or* the applicant must own a business, operate a business, or work in Kasson.

An annual review of the EDA's programs, committees, and projects shall be conducted at the first EDA Board meeting of each calendar year. The EDA shall determine whether subcommittees and programs will be renewed for the year.

The fiscal year of the Authority shall coincide with the fiscal year of the City of Kasson. Checks of the Authority may be signed by members of the City of Kasson.

BUSINESS SUBSIDY CRITERIA POLICY

The following business subsidy criteria are intended to satisfy the requirements of Minnesota Statutes 11K.993 through 11J.995, as amended (the “Act”). The term “City” means collectively the City of Kasson and the Kasson EDA. The term “project” means the development or property with respect to which the business subsidy is provided. The term “business subsidy” means all financial assistance deemed to be a “business subsidy” pursuant to Section 11J.993, Subdivision 3, of the Act.

CRITERIA

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 EDA to encourage strong, viable growth and development for the residential, commercial, and industrial areas of the city.

The **City of Kasson and Kasson EDA have** a broad range of powers to assist community development; including tax increment financing, tax abatement, various grant opportunities, and bonding. Therefore, when appropriate, the City and EDA will use their authority to financially participate in a project to accomplish community goals.

Financing from the City of Kasson and/or Kasson EDA 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 of Kasson or Kasson EDA’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 City will consider and give preference to the following criteria when considering the approval of business subsidies.

1. But-for Test. The City, in its sole discretion, will determine whether or not there is substantial likelihood that the project would not move forward without the assistance requested. It is acceptable for this test to be supported solely on the representations of the applicant. Projects that do not meet the “But-for” test will not be granted business subsidies.
2. Redevelopment. Projects that remove, prevent, or reduce blight or other adverse conditions of the property, thereby protecting the City’s property values and the general health, safety, and welfare of the public.
3. Attraction of New Business. Projects that attract or retain competitive and financially strong commercial and industrial companies, which off 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 of Kasson Comprehensive Plan.
5. Needed Services. Projects that provide a needed service in the community, including health care, convenience, and social services.
6. Unmet Housing Needs. Projects that provide housing needs not currently available in the community.
7. Economic Feasibility. The applicant must demonstrate that they have the experience and financing necessary for the project and that the project can be completed in a timely manner.
8. Impact on City Services and Infrastructure. Projects that do not significantly and adversely increase the demand for City services.
9. Job Creation. Projects that create and/or retain jobs which pay at least the higher of the current Federal Minimum Wage or State of Minnesota Minimum Wage, plus appropriate benefits.

Whenever the City or EDA invest public funds or agree to voluntarily forfeit tax or other revenue that benefits private development projects, those projects should create and/or retain the greatest number of Full-Time Equivalent (FTE) jobs that pay a livable wage possible for the residents of the City and the surrounding region. 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. Projects that will directly and indirectly increase the City's tax base and generate new property revenue.
11. Incentive for Additional Future Development. Proposed projects that are compatible with the City's overall development plans and objectives and are compatible with the neighborhood in which they will be located.
12. Compatibility with Development Plans and Neighborhood. Proposed projects that are compatible with the City's overall development plans and objectives and are compatible with the neighborhood in which they will be located.

GUIDELINES & EVALUATION

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 and application at any stage of the proceedings prior to adoption of the final approval authorizing the financing.
3. For assistance, applicant 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 the 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 and 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 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.

VALUATION OF A BUSINESS SUBSIDY

The City and EDA 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.
3. If the subsidy is a loan guarantee, the amount of the subsidy will be the 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 financing), the amount of the subsidy will be the sum of projected payments, discounted to a present value using a discount factor determined by the City.

The following are not business subsidies:

- any assistance provided that meets a statutory exemption as defined by the Act.

BUSINESS SUBSIDY PROGRAMS

LAND SALES

Purpose

The City of Kasson owns residential, commercial, and industrial land in the City. It is the intent of the EDA to return the lands not necessary for the operation of the City of Kasson to the private sector tax rolls 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 EDA Staff 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

Their market rate or subsidized sales shall be considered, according to their ability to serve in 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 EDA staff shall be responsible for marketing city owned property to prospective buyers. This marketing shall be undertaken according to the best judgement of the staff and may include the maintenance of a complete profile of the property on the City's website.

The City Administrator shall be the initial contact for all sales of land. Any contact made to any other official or staff member of the City shall be immediately referred to the City Administrator. 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 staff shall inform the EDA Board 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 staff or the Board the contact is no longer viable. If a project is determined to be no longer viable, the staff shall inform the EDA of that determination and the reason for it.

Committee Responsibility

Upon notification of the contact, the **President** of the EDA may appoint a committee of two EDA Board members to assist the staff 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 Staff and further action shall be at their discretion.

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

EDA Authority

Upon recommendation of EDA staff 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 the sale.

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

REVOLVING LOAN FUND

RLF – I. INTRODUCTION – SOURCE AND PURPOSE OF FUNDS

The purpose of this policy is to provide written guidelines for the processing and award of loans under the City of Kasson Economic Development Authority (EDA) Revolving Loan Fund (RLF) Program. It is intended to be used as the procedure for the EDA to follow in the granting and administration of the RLF Program. The City of Kasson EDA maintains a RLF to assist in retaining and expanding existing businesses, assist new start-up companies, assist companies relocating to Kasson, and promote job creation or retention.

The initial capitalization for the RLF will be funded by the City of Kasson EDA. The RLF will be used primarily to provide fixed asset financing to businesses in the City of Kasson. The RLF may also be used for limited working capital financing. The form of the RLF's involvement in the financing may be as a direct loan to the business or as a guarantor to a conventional bank loan. It is the goal of Kasson's RLF to leverage its funds to the greatest extent possible. It is the intent of the RLF program to primarily use its direct loan program for fixed asset subordinated mortgage financing and its loan guarantee component for working capital loans.

The Revolving Loan Fund Program is a "gap financing" tool used to assist in the financing of business projects, in combination with local private sector financing (banks), which would otherwise lack the required funding. Non-Profits may apply for RLF assistance if certain requirements are met. Applicants must first explore opportunities to obtain funds for their projects from commercial lenders or other private sources before consideration for a RLF loan.

The Revolving Loan Fund Program is administered by the seven-member City of Kasson Economic Development Authority, subject to final approval by Kasson City Council. The following is an overview of the RLF program, general guidelines for eligibility, application guidelines, and the criteria and process for evaluation of applications.

RLF – II. GENERAL GUIDELINES

- A. Applicant/Project Eligibility, Private/Equity Participation, and RLF repayment terms shall follow the City of Kasson EDA Business Subsidy Criteria Policy.
- B. 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 of City boundaries). Loans are limited to one per year to any Borrower/Applicant. Lending institutions, real estate brokers, and media businesses are ineligible. While the RLF is intended to service the private sector, non-profit applicants may be considered if their project is considered beneficial to the Kasson economy, has a firm source of revenue for repayment, and other requirements are met.

C. At least sixty percent (60%) of the total project cost shall be funded privately or through a private lender, with no less than ten percent (10%) of the project provided by the businessowner/applicant in cash or owner equity. **The remaining forty percent (40%), recognized as the financing gap, may be provided by the Kasson Revolving Loan Fund.**

If denied for conventional financing, the applicant may increase the gap financing request no greater than sixty percent (60%) the total project costs, up to \$20,000.

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

E. Following the funding of a project, periodic financial reporting, record keeping, and other similar requirements are necessary. Failure to abide by City requirements and approved plans will result in the recall of a loan at the City's request.

a. Each loan must document job creation or retention, which is the purpose of the RLF program. The expected number of jobs to be created or retained will be contingent on the size and purpose of the loan.

F. Construction of a project shall not commence until the appropriate City approvals have been given to the application for financing.

G. Applicants for RLF funds shall complete an application form and supply all additional information requested by the EDA.

H. 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.

I. Applicants should not make any legally binding commitments to third parties based on the assumptions that an EDA RLF loan will be approved or issued by a specific date. The EDA will not accept responsibility for premature commitments inappropriately made by applicants.

J. All applications and supporting materials and documents shall become the property of the City and, as such, are public records. Classification of the data shall be governed by the Minnesota Data Practices Act, M.S. 13.01 et seq., and other Minnesota Statutes as appropriate.

RLF – III. ELIGIBILITY, LIMITATIONS, INTEREST AND TERM

A. Interest Rate & Term policy for Revolving Loan Fund loans are as follows:

1. For loans of less than \$10,000: an interest rate of the U.S. prime rate minus 2% (no lower than 3%) for a term of five years or less;

2. For loans of \$10,000 to \$30,000: an interest rate of the U.S. prime rate minus 1% (no lower than 4%) for a term of 5-10 years;
3. For loans of \$30,000 or greater and/or a term longer than 10 years: an interest rate equal to the U.S. prime rate (no lower than 5%).

U.S. prime rate will be determined by the rate published in the Wall Street Journal one business day prior to the loan closing date.

B. The terms of the loan shall be determined by the Kasson Economic Development Authority's Loan Review Committee as informed by the following details. Eligible uses and length of term shall be based on the useful life of assets, and the following guide:

- | | |
|---|--------------------------------------|
| 1. Land acquisition | - Limited to 20-year financing terms |
| 2. Building acquisition | - Limited to 20-year financing terms |
| 3. New construction* | - Limited to 20-year financing terms |
| 4. Building renovation* | - Limited to 15-year financing terms |
| 5. Site improvements* | - Limited to 15-year financing terms |
| 6. Machinery, equipment, and fixtures** | - Limited to 7-year financing terms |
| 7. Working capital/Inventory*** | - Limited to 1-year financing terms |

* Owners or contractors are required to pay prevailing wages to any employees involved in construction, renovation, or site improvement work.

** The remaining effective life on equipment, machinery, and/or fixtures must be equal to, or exceed, the life of the loan, determined through IRS Publication 946.

*** Working capital loans are limited to the value for two (2) months of operating costs for the business. Inventory loans are limited to \$5,000.

C. Use of RLF funds to guarantee a conventional bank loan are subject to certain limitations. The RLF may be used to guarantee up to fifty percent (50%) of outstanding principal balance for a conventional bank loan, with the amount not to exceed \$10,000.

The EDA's criteria for underwriting loans resemble those used by lending institutions in business loan evaluation. The EDA has a focus on economic and community development, as such, the underwriting criteria will include considerations regarding economic impact and community benefit.

D. Ineligible uses and businesses:

- | | |
|---|---------------------------------------|
| 1. Refinance debt | 6. Residential real estate investment |
| 2. Pay delinquent taxes | 7. Gambling |
| 3. Professional offices | 8. Media businesses |
| 4. Product development costs | 9. Agricultural businesses |
| 5. Organizational costs for start-up businesses | 10. Speculative investments |
| | 11. Owner distribution |

RLF – IV. APPLICATION PROCEDURE

A. Prior to any consideration, the pre-application procedure must be completed as follows:

1. The applicant must deliver the following documents to the EDA:

- a. Completed Revolving Loan Fund Preliminary Application.
- b. Release Authorization(s).
- c. The EDA does not charge any application processing or loan servicing fees. However, fees may be required from applicants if the EDA incurs any third part charges for document filing, credit checks, appraisals, or loans that require a consultant. *

*The fact that the City accepts an applicants' fees is not to be construed as a guarantee that the City will authorize the project under consideration.

2. The EDA Loan Review Committee and EDA Staff, as an ex-officio member of the committee, will review the pre-application and provide a recommendation to the Authority and Council whether a full application should be considered, based on consideration of the proposed project in accordance with the EDA's Business Subsidy Criteria.

B. Full Application. The Applicant must provide all supplementary information and attachments as required for the RLF funds being requested, and:

1. A "but for" letter documenting the need as set forth in the *Business Subsidy Criteria Policy* section of the City of Kasson Economic Development Authority Policy and Procedures Manual.

2. The following may be requested from the Applicant, where applicable:

- a. Letter of commitment for bank/private financing;
- b. Retail or office market analysis;
- c. Property appraisal for the proposed project;
- d. Pro forma analysis; and/or,
- e. A credit check.

3. A statement addressing environmental review requirements and evidence of compliance with applicable requirements.

4. Balance of fee deposit incurred for any third part charges for document filing, credit checks, appraisals, or loans that require a consultant.

5. Building and site plans.

6. Property information, including legal description, tax parcel ID number, size of parcel(s), current market value, and estimated market value upon completion (land and improvements), and survey map showing exact boundaries of proposed development (if applicable).
7. Statement of property ownership or control (e.g. purchase agreements and contracts).
8. Historic information on the business, and a copy of the Applicants business plan.
9. Business financial statements including the past three years of profit/loss statements and balance sheets. (See RLF – II. I)
10. Resumes and personal financial statements of all principals with twenty percent (20%) or more ownership of the business. (See RLF – II. I)
11. List any other development projects the Applicant has completed. List the value, debt load, lender(s) of each project, and note whether the Applicant has ever defaulted on any loan commitment, development or redevelopment agreement, or other subsidy for any of the projects listed.
12. Any other information deemed necessary or desirable by the EDA or City Council. Should the EDA or City Council request a background check, the applicant must agree to a background check before one may be conducted.

RLF – V. APPLICATION REVIEW AND PROJECT APPROVAL

A. Preliminary Approval.

The EDA Loan Review Committee and EDA Staff, as an ex-officio member of the committee, and/or a third party will review the full application and provide a recommendation for preliminary approval to the EDA and City Council.

The EDA will make a finding based upon information presented as to whether the proposed project is consistent with the City of Kasson EDA Business Subsidy Criteria Policy and RLF guidelines outlined in this document. If deemed appropriate, the EDA/City Council may direct staff and/or consultants to prepare the required documents and agreements.

B. Final Approval.

Final approval of a RLF Loan shall occur with the approval and signing of all required documents and agreements including, but not limited to, the following:

1. Business Subsidy/Development Agreement.
2. Loan Agreement.

3. Promissory Note.
4. Collateral adequate to safeguard the RLF Loan, with the understanding that the City interest in the assets financed may be subordinate to the primary lender.
5. Personal Guarantees may be required in any project at the sole discretion of the EDA and/or City Council. Personal Guarantees may be collateralized with personal assets when appropriate.
6. Certificate of Insurance Coverage listing the City as a loss payee each year of the loan.
7. Disclosure of all Federal, State, and Local tax liens and payables from all Principals.

RLF – VI. LOAN SERVICING AND FOLLOW-UP REPORTING REQUIREMENTS

A. Loans may be closed by the EDA President/City of Kasson Finance Director. General closing procedures are as follows:

1. When the loan closing is completed and funds are disbursed, the Economic Development Staff will establish a loan servicing file to contain:
 - a. All closing documents;
 - b. A log of all conversations and correspondence relating to the loan; and,
 - c. A master follow-up file to ensure loan monitoring functions are performed on a timely basis.
2. An Amortization Schedule including the calculation of principal and interest, and monthly payment reports will be executed at the time of the loan closing and will be forwarded to the City of Kasson Finance Department for payment collection.

B. Loan accounting will be a part of the City of Kasson Finance Department's responsibility. The Borrower or Borrowing Entity will be responsible for providing the Finance Department with loan accounting reports. The Finance Department will be responsible for collecting and maintaining evidence of ongoing compliance with any loan requirements. The EDA Staff will be responsible for collecting and maintaining evidence of ongoing compliance with respect to job creation and retention, insurance, financial reporting, and any special conditions in the initial agreement. Reports may be requested for individual loans including principal, interest, fee payments, etc.

C. Delinquency will be handled by the EDA Staff in a firm, yet flexible way, with provision for modifying or restructuring consistent with program objectives and responsible money management. Any modifications of loan terms and conditions must be requested in writing by the applicant and approved by the EDA Board.

D. Defaults will be handled on a case-by-case basis by the EDA Staff. In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, shall, at the City of Kasson EDA's option, by acceleration or otherwise, become due and payable. To exercise this option, the City of

Kasson Attorney shall prepare a written notice to the business. The notice shall specify the following:

1. The default;
2. Action(s) required to cure the default;
3. A date, not less than thirty (30) days from the date of the notice, by which the default must be secured to avoid foreclosure or other correction action(s); and,
4. Any penalties incurred as a result of the default, inability to create jobs, etc.

The City of Kasson EDA shall use its discretion in terms of when and how to collect and liquidate secured collateral.

- E. Any total or partial sale, assignment, conveyance, lease or transfer with respect to the loan and security interest is not allowed without prior review and written approval by the EDA Board, which approval shall not be unreasonably withheld.
- F. Compliance with Minnesota Business Subsidy Law. Each business receiving assistance with the principal amount over \$75,000 from the Revolving Loan Fund shall be subject to the provisions and requirements set forth by Minnesota Business Subsidy Statute 116J.994 and the City of Kasson EDA Business Subsidy Policy. All Revolving Loan Fund Loans

RLF – VII. USE OF LOAN REPAYMENTS

The Kasson RLF is a self-replenishing fund. Interest and principal payments on previous loans will be used to issue new loans in accordance with the RLF guidelines and policies.

RLF – VIII. COVENANTS

- A. Use of proceeds. The Borrower and/or business will use the proceeds of the Loan in the manner outlined by this document and stipulated in the loan closing documents. Failure to satisfy this covenant may result in Material Adverse Effect.
- B. Compliance with Laws. The Borrower and/or Business will be required to maintain good standing with the States, Counties, and Cities where they exist. Failure of the Borrower and Business to maintain compliance with laws may result in Material Adverse Effect.
- C. Taxes. The Borrower and/or Business are required to pay their obligations with respect to all tax liabilities, assessments, and government charges. The failure to make payment of tax liabilities, assessments, and governmental charges may result in Material Adverse Effect.
- D. Job Creation and Retention. The Borrower and/or Business will be required to create and maintain the number of jobs as decided by the EDA Board and outlined in Loan Closing documents. Failure to comply with this covenant may result in Material Adverse Effect.

E. Insurance. The Borrower and/or Business will be required to maintain adequate policies for the Business and properties associated with the Business after the Loan Closing date.

F. Maintaining Records and Reporting. The Borrower and/or Business will be required to maintain and deliver records to the lender for review on an annual basis. Failure to provide adequate records and access to properties may result in Material Adverse Effect. The required documents are as follows:

- i. Taxes. A statement from a Banking Institution verifying the Borrower and/or Business have filed annual taxes.
- ii. Job Creation and Retention. The Borrower and/or Business will maintain a record of employment figures.
- iii. Insurance. The Borrower and/or Business will submit proof of insurance for the Business and properties associated with the Business.

G. Site Visit. The Borrower and/or Business will be required to allow access to, and inspections of, properties associated with the Loan by an agent of the EDA (i.e. Board Member, Staff, etc.). These site visits are to be carried out on an annual basis. Failure by the Borrower and/or Business to allow EDA access to properties associated with the Loan may result in Material Adverse Effect.

RLF – IX. DEFINITIONS

As used in this document, the following terms shall have the following meanings:

“Amortization Schedule” shall mean a complete table of periodic loan payments, showing the amount of principal and the amount of interest that comprise each payment until the loan is paid off at the end of its term.

“Assignment” shall mean the transfer of property, benefits, interests, liabilities, rights under a contract, by one party to another.

“Borrower” shall mean the approved Applicant for a Revolving Loan Fund loan.

“Business Plan” shall mean a document setting out a business’s future objectives and strategies for achieving them.

“Business Subsidy” shall have the meaning assigned to such term in Minnesota Business Subsidy Law, Minnesota Statutes Section 116J.993 through 116J.995.

“But-for” shall mean the analysis that determines whether a proposed project would not occur, but for the Revolving Loan Fund assistance.

“Certificate of Insurance Coverage” shall mean a certificate issued by an insurance company or broker that verifies the existence of an insurance policy held by the Borrower.

“Collateral” shall mean something pledged as security for repayment of a loan, to be forfeited in the event of a default.

“Default” shall mean the failure to fulfill the obligation to repay the loan.

“Delinquency” shall mean when the Borrower or Business, with a contractual obligation to make loan payments against the debt of the RLF loan, does not make those payments on time or in a regular, timely manner.

“Development Agreement” shall mean a voluntary contract between a local jurisdiction and a person who owns or controls property within the jurisdiction, detailing the obligations of both parties and specifying the standards and conditions that will govern development of the property.

“Economic Development Authority” shall refer to the City of Kasson Economic Development Authority (EDA), a professional and confidential agency whose goal is to help develop and support economic growth within the city of Kasson.

“Environmental Review” shall refer to the assessment of the environmental consequences of a plan or project prior to the decision to move forward with the proposed action.

“Ex-Officio” shall refer to the Economic Development Staff, who is part of the EDA by virtue of their position as an employee of the EDA.

“Financial Statement” shall refer to the formal record of the financial activities of the Borrower or Business.

“Fixed Assets” refers to assets which are purchased for long-term use and are not likely to be converted quickly into cash, such as land, buildings, and equipment.

“Gap Financing” shall refer to the sum of money lent by the City of Kasson EDA to cover the difference between secured financing and the financing needed to carry out a project.

“Guarantor” shall mean the City of Kasson EDA, which is providing the RLF Loan.

“Interest” shall mean:

- a. the fee rate for the use of RLF funds, determined by the amount and length of the loan.
- b. the amount of ownership a stakeholder has in a company.

“Legal Description” shall mean a geographical description of a property which identifies location, boundaries, and any existing easements on the property.

“Letter of Feasibility” shall refer to a letter which includes the background of the project and provides an assessment of the practicality of the proposed project.

“Material Adverse Effect” shall mean a material adverse change to the business, operations, property, or financial condition of the Borrower and/or Business, taken as a whole, the validity or enforceability. The Lender, or EDA, is allowed to cancel the transaction if a material adverse change occurs.

“Partnership” shall refer to a business or firm owned and run by two or more partners.

“Personal Guarantee” shall mean a promise made by an individual or entity to accept responsibility for some

“Prime Rate” shall mean the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board.

“Principal” shall, in the context of borrowing, refer to the initial size of the loan, and/or the subsequent remaining balance.

“Principal Owner” shall mean any person or entity who, now or hereafter, directly or indirectly owns a twenty percent (20%) or greater interest in the business.

“Promissory Note” shall mean a signed document containing a written promise to pay a stated sum to a specified person or the bearer at a specified date.

“Pro Forma” shall mean an analytical projection of the potential financial position of a company based on a review of historical information, operating metrics, and potential costs associated with anticipated changes.

“Resume” shall mean a brief account of a person’s education, qualifications, and previous experience.

“Revolving Loan Fund” shall mean a gap financing measure primarily used for development and expansion of small businesses. It is a self-replenishing fund, utilizing interest and principal payments on previous loans to issue new ones.

“Security Interest” refers to an enforceable legal claim or lien on collateral that has been pledged to obtain a loan.

“Subordinate Financing” is debt financing that is ranked behind that held by secured lenders in terms of the order of which the debt is repaid.

“Tax Parcel ID” shall refer to the identification number assigned by Dodge County to a certain plot of property.

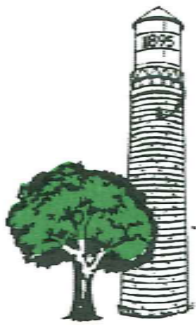
“Term” refers to the length of time a borrower has to make payments on a loan.

“Underwriting” shall refer to the criteria and process of the City of Kasson EDA used to determine whether a borrower’s loan application is an acceptable risk.

“Working Capital” shall mean the capital of a business which is used in its day-to-day operations.

RLF – X. PROVISION FOR AMENDMENTS

The City of Kasson Revolving Loan Fund Policies may be amended by the Kasson City Council after a public hearing on such amendment(s) and, in accordance with Minnesota Business Subsidy Law, Minnesota Statutes Section 116J.993 through 116J.995, upon recommendation by the Kasson Economic Development Authority.



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FAX: (507) 634-4737

MEMO

To: Economic Development Authority Board

From: Nicholas Ouellette, EDA Staff

Date: February 25, 2020

Re: Open EDA Board Seat Applications

Summary:

An EDA Board seat was vacated at the end of 2019. City Hall has been accepting applications for the EDA Board seat with a deadline of February 28th. Two applications have been received from the following persons:

- Matt Nelson
- Nancy Peterson

The application questionnaires have been included in the packet following this memo.

Action Requested:

It is requested the EDA Board review and discuss the application(s). Following discussions, it is requested the EDA Board make a recommendation to the Mayor to appoint the preferred candidate.

CITY OF KASSON

VOLUNTEER BOARDS/COMMITTEES/COMMISSIONS APPLICATION

APPLICANT INFORMATION

(Please use black ink or type)

Date 2/5/2020

Application for: Cemetery Board _____ Economic Development Authority XX
Library Board _____ Park Board _____
Planning & Zoning Commission _____

Personal Information:

Name: Matt Nelson
Address: 1004 1st Place NW, Kasson, MN
Telephone: Home: 634-4941 Work: 421-9308
Place of Employment: Mayo Employees Federal Credit Union
Email address: mgnelson@kmtel.com

Please describe work, volunteer or life experiences that you have had that would prepare you for being a member of this group.

I served on the Kasson City Council for 11 years. Several of those years I served as the council representative to the E.D.A. I have also worked in the financial industry for over 20 years.

What skills and abilities do you have that would be helpful in doing the work of this board/committee/commission?

I have lived in Kasson for close to 30 years. I am familiar with how traffic counts work for locating businesses. I have made contacts with state representatives. Put all this together and I think I could make good contributions to this board.

With what you know about this area, what do you see as the three most significant issues this board/committee/commission will need to address in the next two years?

Of course, number 1 would be the ever changing landscape along Mantorville Ave.
Number 2 would have to be the area south of Hwy 14 near Kwik Trip. That area is ripe for business expansion.
Number 3 would be Main St. and how do we make that more attractive to new business.

Personally, with the current knowledge you have of this area, what two or three suggestions/ideas would you like to see discussed?

I think we need to discuss how do we attract a brew pub of some sort. These types of businesses can put a city on the map and we don't have one in Dodge County right now.

The other item I would like to see us discuss is how do fill the Shopko space without "giving away the farm." I think this board should be spearheading that search.

What one or two contributions do you think you would make, in the short term (first few months) and in the long term (after a year)?

By being away from this board for a few years, I think I can come in with some fresh ideas, but I still understand the constraints this board needs to work under.

After a year, I would think I could help the board step out of their comfort zone and maybe be looking at ways to entice potential businesses to our community.

Do you have any potential conflicts of interest serving on this board?

No, I do not have any conflicts for serving on this board.

Please return to: City Administrator
401 – 5th Street SE
Kasson, MN 55944

CITY OF KASSON

VOLUNTEER BOARDS/COMMITTEES/COMMISSIONS APPLICATION

APPLICANT INFORMATION

(Please use black ink or type)

Date 2-22-20

Application for: Cemetery Board _____ (BENCH³ - Communities United - SE MN /
Economic Development Authority X Rochester
Library Board _____ Park Board _____ AREA)
Planning & Zoning Commission _____

Personal Information:

Name: Nancy R. Becker-Peterson
Address: 60431 213th Avenue Dodge Center, MN
Telephone: Home: 507-635-4663 Work: 507-206-7887 (at) 55927
Place of Employment: Self-Employed - Home Office (above)
Email address: freeyourmind@kmtel.com
Bench3consulting@kmtel.com

Please describe work, volunteer or life experiences that you have had that would prepare you for being a member of this group. (Refer to attached materials)

Character * HAVE A strong Rural/Business work ethic from operating family
Base farm (100 cow dairy operation) in Barron/Polk Counties, WI. Actively
involved in leadership & workforce training in Extension & Community Service
Education * BA: Vocational Home Economics Education/Extension & Community Services
youth Development m3: Food Science & Nutrition/Food Service
Administration/Hospitality. Mini Masters: Quality & Project Management
Workforce/ * 38 year Dodge County Resident as Educator, Parent and
Community entrepreneur throughout SE MN - Med City and Rural
Engagement What skills and abilities do you have that would be helpful in doing the work of this
board/committee/commission?

• Strong leadership & community engagement skills through
employment in Vocational Education/Workforce Readiness, Industry
and Nonprofits; Futuristic, Arranger, Learner, Individualizer
Positivity (Strength Finder leadership styles)

• Engaged and "purpose-Driven" in the communities I work & play in
With what you know about this area, what do you see as the three most significant issues
this board/committee/commission will need to address in the next two years?

1. As A philanthropist and Quality Specialist I see the challenge for obtaining a complete count for Dodge County 2020 census and the upcoming elections/bonding year to advocate Rural for Education, health & workforce
2. Advocate disaster Relief plan and tourism through living and leading with purpose 2020-21 in building a Sustainable & thriving communities
3. Innovate - Collaborate through comprehensive design. Target health and wellness (L3) education and promote the value of...

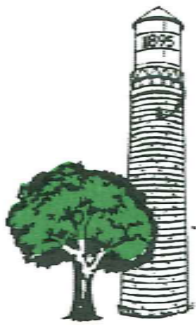
Personally, with the current knowledge you have of this area, what two or three suggestions/ideas would you like to see discussed?

1. Close the gaps in communication and leadership for county and Regional collaborative networks in building thriving communities and addressing issues for sustainability: transportation, daycare, housing, health care & diversity.
 2. Emphasis put on Education, Workforce, & Health care, Economics, and Environment.
- What one or two contributions do you think you would make, in the short term (first few months) and in the long term (after a year)? * Refer to following summaries:

1. Continue to encourage collaboration during a time of change and "EXCITING" opportunities for Charting A course for "SUCCESS": America's Strategy for STEM to STEAM Education:
 2. To encourage, empower, and support women to be "Community, Civic and elected leaders - "90 Day Challenge".
- Do you have any potential conflicts of interest serving on this board?

Thank you, Kasson EDA, for Recognizing the contributions of small business entrepreneurs and Rural townships having a voice to allow them to serve on Local, Regional, & State initiatives!! Entertain the idea of continuing to serve on the SEMM Community membership in promoting Dodge County & SEM Cities!!

Please return to: City Administrator
401 - 5th Street SE
Kasson, MN 55944



TREE
CITY
USA

CITY OF
KASSON

401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4737

MEMO

To: Economic Development Authority Board

From: Nicholas Ouellette, EDA Staff

Date: February 25, 2020

Re: Business Façade Improvement Program; Erdman's Reimbursement & 2020 Program

Erdman's County Market Reimbursement (2019)

Erdman's has submitted a request for reimbursement as the project to replace their canopy has been completed. Included in this packet is proof of payment to contractors and photos of the completed project. Erdman's request for reimbursement is for **\$2,000**. The total project cost was \$42,500.

Action Requested:

I request the EDA Board approve the **\$2,000** reimbursement request from Erdman's County Market.

2020 Business Façade Improvement Program

The EDA has budgeted \$20,000 for commercial programs in 2020. During the 2019 BFIP the EDA allocated \$9,847.50 towards project reimbursements for a total of six projects. \$2,362.50 of the \$9,847.50 has been reimbursed so far (\$4,236.50 pending Erdman's reimbursement). Given the level of activity last year and amount of funds allocated, I recommend the EDA allocate \$10,000 of the budget for commercial programs towards the 2020 BFIP. Preserving \$10,000 of the commercial programs budget will allow the EDA to allocate funds to other programs or towards the BFIP if required.

Action Requested:

I request the EDA Board approve the 2020 Business Façade Improvement Program and allocate \$10,000 for program funds.



14 North Mantorville Avenue
Kasson, Minnesota 55944

Phone: (507) 634-6501

Fax: (507) 634-4060

Email: abelsigns@aol.com

INVOICE

BILL TO:

ERDMAN'S COUNTY MARKET
19 2ND AVE NW
KASSON, MN 55944

DATE 2/5/20

INVOICE# 9589

TERMS 30 DAYS

DUE DATE 3/6/20

P.O #

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
AWNING RECOVER	AWNING MATERIAL - 3053 SQ FT OF COOLEY BRITE II AWNING FABRIC AT \$7.37 PER SQ FT		22,500.00	22,500.00
LABOR	LABOR TO TAKE DOWN AWNING, RECOVER AND INSTALL - 400 HOURS AT \$50.00 PER HOUR		20,000.00	20,000.00
	Sales Tax			0.00
<p>ACCOUNT NUMBER _____</p> <p>CHECK NUMBER _____</p> <p>DATE PAID 2-11-2020</p> <p>AMOUNT 42,500.00</p>				

THERE WILL BE A \$25.00 FEE FOR ANY RETURNED CHECKS...

VISA, MASTERCARD & DISCOVER GLADLY ACCEPTED...PLEASE CALL...507-634-6501

TOTAL \$42,500.00

PAYMENTS/CREDITS \$0.00

BALANCE DUE \$42,500.00



2020 Business Façade Improvement Program

Kasson Economic Development Authority



The Kasson Economic Development Authority (EDA) 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 object stated above, 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:	\$10,000 total has been designated for this program
Duration:	The Program will accept applications until November 20, 2020 . Unless approved by the EDA, all projects must be completed with submitted invoices and completion photos within 12 months of award date. Any projects not completed and/or submitted for reimbursement by that time will not be eligible for reimbursement regardless of approval.
Matching grant:	Up to \$2,000 per building/lot per calendar year
Matching requirement:	Commercial building/lot within the City of Kasson. <i>Please note</i> – property must be current on taxes and obligations with the city.
Eligible project:	See list of eligible project items on the next page
Program contact:	Nicholas Ouellette (EDA Staff) - nicholas.ouellette@cedausa.com

To apply, applicants must submit one complete application including necessary attachments to City Hall by no later than the third 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 Documentation for Application

- ☐ Completed application form
- ☐ Bona fide cost estimate of entire project
- ☐ Project plans, drawings, or sketches
- ☐ Photos of property work area before work begins
- ☐ Email confirmation from City Clerk Rappe that the project is compliant with permitting and ordinances
- ☐ Other documents requested by EDA/Council

For a leased property:

- ☐ A copy of the lease agreement and written permission from the property owner

Required Documentation for Reimbursement

- ☐ Photo of property after work is complete
- ☐ Proof of payment (invoice, receipt, etc.)

Kasson EDA will approve or deny reimbursement based on the completed project documentation and receipts of work completed and paid for by applicant.

Request for reimbursement must be submitted to City Hall within twelve (12) months of project approval.

[See page 4 for more details]

Business Façade Improvement Program – Guidelines

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.
- Permanent and semi-permanent landscaping features
- Other permanent or semi-permanent decorative features that enhance visual aesthetics

Ineligible project items:

- Any interior work
- New construction and building additions
- Acquisition
- Improvements not visible from public areas
- Moveable 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 option 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 approved by City Council; applicants must submit proof of payment (invoice) and photos of the completed projects.

Incomplete applications will not be reviewed

DRAFT

Business Façade Improvement Program – Application
Kasson Economic Development Authority

Name: _____ Date: _____

Business: _____

Email: _____ Phone: _____

Mailing Address: _____

City/State/ZIP: _____

Project Address: _____

Project Summary: _____

Total Project Cost: _____ Total Amount 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 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

Business Façade Improvement Program – Process
Kasson Economic Development Authority

1. Applicant must submit a Business Façade Improvement Program Application with the appropriate documentation that indicates the following:
 - ☐ Detailed description of entire the project
 - ☐ Before photos
 - ☐ Bona fide written cost estimates of the entire project
 - ☐ Email confirmation from City Clerk Rappe that the project is compliant with permitting and ordinances
 - ☐ Indicate the amount of Business Façade Improvement Program funds that will be used
 - ☐ Identify that matching funds (50% minimum) have been acquired or made available to the project through a letter of credit from a bank or letter stating the necessary funds are available in the applicant's bank account
 - ☐ For a leased property, a copy of the lease agreement and written permission from the property owner
 - ☐ Any other documentation requested by the EDA or City Council
2. The Economic Development Coordinator and/or the EDA Finance Committee identifies if the project meets eligibility requirements and, if so, will bring it to the next Economic Development Authority meeting for further review.
3. Upon EDA review, the EDA will either approve or deny the project application.
4. The Economic Development Coordinator will contact the applicant and relay the EDA's decision and, if approved, will arrange for the signing of required documents.
5. Applicant makes approved business façade improvements and pays all invoices related to the improvements.
6. Applicant submits applicable documentation of work completed in accordance with the approved plans and specifications to the Economic Development Coordinator:
 - ☐ Receipts for work completed and paid for by applicant
 - ☐ Photos of the improvements that have been made
7. The Economic Development Coordinator will bring all final documentation to the next Economic Development Authority meeting. Based on the final documentation, the Economic Development Authority will approve or deny the final request for reimbursement.
8. Funds will be available to the approved applicant up to twelve (12) months from the date of project approval by the Economic Development Authority. Submit a payment request to City Hall before this date to avoid cancellation of funds.

Kasson EDA Strategic Plan Worksheet

This worksheet is intended to begin a conversation.

1. What is your vision for the City of Kasson in 1, 5, and 15 years?
2. What is your understanding of the role of the Kasson EDA?
3. What are three concrete actions the EDA can take in this role to work towards your vision from Question 1?
4. Who are key partners in achieving your vision from Question 1?
5. List three to five priorities you have for the City of Kasson:

SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

1. What are the strengths for economic development in Kasson?
2. What are the weaknesses for economic development in Kasson?
3. What are the opportunities for economic development in Kasson?
4. What are the threats to economic development in Kasson?



City of Blue Earth

City of Blue Earth believes it is in the best interest of the residents to keep the City clean and free of garbage and nuisances of the like. The City has leased 8 3-yard dumpsters and will make them available for residents use.

Reservation

Blue Earth residents may contact City Hall by telephone or in person to reserve a dumpster. However, no dumpster will be delivered until residents have acknowledged dumpster policies and guidelines by signing a program policy available at City Hall.

Dumpsters will be made available for one week (Thursday through Thursday). The dumpsters will be picked up by B & B Sanitation, dumped and delivered to the next address on the reservation list.

Requests for additional days will only be considered if there are no reservations directly following the existing reservations. Please see additional costs below.

Cost

Each residence with a unique City utility billing account may receive one dump of the dumpster free of charge each calendar year. Every additional dump during the requested week shall cost the resident \$89.00 which should be paid to the City.

Unacceptable Wastes

Explosives, hospital, pathological and biological waste, hazardous waste, chemicals and radioactive materials, oil sludge's, asbestos in identifiable quantities, cesspool or other human waste, sewage, water-carried materials or substances and those in gaseous forms, human or animal remains, street sweepings, ash, mining waste, auto hulks, construction and demolition debris, tires, appliances, electronics, hazardous refuse such as cleaning fluids, crank case oils, cutting oils, paints, acids, caustics, poisons, drugs, fiberglass resins and dust.

Recourse for Illegal Dumping

Person/Resident making the reservation shall be responsible for all fees associated with dumping illegal materials.

Weather Conditions

Dumpster operations will be conducted only when weather conditions do not limit the ability to perform the work or when such work would not endanger the safety of city employees and equipment. Factors that may delay delivery or pick-up are cold temperatures, rain, snow, and ice conditions.

Exceptions to Normal Schedule

Exceptions to the normal Thursday to Thursday dumping schedule can be made at the City's discretion.

Documentation

The City shall require and obtain a signature acknowledging receipt of Dumpster Program Policies and from each resident before a dumpster will be delivered for use.



City of
Blue Earth

Contact Information Required

The City shall require and obtain proper name, address, and working phone number of all residents wishing to make dumpster reservations.

Savings Clause

This policy is a guide for City staff and residents of the community. The City Administrator, Public Works Department, and the Public Safety Department may deviate from this policy if they feel the best interest of the City will be served while considering unusual circumstances or emergency situations.

Whereupon said policy was declared duly passed and adopted by the City Council of the City of Blue Earth on September 21st, 2015.

BY:

Richard Scholtes
Mayor

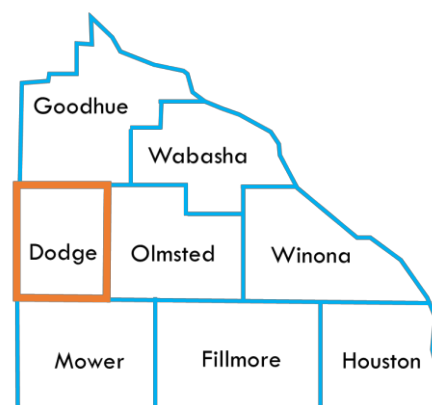
Timothy P. Ibisch
City Administrator

7. APPENDIX: FINDINGS BY COUNTY

7.1. DODGE COUNTY

Dodge County is situated on the western border of the Region, adjacent to Goodhue, Olmsted, and Mower Counties. Dodge County's major cities and towns include Blooming Prairie, Dodge Center, Hayfield, Kasson, and Mantorville, and it is located approximately 90 miles south of Minneapolis-St. Paul and approximately 20 miles west from Rochester. Dodge is historically agrarian, with a growing manufacturing industry.

Figure 63: Dodge County in the Region



7.1.1. Existing Conditions and County-Wide Trends

Dodge is the second-least populous county in the Region and has the third-lowest number of employees. Though it is not a major population or economic center in the Region, the county's population and number of employees are growing at a faster rate than the Region as a whole. The county's population is concentrated at the poles of the age spectrum; nearly 70% are either under 18 or over 65 years old.

Population Trends

Figure 64: Dodge County Trends, 1970-2015

	1970	1980	1990	2000	2010	2015	Annualized Growth
Population	13,000	14,800	15,700	17,700	20,100	20,400	1.01%
Employment	5,000	6,500	7,700	7,800	8,400	9,400	1.41%

Source: Census, ACS

Figure 65: Dodge County Trends, 1970-2015

Population by Age Cohort	2015	Share
Ages 0-4	1,300	6.4%
Ages 5-17	4,700	23.0%
Ages 18-24	1,100	5.4%
Ages 25-34	2,300	11.3%
Ages 35-44	2,700	13.2%
Ages 45-64	5,500	27.0%
Ages 65-74	1,500	7.4%
Ages 75+	1,300	6.4%

Source: ACS

As seen in Figure 66, major industries include manufacturing and government, both of which have grown since 2001, and which together make up more than 40% of the county's jobs. Some major employers in the county include McNeilus, a manufacturer of ready-made concrete mixer trucks, garbage trucks, and related machinery, and various government entities and public service providers, including the school district and the city government. As seen in Figure 67, the county's median household income is higher than that of the Region, though it is growing more slowly.

Major Industries

Figure 66: All Industries, Dodge County

Industry	2001	2015	Absolute Change	Annualized Change
Manufacturing	1,130	1,570	440	2.38%
Government	1,160	1,180	20	0.12%
Construction	690	830	140	1.33%
Agriculture, Forestry, Fishing and Hunting	950	790	(160)	-1.31%
Retail Trade	850	760	(90)	-0.80%
FIRE	290	750	460	7.02%
Wholesale Trade	460	660	200	2.61%
Tourism	520	580	60	0.78%
Transportation and Warehousing	140	540	400	10.12%
Health Care and Social Assistance	290	360	70	1.56%
Professional, Scientific, and Technical Services	190	360	170	4.67%
Educational Services	380	110	(270)	-8.47%
Other ¹²³	830	880	50	0.42%

Source: Emsi

Median Household Income

Figure 67: Median Household Income, 2009-2016

Area	2009	2016	Change, 2009-2016
Dodge County	\$62,000	\$69,000	11%
Southeast Region	\$52,000	\$59,000	13%
Minneapolis-St. Paul MSA	\$65,000	\$71,000	9%
Minnesota	\$57,000	\$63,000	11%
United States	\$51,000	\$55,000	8%

Source: ACS; Shown in 2016\$

Key Trends and Initiatives

Dodge County has experienced both public and private investment in recent years, supporting continued economic strength. The county has seen a growing trend of younger business owners buying, starting, or transitioning to ownership of existing businesses, as older business owners age out of the workforce. This trend, and other economic development initiatives, have helped support population and employment growth above the Region's growth rate. Recent economic development initiatives include:

- The \$146 million expansion of Al-Corn created approximately 12 FTE jobs and over 300 construction jobs. The project was nominated for "Project of the Year" by the Economic Development Association of Minnesota.
- The County partnered with Clean Energy Resource Teams to adopt PACE financing. The first project to receive PACE financing was a 40kW solar system.
- The expansion of French's Repair and Fabrication created 2 FTE jobs.
- The Con-Tech expansion, which stemmed from the MN-56 project, is projected to create 55 FTE jobs.
- The MN-56 Turn and Bypass Lanes project was selected to receive a 2017 Transportation Economic Development ("TED") award up to a maximum amount of \$135,450. The project is anticipated to create 55 net FTE jobs and leverage approximately \$59,336 in private capital investments in street improvements.

¹²³ "Other" includes Mining, Utilities, Management of Companies and Enterprises, Administrative and Waste Management Services, Federal Civilian and Military Employment, and Other Services, except Public Administration.

- Communities in Dodge County recognize the value of placemaking by leveraging historic assets. The City of Mantorville identified the importance of the character of old buildings in the city as a critical piece of the city's ongoing planning processes.

7.1.2. Baseline Forecast¹²⁴

To understand the projected growth of the Region over the next 20 years, this Study establishes a Baseline Forecast for each county within the Region. The Baseline Forecast projects employment by industry, gross regional product, income, labor force productivity, households and population, and average annual wages and compensation, taking into consideration existing forecasts for the Region. Establishing an appropriate Baseline Forecast is important to understand the projected net new impacts of proposed or underway economic initiatives. Building on the Baseline Forecast, this Study subsequently models the impact of various regional initiatives to understand how this projected growth could change depending on the implementation of policies and plans in the Region. The Baseline Forecast accounts for both historical trends and existing population and economic forecasts for the Region, including county-level forecasts and forecasts completed by the Minnesota State Demographic Center.

Figure 68: Dodge County Baseline Forecast, 2015-2040

Population Change	2015	2020	2025	2030	2035	2040	Annualized Change, 2015-2040
Population	20,400	20,700	21,100	21,500	22,200	22,400	0.37%
Employment	9,400	9,600	9,500	9,700	9,900	10,100	0.29%

Source: REMI, HR&A Analysis

Figure 69: Dodge County Baseline Age Cohort Forecast, 2015-2040

Age Cohort	2015	2020	2025	2030	2035	2040	Annualized Change, 2015-2040
Ages 0-4	1,289	1,231	1,383	1,499	1,478	1,356	0.20%
Ages 5-19	4,730	4,148	3,680	3,560	3,828	4,071	-0.60%
Ages 20-24	1,119	1,355	1,186	1,048	886	862	-1.04%
Ages 25-34	2,291	2,562	3,158	3,195	2,968	2,700	0.66%
Ages 35-44	2,728	2,711	2,549	2,784	3,379	3,432	0.92%
Ages 45-64	5,482	5,466	5,252	5,051	4,927	5,135	-0.26%
Ages 65-74	1,472	1,814	2,185	2,333	2,228	2,077	1.39%
Ages 75+	1,252	1,448	1,662	2,032	2,464	2,770	3.23%

Source: REMI, HR&A Analysis

¹²⁴ It is important to note that while the Baseline Forecast for the Region is representative of this Study's overarching findings and conclusions, as geographies become smaller and sample sizes for population and employment decrease, forecast findings begin to show more statistical noise. Directionally, these findings are accurate.

Figure 70: Dodge County Baseline Major Industry Forecast, 2015-2040

Industry	2015	2020	2025	2030	2035	2040	Annualized Growth, 2015-2040
Manufacturing	1,570	1,640	1,730	1,870	2,050	2,250	1.45%
Government	1,200	1,100	1,060	1,080	1,100	1,120	-0.28%
Construction	830	900	900	930	980	980	0.67%
Retail Trade	760	810	800	800	800	820	0.30%
Tourism	580	610	600	590	570	560	-0.14%
Agriculture, Forestry, Fishing and Hunting	800	780	700	700	670	650	-0.83%
Health Care and Social Assistance	360	400	400	420	420	420	0.62%
Transportation and Warehousing	540	560	560	570	580	600	0.42%
FIRE	750	730	690	670	650	620	-0.76%
Professional, Scientific, and Technical Services	360	380	390	390	400	410	0.52%
Educational Services	110	110	110	110	110	110	0.00%
Other ¹²⁵	1,540	1,580	1,560	1,570	1,570	1,560	0.05%
Total	9,400	9,600	9,500	9,700	9,900	10,100	0.29%

Source: Source: REMI, HR&A Analysis

7.1.3. Impact of Initiatives

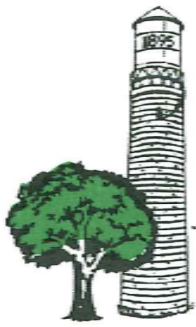
To understand the overall benefit to the county of these initiatives, this Study uses REMI to aggregate the various inputs from initiatives and methodologies described in Section 5 into a single model simulation (“All Initiatives Model”). The results of this All Initiatives Model are compared to the SDC Forecast, which assumes a business-as-usual trend, reflecting historical population change and projecting this into the future. Important to the SDC Forecast is an implicit assumption about housing production; previous housing production in the Region generally kept pace with past population growth, and this trend and development pattern will persist in the future. However, the housing production pace seen today, and the housing needed for the population projected by the State Demographer, is significantly lower than what is anticipated under the All Initiatives Model. While these initiatives will need to be implemented in coordination for the greatest impact, the most important initiatives for the county’s economic growth will be solving for the housing gap and labor participation rates.

Figure 71: Dodge County All Initiatives Impact, 2015-2040

	2015	2020	2025	2030	2035	2040	Annualized Change, 2015-2040
Population, SDC Forecast	20,400	20,600	20,700	20,700	20,600	20,500	0.02%
Population, All Initiatives	20,400	20,800	21,100	21,500	22,100	22,300	0.36%
Difference	-	200	400	800	1,500	1,800	0.34%
Employment, SDC Forecast	9,400	9,500	9,400	9,500	9,600	9,700	0.13%
Employment, All Initiatives	9,400	9,600	9,600	9,700	10,000	10,300	0.37%
Difference	-	100	200	200	400	600	0.24%

Source: REMI, HR&A Analysis

¹²⁵ “Other” includes Mining, Utilities, Management of Companies and Enterprises, Administrative and Waste Management Services, Federal Civilian and Military Employment, and Other Services, except Public Administration.



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401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4737

MEMO

To: Kasson Economic Development Authority Board

From: Nicholas Ouellette, EDA Staff

Date: February 27, 2020

Re: Dodge County Independent – Public Hearing Notice Invoices

Summary:

Two invoices were received from the Dodge County Independent for the public hearing notices regarding the Tax Abatement Agreement and amendments to the EDA Policy & Procedures Manual.

- Public Hearing Notice for Tax Abatement \$27.30
- Public Hearing Notice for Policy & Procedures Amendments \$23.40

TOTAL: \$50.70

Action Requested:

It is requested the EDA Board approve reimbursement to the Dodge County Independent for a total of \$50.70.

www.steeledodgenews.com
121 West Main Street
Kasson MN 55944

Date	Invoice #
2/20/2020	9214

EDA

Bill To
City of Kasson 401 5th Street SE Kasson MN 55944

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	Net 30		2/20/2020			
Quantity	Item Code	Description			Price Each	Amount
	Legal Advertising	Public Notice A Tax Abatement ran 2/20			27.30	27.30
						</

PUBLIC NOTICE

**NOTICE OF A PUBLIC
HEARING REGARDING A
TAX ABATEMENT AGREE-
MENT BETWEEN THE
CITY OF KASSON ECO-
NOMIC DEVELOPMENT
AUTHORITY (EDA) AND
ELITE MARKETING &
INVESTMENTS, LLC.**

A public hearing regarding the Tax Abatement Agreement will be held at the EDA Board meeting on March 3, 2020 beginning at 12:00PM (noon) to allow for discussion of the Tax Abatement Agreement. The meeting will be held in the City Council Chamber Room at Kasson City Hall, 401 5th Street SE, Kasson, MN.

Contact Nicholas Ouellette at nicholas.ouellette@cedausa.com with questions or comments regarding the public hearing.

2/20

Dodge County Independent & Dodge County Printing

Invoice

www.steeledodgenews.com
121 West Main Street
Kasson MN 55944

Date	Invoice #
2/20/2020	9215

Bill To
City of Kasson 401 5th Street SE Kasson MN 55944

EDA

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project	
	Net 30		2/20/2020				
Quantity	Item Code	Description				Price Each	Amount
	Legal Advertising	Public Notice for Amendments to the city of Kasson EDA ran 2/20				23.40	23.40

PUBLIC NOTICE

NOTICE OF A PUBLIC HEARING FOR AMEND- MENTS TO THE CITY OF KASSON ECONOMIC DEVELOPMENT AUTHOR- ITY (EDA) POLICY AND PROCEDURES MANUAL.

A public hearing regarding the amendments will be held at the EDA Board meeting on March 3, 2020 beginning at 12:00PM (noon) to allow for discussion of the amendments. The meeting will be held in the City Council Chamber Room at Kasson City Hall, 401 5th Street SE, Kasson, MN.

Contact Nicholas Ouellette at nicholas.ouellette@cedausa.com with questions or comments regarding the public hearing.

2/20

Economic Development Authority Coordinators Report

**Nicholas Ouellette
February 4, 2019 – March 3, 2019**



Visits & Meetings

1. Kent Keller
2. Joe Lonzo (Elite Marketing & Investments, LLC; 1760 Millwork)
3. Brandon Theobald
4. Scott Stroh (Chaotic Good Brewing Company)
5. Jami Schwickerath (Southeast Service Cooperative; K-M Career Navigator)
6. Dodge County Board of Commissioners

Business Façade Improvement Grant

The 2020 program is being proposed at the March 3rd EDA Meeting. I have recommended budgeting \$10,000 towards this program based on activity.

Revolving Loan Fund

The Revolving Loan Fund has been capitalized with \$20,000. I met with Scott Stroh to share the program guidelines and pre-application. I have also emailed out guidelines to businesses who have expressed interest in the past.

EDA Page – www.cityofkasson.com

I plan to organize and begin the addition of economic development resources and information to the EDA page on the City of Kasson website in March.

EDA Strategic Plan

Discussion on strategic planning will be held at the March EDA meeting. This is intended to spark a dialogue on priorities and projects for the EDA. Following the meeting, I will request each Board member submit 5 ranked priorities. These ranked priorities will be used to identify 1-year, 2-year, and 5-year projects for the EDA.

Local Trail Connections Grant (MN DNR)

I have had email correspondence with City Engineer Brandon Theobald regarding an application for the 2020 Local Trail Connections Grant. Once we have determined whether there will be any additional trail connections from what was proposed in 2019, I will begin or formalize the 2020 grant application to submit March 27th.

Jamie Schwickerath – Future Forward (<http://www.futureforward.org>)

I met with Kasson-Mantorville Schools Career Navigator Jami Schwickerath. We discussed the Future Forward networking tool. Kasson-Mantorville Schools will be piloting the program this spring with a small number of students. This fall, there will be a full launch of the networking tool for the 2020-2021 school year. Jami recommended businesses sign up on the website, familiarize themselves with the networking tool's services, and post information on their businesses.

I recommend each business sign up on the website, you can make your businesses as accessible as you like to students. It allows students to explore the variety of career opportunities in our region, as well as allows businesses to connect with the schools to engage with prospective employees.

K-M Public Schools – CTE Grant Letter of Support

A letter of support was submitted from the EDA for K-M Public School's Rural Career and Technical Education Consortium Grant application. Due to the March 1st deadline for the grant, a letter of support was submitted before EDA review was possible. The letter of support has been included in this packet.

EDA Board Seat Selection

Two applications for the open Board seat have been received. The EDA Board will review and select one of the applicants to assume the open Board seat in April. I will set up a time with the new Board member to bring them up to speed on EDA activities and priorities.

Chuy's Bakery – Adalberto Guzman

Adalberto Guzman's application for gap financing from the Dodge County EDA Revolving Loan Fund was approved on February 25th. The gap financing will be used to assist the Chuy's Bakery businesses startup with building acquisition, site improvements, and other startup costs. Mr. Guzman is currently working through the loan closing process with Dodge County. We look forward to having Mr. Guzman and Chuy's Bakery on Main Street!

CEDA Community Grants Bulletin

Post 16, Feb. 2020

Three-Month Grants Periscope

February

- Feb. 26 - [Bush Foundation: Event Sponsorship](#)
- Feb. 28 - [Minnesota DNR Federal Recreational Trail](#)
- [Minnesota Economic Development Foundation \(EDAM\)](#)

March

- Mar. 1 - [Illinois DNR Bike Path Program](#) (“deadline tentative” on website)
- [Illinois DNR Federal Recreation Trails](#)
- [Illinois DNR Off-Highway Vehicle \(OHV\)](#)
- [Central Minnesota “Difference Maker”](#) (edu., economy, community engagement--Cold Spring) **opens** (app due April 30; *Deadline anticipatory, not yet announced for 2020)
- [Central Minnesota Arts](#) (Cold Spring) **opens** (app due April 30; *Deadline anticipatory, not yet announced for 2020)
- [Winona Community Foundation Community Grant Program](#) (30-mile radius of Winona)
- Mar. 2 - [Rochester Area Foundation](#) (Mandatory LOI due Feb. 2)
- Mar. 3 - [Bush Prize for Community Innovation](#) **opens** (app due April 4)
- Mar. 11 - [Laura Jane Musser Fund: Rural Arts Program](#) (Itasca County, MN and Frazee, MN) (round opened Feb. 11)
- Mar. 16 - [IL Arts Council Agency: Program Grant](#)
- Mar. 18 - [Laura Jane Musser Fund: Environmental Initiative Program](#) (MN) (round opened Feb. 18)
- Mar. 20 - [MN State Arts Board: Minnesota Festival Support](#)
- Mar. 25 - [Laura Jane Musser Fund: Little Falls/Morrison County](#) (Upsala, MN) (round opens Feb. 25)
- [Southeast Minnesota Arts Council \(SEMACE\) Arts & Cultural Heritage, Presenter/Production Assistance, Small Towns / Rural Areas](#) (LOI; full app due April 1)
- Mar. 27 - [Minnesota DNR Local Trail Connections](#)
- [Minnesota DNR Natural and Scenic Areas](#)
- [Minnesota DNR Outdoor Recreation](#)
- [Minnesota DNR Regional Trail](#)
- Mar. 31 - [Otto Bremer Trust: Community Asset Building](#)

April

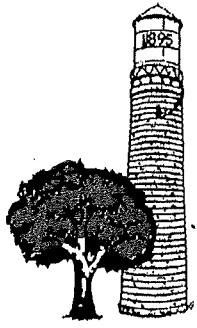
- April 1 – [NPS Paul Bruhn Historic Revitalization Subgrant Program \(HRSP\)](#) (*deadline anticipatory, not yet announced for 2020)
- [Southeast Minnesota Arts Council \(SEMACE\) Arts & Cultural Heritage, Presenter/Production Assistance, Small Towns / Rural Areas](#) (mandatory

LOI due Mar. 25)

- [Northland Foundation](#) (Itasca County)
- [Xcel Energy Foundation](#) (edu., economic sustainability, environment, arts and culture; *invite only, opens March 2)
- [Patrick and Aimee Butler Family Foundation](#) (Environment—foundation awards to only two new grantees/yr)
- [Community Foundation of Greater Des Moines](#) (IA)
- April 2 - [Blue Cross and Blue Shield of MN: Healthy Start](#) (early childhood care & edu.)
- April 3 - [Medica Foundation: Behavioral Health](#) (MN; invitation-only for IA)
- April 6 - [Southern Minnesota Initiative Foundation \(SMIF\) Early Literacy](#)
- April 10 - [MN Historical Society Legacy Small Grant](#) (for \$10K or less)
- April 9 - [Bush Foundation: Bush Prize for Community Innovation](#) (opens March 3)
- [Challenge America](#) (Art)
- April 17 - [AARP: Livable Communities](#) (*deadline anticipatory, not yet announced)
- April 24 - [MN State Arts Board: Artist Initiative, literary arts,](#)
- [MN State Arts Board: Artist Initiative, performing arts](#)
- [IL Arts Council Agency: Arts Midwest Touring Fund](#) (*deadline anticipatory, not yet announced for 2020)
- April 30 - [U.S. Bank Foundation \(Work\)](#) (opens April 1)

May

- May 1 - [Iowa Arts Council](#) (grant programs: Great Places, Greenlight, Cultural Heritage Project, Capacity Building, Art Project)
- [West Central Initiative Community Changemaker](#) (Upsala, Frazee, Cold Spring)
- [Medica Foundation: Strategic Initiatives](#) (mental health, dental, telehealth, housing; MN only)
- [Medica Foundation: Early Childhood Health](#) (MN; invitation-only for IA)
- [C.H. Robinson Worldwide Foundation](#) (Hunger, housing, at-risk youth, health); (LOI; full app due July 1: invite only)
- [State Historical Society of Iowa: Historical Resource Development Program](#)
- May 15 - [SMIF Paint the Town](#) (*deadline anticipatory, not yet announced)
- [Ameriprise Financial: Supporting Community Vitality](#)
- [MN State Arts Board: Folk and Traditional Arts](#)
- May 21 - [Bush Foundation: Event Sponsorship](#)
- May 31 - [U.S. Soccer Foundation: Safe Places to Play](#) (*deadline anticipatory)



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CITY OF KASSON

401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4737

February 26, 2020

To Whom It May Concern:

We, the City of Kasson Economic Development Authority (EDA), support the Kasson-Mantorville Public Schools for the development of their CTE Rural Grant and their following goals:

- ✓ Develop new career and technical programs that focus on the industry sections that fuel the rural regional economy.
- ✓ Facilitate the development of highly trained and knowledgeable students who are equipped with technical and workplace skills needed by regional employers.

We will work to support Kasson-Mantorville Public Schools in helping them meet the following deliverables:

- ✓ Implementation of industrial tech programming, specifically woods courses at middle level, for the purpose of more advanced skill development in high school CTE courses.
- ✓ Credential high school teachers and align courses for the purpose of providing concurrent enrollment and college certificate completions at Kasson-Mantorville High School for Construction through Minnesota State College Southeast.
- ✓ In coordination with Minnesota State College Southeast, Byron, Stewartville and Triton high schools, develop and implement a teacher preparation and professional development program focused on recruitment and retainment of quality career and technical education teachers.

Roles: Develop business initiatives in the local area for the purpose of connecting the middle school & high school industrial technology programming to the local community. By supporting the addition of industrial technology programming at the middle school level, it will allow Kasson-Mantorville Public Schools to focus on the development of more advanced skill development at the high school.

Responsibilities: We feel we can support this program by assisting to link woodworking companies from this community and to partner with the school. With the economic development role, it is our hope to draw businesses to the community and help them connect to what already exists here.

Investment: By supporting the school in this endeavor, we hope to gain skilled technical employees who can live and work in the business that are currently in the community and businesses that we are looking to attract to our community.

Very Respectfully,

A handwritten signature in black ink, appearing to read 'Timothy P. Ibisch', with a long horizontal flourish extending to the right.

Timothy P. Ibisch

City Administrator

