

KASSON ECONOMIC DEVELOPMENT AUTHORITY

Kasson City Hall
Tuesday, June 2nd, 2020
12:00 PM

I.	Call Meeting to Order	
II.	Approve Minutes of the Previous Meeting	
	a. March 3 rd Minutes	1
	b. May 5 th Minutes	5
III.	Financial Report	
	a. Balance Sheet.	7
	b. Income Statement	10
	c. EDA Loans.	13
IV.	Strategic Planning – Top 5 Priorities Review	
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VII.	Other Business	
	a. EDA Board Seat	26
VIII.	Items for June EDA Meeting	
IX.	Adjourn	

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

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, March 3rd, 2020

12:30PM

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 3rd day of March 2020 at 12:30PM.

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

Absent: None.

The following staff members were present: Timothy Ibisch - City Administrator, Nicholas Ouellette - EDA Staff.

- I. Call Meeting to Order. Egger called the meeting to order at 12:30PM.
- II. Approve Minutes of the Previous Meeting. Larsen motioned to approve the minutes of the previous meeting as submitted. Borgstrom-Durst seconded.

Ayes (5), Nays (0). Motion carried.

Ouellette interjected to notify the Board a third application for the EDA Board seat had been received after the deadline. Ouellette inquired whether the Board would like to consider the late application. Board members discussed whether to accept the late application for review and decided to receive the application for review.

- III. Tax Abatement Agreement - Elite Marketing & Investments, LLC. Egger opened the public hearing comment period for this agenda item. No public comment was heard and Egger closed the public hearing. Ouellette informed the Board that he, City Administrator Ibisch, and Joe Lonzo had worked to create a Tax Abatement Agreement with stipulations that all parties found acceptable. McKern motioned to approve the Tax Abatement Agreement with Elite Marketing & Investments, LLC. Peterson seconded.

Ayes (6), Nays (0). Motion carried.

- IV. EDA Policy & Procedures 2020. Egger opened the public hearing comment period for this agenda item. No public comment was heard and Egger closed the public hearing. Ouellette informed the Board the EDA Board seat requirements had been added to the manual. Borgstrom-Durst inquired about the length of term for Board members. Egger noted the term length was six years. Monson motioned to make a recommendation to City Council to approve the amended EDA Policy & Procedures Manual. Borgstrom-Durst seconded.

Ayes (6), Nays (0). Motion carried.

- V. EDA Board Seat. Ouellette noted the Board had received three applications for review. Ouellette requested the Board review the applications and make a recommendation to the Mayor to appoint their preferred candidate to the open EDA Board seat. Monson noted he would abstain from the selection process as had open and active business with at least two of the applicants. The Board discussed Matt Nelson's tenure on the City Council and as Mayor in previous years. McKern, as Mayor, recused himself from the selection process as well. The Board decided to write their first preference on paper for City Administrator Ibisch to tally. Ibisch informed the Board the votes were 3-1 in favor of Matt Nelson. Egglar requested McKern take the Board's nomination to City Council for approval.
- VI. Business Façade Improvement Program. Ouellette noted there were two items for the Board to discuss. Ouellette discussed the request for reimbursement he had received from Erdman's County Market for their canopy replacement project; the request was to be reimbursed for \$2,000 from the EDA. Following review of the completed project and invoices, Ouellette requested the Board approve the reimbursement. Egglar motioned to approve the \$2,000 reimbursement to Erdman's County Market. Borgstrom-Durst seconded.

Ayes (6), Nays (0). Motion carried.

Discussion moved towards the proposed 2020 Business Façade Improvement Program. Ouellette noted his request the program be funded with \$10,000 based on the sum of approved reimbursements from the 2019 program. Ouellette noted this would allow flexibility with the remaining \$10,000 budgeted for commercial programs which could be allocated to the business façade improvement program if needed. Borgstrom-Durst asked what the remaining \$10,000 could be allocated towards. Ouellette noted it could be the façade program, revolving loan fund program, or another program the EDA decides to undertake. Monson motioned to allocate \$10,000 towards the 2020 Business Façade Improvement Program. Larsen seconded.

Ayes (6), Nays (0). Motion carried

- VII. Strategic Planning Discussion. Ouellette requested the Board hold a discussion on strategic planning priorities. Ouellette noted his plan is to request Board members rank their top 5 priorities for the EDA to guide further discussion and ultimately outline 1-year, 2-year, and 5-year priorities for the EDA. Egglar discussed housing of all types as an important factor to consider, including business retention and attraction. Ibisch discussed the regional study's and reports which were included to provide context for economic development issues in Kasson. Peterson discussed his experience where half of Kasson residents desire the small-town feel, and the other half of residents desire to have everything Rochester has. Peterson emphasized the importance of managing growth while maintaining the small-town feel. Peterson described residents who desire more amenities, like Rochester, are new those who have come to town for the City's excellent schools. Borgstrom-Durst suggested creating a list of available amenities in Kasson and compare it to those available in Rochester. Ibisch expanded on Borgstrom-Durst's point suggesting a

SWOT analysis could be done for Kasson. McKern mentioned a retail study had been completed for Kasson a few years prior. McKern also stressed the need for growth to increase the tax base to support infrastructure upgrades which enables further growth. Ibisch brought up the City owned land to the south, where if the EDA identified certain businesses the City needs, they could use the land for a business park in an effort to attract those businesses and the land could be used as leverage for State programs to enable development to attract businesses or develop housing units. Monson discussed encouraging growth in a smart manner while maintain the characteristics that define Kasson as a small-town community. McKern stressed the most important question to answer is what the role of the EDA is in addressing the priorities the Board decides on. Monson stressed the importance of not making plans for the future beyond what can be predicted, where future development occurs might not always be where development was initially intended to happen. Borgstrom-Durst brought up the notion of advertising available resources to bring businesses and residents to Kasson, asking how we make people aware of what incentives the EDA has to offer. To wrap up discussion, Ouellette told the Board he would send out an email requesting them to rank their top 5 priorities and he will attach relevant plans and the minutes of this meeting.

Ibisch described Blue Earth's Dumpster Program as a mechanism to help fund the EDA. Ibisch noted the program provided residents low cost access to a dumpster for one week of the year to clean up properties, encourage renovations, and ultimately create an alternate revenue stream for the EDA.

- VIII. Invoices for Public Hearing. Ouellette requested the EDA Board approve reimbursement for public hearing notices to the Dodge County Independent. Peterson motioned to approve the reimbursement. Larsen seconded.

Ayes (6), Nays (0). Motion carried.

- IX. Coordinators Report. Ouellette discussed touring a local commercial property, meeting with Joe Lonzo regarding the Tax Abatement, Brandon Theobald to review the City's Local Trail Connections Grant application, Scott Stroh to share information on the Revolving Loan Fund, and meeting with Jamie Schwickerath regarding Future Forward. Ouellette discussed Adalberto Guzman receiving approval for revolving loan gap financing from the Dodge County EDA; this means Adalberto has begun the process to open his Chuy's Bakery business on Main Street in Kasson. Ouellette also noted a letter of support he drafted on behalf of the EDA for the Kasson-Mantorville School's application to bring industrial tech courses to their middle school.

- X. Other Business. None.

- XI. Items for the April EDA Meeting. Strategic Planning and welcoming the new Board member.

XII. Adjourn. Peterson motioned to adjourn the meeting. Borgstrom-Durst seconded.

Ayes (6), Nays (0). Motion carried and meeting adjourned.

The next meeting will be held at 12:00PM on April 7th, 2020.

Minutes Submitted by: _____
Nicholas Ouellette, EDA Coordinator

Dan Egger, EDA President

DRAFT

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, May 5th, 2020

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 5th day of May 2020 at 12:00PM.

The following board members were present: Dan Egger, Liza Larsen, and Janice Borgstrom-Durst.

Absent: Chris McKern, Tom Monson, and Michael Peterson.

The following staff members were present: Timothy Ibisch - City Administrator, Nicholas Ouellette - EDA Staff.

- I. Call Meeting to Order. Egger 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. Borgstrom-Durst seconded.
- III. Financial Report. City Administrator Ibisch noted there were minimal transactions in the financial report from the last two months aside from CEDA billing and the additional funding to the EDA Revolving Loan Fund Program.
- IV. Short-Term Business Interruption Loan Program. City Administrator Ibisch noted this program had been discussed at the Council level with the addition of \$60,000 in funding to the loan account to facilitate the creation of this program. The program functions as a “lights on” program intended to help businesses with fixed costs to maintain their business in good standing and is not intended to take the place of major relief programs offered through DEED or the SBA. Applications from Gadiant Hospitality Group, Inc. and Daisy Mae Consignment were discussed with the Board members. Ouellette noted the loan amounts reflect fixed costs for the businesses, with the expectation these funds would help cover fixed costs while businesses adjust their operations to new guidelines and wait to reopen. Egger noted these loans would keep the businesses moving along until they could access relief funds from other programs. City Administrator Ibisch noted the City had security agreements with the businesses and the loans had been secured through UCC Financing Statements. Ouellette discussed the publicity that the program received and other businesses that have expressed interest in applying to the program. Ouellette discussed his intention to have the EDA delegate approval powers to the Loan Review Committee in an effort to expedite the loan approval process. Ouellette discussed the possibility to offer loan deferments to borrowers with EDA loans prior to the COVID-19 situation, and that payments could possibly be deferred if requested by the borrower.
- V. Strategic Planning Discussion. Ouellette reviewed new materials he had included in the packet for the Board to consider during the strategic planning process. Ouellette discussed

the top-5 priorities worksheet he will send out to Board members to complete within a week's time of receiving the form. From the top-5 priorities list Ouellette can rank priorities for the EDA Board overall. This list will be the basis for an EDA work plan to be discussed at the June EDA meeting. The work plan will identify the time frame in which the EDA wishes to complete their strategic priorities.

- VI. Coordinators Report. Ouellette discussed items in the Coordinators Report with the EDA Board.
- VII. Other Business. Ouellette noted he had received an email from Mayor McKern stating he wishes to keep the EDA Board seat open for the time being. Egger stated the EDA Board will wait on Mayor McKern's actions.
- VIII. Items for the June EDA Meeting. Strategic Planning, Committees List, and the EDA Board Seat.
- IX. Adjourn. Meeting adjourned at 12:32PM.

The next meeting will be held at 12:00PM on June 2nd, 2020.

Minutes Submitted by: _____
Nicholas Ouellette, EDA Coordinator

Dan Egger, EDA President

CITY OF KASSON
Balance Sheet
For the Accounting Period: 5 / 20

225 EDA FED MIF

Assets

Current Assets

CASH-OPERATING	30,531.79	
MONEY MARKET-SMITH BARNEY	308.22	
INVESTMENT INTEREST RECEIVABLE	72.00	
LOAN PRIN REC-WHITMARSH	3,389.47	
LOAN PRIN REC- 1760 MILLWORK	76,346.03	
LOAN PRIN REC-GIBBS	48,251.18	
LOAN PRIN REC- L & A (MAIN STREET FITNESS)	39,008.03	
LOAN PRIN REC- DOLLAR VIDEO	16,514.15	
SPECIAL ASSESSMENTS--DEFERRED	11,708.17	

Total Current Assets		226,129.04

Total Assets ----- 226,129.04

Liabilities and Equity

Current Liabilities

Deferred Revenue Assessments	11,708.69	

Total Current Liabilities		11,708.69

Total Liabilities ----- 11,708.69

Equity

UNRESERVED FUND BALANCE	211,251.99	
CURRENT YEAR INCOME/(LOSS)	3,168.36	

Total Equity		214,420.35

Total Liabilities & Equity ----- 226,129.04

226 EDA RLF

Assets

Current Assets

CASH-OPERATING	72,562.00	
GADIENT-PRIN RECEIVABLE	5,000.00	
DAISY MAE CONSIGN PRIN RECEIVABLE	2,400.00	

Total Current Assets		79,962.00

Total Assets	-----	79,962.00
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Liabilities and Equity

Total Liabilities

Equity

CURRENT YEAR INCOME/(LOSS)	79,962.00	

Total Equity		79,962.00

Total Liabilities & Equity	-----	79,962.00
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290 Economic Development

Assets

Current Assets

CASH-OPERATING	17,634.10
DUE FROM OTHER FUNDS	82,677.89
PREPAID ITEMS	30.00

Total Current Assets 100,341.99

Total Assets 100,341.99

Liabilities and Equity

Current Liabilities

ACCRUED WAGE/SALARY PAYABLE	0.31
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Total Current Liabilities 0.31

Total Liabilities 0.31

Equity

UNRESERVED FUND BALANCE	152,331.02
CURRENT YEAR INCOME/(LOSS)	(51,989.34)

Total Equity 100,341.68

Total Liabilities & Equity 100,341.99

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 5 / 20

225 EDA FED MIF

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Revenue						
Community/Economic Development						
3621 INTEREST EARNED	467.95		3,161.36		0.00	3,161.36
3626 MONEY MARKET INTEREST	0.00		7.00		0.00	7.00
Total Department	467.95		3,168.36			3,168.36
Total Revenue	467.95	100.00	3,168.36	100.00	0.00	3,168.36
Net Income(Loss)	467.95		3,168.36			

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 5 / 20

226 EDA RLF

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Revenue						
Community/Economic Development						
3621 INTEREST EARNED	0.00		2.00	5.00	0.00	2.00
3921 TRANSFER FROM OTHER FUNDS	0.00		80,000.00****.**		0.00	80,000.00
Total Department			80,002.00****.**			80,002.00
Total Revenue	0.00	100.00	80,002.00	100.00	0.00	80,002.00
Expenses						
Community/Economic Development						
Community/Economic Development						
430 OTHER SERVICE/CHARGES-MISC.	40.00	100.00	40.00	100.00	0.00	-40.00
Account Total	40.00	100.00	40.00	100.00		-40.00
Total Department	40.00	100.00	40.00	100.00		-40.00
Total Expenses	40.00	100.00	40.00	100.00	0.00	-40.00
Net Income(Loss)	-40.00	-100.00	79,962.00****.**			

290 Economic Development

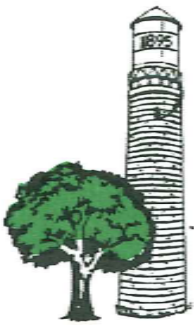
	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Revenue						
Community/Economic Development						
3101 CURRENT AD VALOREM TAXES	0.00		0.00		90,533.00	-90,533.00
3621 INTEREST EARNED	0.00		65.00	0.12	2,000.00	-1,935.00
Total Department			65.00	0.12	92,533.00	-92,468.00
Total Revenue	0.00	100.00	65.00	100.00	92,533.00	-92,468.00
Expenses						
Community/Economic Development						
Community/Economic Development						
101 FULL-TIME EMPLOYEES - REGULAR	1,377.60	36.86	4,362.40	8.38	11,700.00	7,337.60
121 EMPLOYER PERA CONTRIBUTIONS	103.32	2.76	327.17	0.63	878.00	550.83
122 EMPLOYER FICA CONTRIBUTIONS	85.05	2.28	269.39	0.52	725.00	455.61
123 EMPLOYER MEDICARE CONTRIBUTION	19.90	0.53	63.01	0.12	170.00	106.99
130 EMPLOYER PAID INSURANCE	87.86	2.35	256.79	0.49	2,000.00	1,743.21
150 WORKER'S COMPENSATION	0.00		47.76	0.09	100.00	52.24
210 OPERATING SUPPLIES	27.08	0.72	135.01	0.26	400.00	264.99
303 ENGINEERING FEES	0.00		0.00		3,000.00	3,000.00
304 LEGAL FEES	0.00		0.00		4,000.00	4,000.00
321 TELEPHONE	21.86	0.58	87.57	0.17	500.00	412.43
325 COMMUNICATION-OTHER	15.00	0.40	161.67	0.31	200.00	38.33
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		500.00	500.00
334 MEMBERSHIP DUES AND FEES	0.00		396.00	0.76	500.00	104.00
360 INSURANCE	0.00		194.14	0.37	360.00	165.86
414 COMMERCIAL PROGRAMS	2,000.00	53.51	2,000.00	3.84	20,000.00	18,000.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		1,654.43	3.18	4,500.00	2,845.57
440 PROFESSIONAL SERVICES	0.00		285.00	0.55	500.00	215.00
444 OTHER CONTRACTUAL SERVICES	0.00		21,814.00	41.91	42,500.00	20,686.00
720 OPERATING TRANSFERS	0.00		20,000.00	38.42	0.00	-20,000.00
Account Total	3,737.67	100.00	52,054.34	100.00	92,533.00	40,478.66
Total Department	3,737.67	100.00	52,054.34	100.00	92,533.00	40,478.66
Total Expenses	3,737.67	100.00	52,054.34	100.00	92,533.00	40,478.66
Net Income(Loss)	-3,737.67	-100.00	-51,989.34	-99.88		

EDA Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	12.31.19 Balance	Prin Recvd 5.31.2020 YTD	Balance
Klampe	3/1/2005	\$ 8,293	2.0%	53.37	15 years 2/1/2020	106	106	0
L & A(Main Street Fitness)	4/29/2009	\$ 75,000	3.0%	415.95	20 years 4/29/2029	40,589	1,581	39,008
Dollar Video	8/1/2009	\$ 50,000	3.0%	345.29	14 years 9/1/2024	18,023	1,509	16,514
Gibbs	10/14/2015	\$ 80,000	3.0%	772.49	10 years 1/1/2026	52,128	3,877	48,251
Millwork	7/1/2016	\$ 90,000	3.0%	499.14	20 years 6/1/2036	77,876	1,530	76,346
Whitmarsh	6/28/2018	\$ 5,000	4.75%	90	5 years 7/1/2023	3,768	378	3,390

EDA RLF Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	Loan	Prin Recvd YTD	5.31.2020 Balance
Gadient	4/27/2020	\$ 5,000	0.0%	100	1/1/2025	5,000	0	5,000
Daisie Mae Consignments	5/1/2020	\$ 2,400	0.0%	100	11/1/2022	2,400	0	2,400



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: June 2nd, 2020

Re: EDA Top 5 Strategic Planning Initiatives

Included in this packet are the abbreviated Top 5 Priorities each EDA Board member submitted. I have also included a Key Takeaways section, which highlights what I interpreted as the main priorities from all the responses. This document will serve as a starting point for the discussion of the EDA's top 5 priorities to accomplish moving forward. With this list and the resulting discussion at the June EDA meeting, it is my hope the EDA Board will adopt their Top 5 priorities. Moving forward, I plan to present a timeline to achieve the EDA's priorities at the July meeting.

Action Requested:

It is requested the EDA Board discuss, come to a consensus on, and approve their Top 5 priorities for future EDA action.

Janice Borgstrom-Durst

1. create a business directory
2. compare/contrast Kasson to similar towns for competitive advantage
3. attract small manufacturers
4. attract businesses from Rochester
5. create a committee to work on business attraction

Michael Peterson

1. Business retention (consider COVID Impact)
2. commercial/industrial expansion
3. Shopko building – fill in with business
4. Encourage multi-family residential development

Liza Larsen

1. Attract more dining options
2. Drive in movie theatre
3. Attract ShopKo equivalent
4. Encourage expansion of trail creek coffee
5. Increase activities/businesses that cater to youth population

Chris McKern

1. Maintain Business Façade Improvement Program
2. Business retention (consider COVID Impact)
3. Support Small business in partnership with Chamber
4. Maintain and promote commercial property inventory
5. Hwy 57 closure business assistance/promotion

Dan Egger

1. Retain and add businesses
2. Better communication from EDA to public/businesses
3. Alternative Housing plans
4. Business/Industrial Park

Tom Monson

1. Balance growth of population with appropriate businesses/services
2. Promote unique “Kasson feel”
3. Improve Main Street: develop gateway and cohesive design
4. Promote commercial development along both sides of Hwy’s 14 & 57
5. Improve cross-highway transportation

KEY TAKEAWAYS (*Higher ranked priorities from top to bottom*):

- Business attraction and retention
 - Small manufacturing, youth/experience-oriented businesses (increase business diversity)
 - Business/Industrial, while not frequently mentioned, can assist in achieving this priority
 - Encourage growth of local businesses
 - COVID impact, address this issue
 - Continued use of and development of EDA Business programs (BFIP, RLF)

- Promote unique Kasson feel/identity
 - Types of businesses
 - Mainstreet as a destination, its character can define “Kasson feel”

- Business directory
 - Can be a tool to better communication with businesses
 - Can be a tool to identify businesses to attract
 - Commercial property inventory could be included in this exercise

- Alternative housing options – multi-family developments

- Collaboration with Chamber
 - Promote unique Kasson feel/identity
 - Hwy 57 closure business assistance/promotion
 - Business directory

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In Councils, Boards & Commissions:

- [Office of the Mayor](#)
- [City Council](#)
- [Economic Development Authority](#)
- [Library Board](#)
- [Park Board](#)
- [Planning and Zoning Board](#)

Kasson Economic Development Authority

Welcome to the Kasson Economic Development Authority (EDA)! The Kasson EDA is a dedicated group that acts as a professional advocate for the business community. Adding to the outstanding qualities of our community, we aim to make Kasson a more livable place by creating a welcoming environment for business. Whether you are thinking about moving to Kasson, growing your business in Kasson, or would like to discuss different business opportunities available in the City, the EDA is here to help! The EDA provides expertise in business development in addition business subsidies such as Revolving Loan Funds and Tax Abatement

With it's small-town community charm, excellent schools, beautiful neighborhoods, and short commutes to the regions largest employers, Kasson is a great place to live and do business! The EDA welcomes any and all inquiries, we look forward to assisting you! Thank you for considering Kasson!

Scroll down to "Doing Business in Kasson" links I and II for a comprehensive list of programs and resources available to businesses currently operating or looking to operate in Kasson.

Economic Development Authority meetings are held the first Tuesday of each month at 12:00PM (noon) at Kasson City Hall, 401 Fifth Street South East.

Dan Egglar	President + Council Appointee
Michael Peterson	Vice President
Chris McKern	Council Appointee
Liza Larsen	Chamber Appointee
Tom Monson	Member
Janice Borgstrom-Durst	Member
Timothy Ibisch	City Administrator
Nicholas Ouellette	EDA Staff

Loan Review Subcommittee

Dan Egglar	EDA President
Janice Borgstrom-Durst	EDA Member
Nicholas Ouellette	EDA Staff

Downtown Lots Subcommittee

Michael Peterson	EDA Vice-President
Tom Monson	EDA Member
Nicholas Ouellette	EDA Staff

[Doing Business in Kasson I](#)

A guide to Local and Regional programs and resources.

[Doing Business in Kasson II](#)

A guide to State & Federal programs and resources.

[Kasson EDA in the Community](#)

Examples of projects the EDA has supported.

[COVID-19 Resources for Businesses](#)

[Contact the EDA](#)

[\[Documents\]](#)

Minutes, Video Agendas

[2020 Minutes](#) [Agendas](#) [View](#)[2019 Minutes](#) [Agendas](#) [View](#)[2018 Minutes](#) [Agendas](#) [View](#)[2017 Minutes](#) [Agendas](#) [View](#)[2016 Minutes](#) [Agendas](#) [View](#)[2015 Minutes](#) [Agendas](#) [View](#)[2014 Minutes](#)[2013 Minutes](#)[2012 Minutes](#)[2011 Minutes](#)[2010 Minutes](#)



Doing Business in Kasson I

A guide to Local and Regional programs and resources for those looking to do business in Kasson.

KASSON PROGRAMS

Revolving Loan Fund

The Kasson EDA Revolving Loan Fund program is a "gap financing" tool used to assist in the financing of local business projects which would otherwise lack the required funding. This program is designed to work in combination with private sector financing (banks) and is not intended to be a source of primary financing. The Revolving Loan Fund program provides various gap financing loan amounts at below market interest rates. Proceeds from the Revolving Loan Fund may be used for land or building acquisition, new construction, building renovation, site improvements, machinery, equipment, fixtures, and working capital.

Any projected located within the City of Kason (or within 2,000 feet of City boundaries) that meets the eligibility requirements may pre-apply for a loan from the Kasson Economic Development Authority. The full application process is available on page 4 of the Revolving Loan Guidelines available in the link below.

- [Revolving Loan Fund Guidelines and Policies](#)
- [Revolving Loan Fund Pre-Application](#)

Business Facade Improvement Program

The Business Facade Improvement Program is a matching grant program to encourage businesses to improve their facades and overall curb appeal. Matching grants provide 50% of a project's up to \$2,000 per project. Eligible projects include, but are not limited to, painting, landscaping features, awnings, signage, window rehab, and improved lighting. Click on the link below for a complete list of eligible projects, program guidelines & process, and the application.

- [2020 Business Facade Improvement Program Packet](#)
 - Page 1-2: Guidelines
 - Page 3 : Application
 - Page 4 : Application Process

Tax Increment Financing

Tax Increment Financing, commonly referred to as "TIF", is a public financing method used as a business subsidy for real estate development projects. TIF may be employed to help finance redevelopment, infrastructure, and other community-improvement projects. TIF captures the additional property taxes paid as a result of the increase tax revenues from a development project to pay for a portion of the development costs.

To inquire about TIF with the City of Kasson, please contact EDA Staff [Nicholas Ouellette](#) or City Administrator [Timothy Ibsch](#).

Tax Abatement

Tax Abatement is a business subsidy through which a portion of property taxes are rebated back to the property owner, who then uses the rebate to help offset commercial development, redevelopment, or relocation costs. Tax abatement is less complicated and less restrictive than Tax Increment Financing and is useful for smaller projects.

To inquire about TIF with the City of Kasson, please contact EDA Staff [Nicholas Ouellette](#) or City Administrator [Timothy Ibsch](#).

For more information on programs and resources available from the Kasson EDA, please [contact the Kasson EDA](#) with any questions or comments. As always, the EDA happy to help and connect you with the right resources for your business!

REGIONAL PROGRAMS and RESOURCES

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References

In Councils, Boards & Commissions:

Office of the Mayor

City Council

**Economic Development
Authority**

Library Board

Park Board

Planning and Zoning Board

Southern Minnesota Initiative Foundation (SMIF)

SMIF is a donor supported foundation that invests in economic growth in the 20-county region of Southeastern Minnesota. Some key initiatives SMIF works to support are economic development, early childhood development, and community vitality. The following is a list of some pertinent programs SMIF operates to support these regional initiatives:

- Loan Funds:
 - Business Loans
 - Loans of up to \$200,000 targeting several key industries: manufacturing, technology, local foods, agriculture, and health care.
 - Building Block Loans
 - Loans of up to \$15,000 to support the business of family child care.
 - Small Enterprise Loans
 - Micro loans up to \$35,000 provided through a partnership with the SBA to support small business owners or start-up entrepreneurs who create service, retail, local foods, and manufacturing businesses.
- Equity Funds:
 - Seed Fund
 - Up to \$25,000 to support start-up stage businesses that need capital, business expertise, and networking opportunities. This fund helps companies perform research and analysis, patent opinions and filings, and product testing and analysis.
 - Southern Minnesota Equity Fund
 - Up to \$100,000 in financial capital and expertise to early state and start-up companies. The Fund partners with other organizations and individual investors to leverage capital and expertise to grow innovative companies who will provide economic opportunities for Southern Minnesota.

Southeast Minnesota SCORE

SCORE, America's premier source of free, confidential small business advice, was founded in 1964 as a nonprofit resource partner of the [U.S. Small Business Administration \(SBA\)](#). The Southeast Minnesota Chapter of SCORE provides free and confidential one-on-one business mentoring tailored to meet the needs of your small business and your personal objectives. The chapter also offers Local Workshops for a modest fee, for both start-up and in-business entrepreneurs. Clients have access to dozens of local face-to-face mentors and hundreds of e-mail mentors throughout the country.

Check out the [Southeast Minnesota SCORE Chapter website](#) for more information, such as their office location, upcoming events, or to get in touch with the organization.

Southeast Minnesota Small Business Development Center (SBDC)

The SE Minnesota SBDC offers no cost, confidential consulting to help businesses in the region identify, understand, and overcome the challenges of starting a business, running a successful business, and developing exit strategies. The SBDC provides professional expertise and guidance that every small business owner needs to flourish in today's business world. The SBDC can work with business owners and financial institutions to prepare documentation that lenders require for business loans. The SBDC also hosts business seminars to keep you up to date on business trends and solutions.

For more information, seminar dates, and contact the SBDC, please visit the [SE SBDC website](#).

504 Corporation

The 504 Corporation is a non-profit organization certified by the U.S. Small Business Administration (SBA) to provide financial assistance to small businesses. The 504 Corporation works with the SBA and lenders to deliver the 504 loan program to small businesses. The 504 loan program's primary goal is to create and retain jobs. The program also aims to increase the real estate tax base, expand manufacturers, expand rural economies, and assist women, minority, and veteran owned businesses.

To learn more about the 504 Corporation and the 504 loan program, please visit the [504 Corporation website](#).

Rochester Area Economic Development Inc. (RAEDI)

RAEDI assists existing and potential businesses in the Rochester area secure the private and public resources needed to execute their growth plans. Since its inception, RAEDI has assisted hundreds of businesses that have generated more than \$2billion of local economic activity and have created thousands of jobs. RAEDI services include financial packaging, business planning, site/location support, and business/community advocacy.

For more about RAEDI and their services, please visit their [website](#).

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Doing Business in Kasson II

A guide to State and Federal programs and resources for those looking to do business in Kasson.

STATE PROGRAMS and RESOURCES

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Starting a Minnesota Business

Starting a business in Minnesota is not a single decision but a series of them, each one an important step on the road to a successful launch. MN DEED's [Starting a Minnesota Business website](#) will help you tackle the most common questions in the order you're most likely to need answers.

Emerging Entrepreneur Loan Program

The Emerging Entrepreneur Loan Program supports the growth of business owned and operated by minorities, low-income persons, women, veterans, and/or persons with disabilities. DEED provides funding to certified non-profit partners to make loans to these Minnesota businesses throughout the state. The program is designed to encourage private investment, provide jobs for minority and low-income persons, create and strengthen minority business enterprises, and promote economic development in low-income areas.

Eligible projects include startup and expansion costs, machinery and equipment, inventory and receivables, working capital, new construction, renovation, and site acquisition. Businesses in most industries are eligible, however, a retail business is only eligible if it is a beginning Microenterprise (less than 5 employees and less than 2 years of generated sales revenue).

For more information and to find a certified program partner, check out the [Emerging Entrepreneur Loan Program website](#).

Launch Minnesota Innovation Grants

Launch Minnesota innovation grants are targeted to the most promising scalable technology startups. Innovation grants are awarded on a competitive, ongoing basis and include:

- Business operations expenses: up to \$35,000
- Housing/child care expenses: up to \$7,500
- SBIR/STTR Phase 2 recipients: up to \$50,000

For more information and eligibility requirements, check out [LaunchMinnesota.org](#).

Minnesota Job Creation Fund

This program provides financial incentives to new and expanding business that meet certain job creation and capital investment targets. Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. For extremely large projects, companies may be eligible to receive up to \$2 million. Award amounts depend on job creation and investment levels.

The program is available to businesses engage in select industries including manufacturing, warehousing, distribution and technology-related industries, among others. Businesses submit an application which must include local government supporting documents. Projects that begin prior to becoming designated by DEED are not eligible for the Job Creation Fund.

For a full list of requirements, eligibility, available benefits, application materials, and other information please visit the [Minnesota Job Creation Fund website](#).

Minnesota Reservist and Veteran Business Loan Program

This program provides loans to companies that are affected when certain employees are called to active military duty. It also gives loans to individual veterans who have returned from active duty and want to start their own business. The program provides one-time interest-free loans of \$5,000 to \$20,000.

Business loans are for existing small businesses that have an essential employee called to active service in the military reserves for 180 days or longer on or after September 11, 2001. The business must be injured substantially due to the employees absence. Startup loans are for veterans who were on active duty on or after September 11, 2001, seeking financial assistance to start their own business.

STEP Grant Program: Export Assistance

This is a matching grant program which provides financial and technical assistance to qualifying small and medium-sized business with an active interest in exporting products or services to foreign markets. Participants may be first-time exporters or companies that are currently exporting but are interested in expanding into new international markets. Businesses must be pre-approved in order to be eligible for reimbursement.

Financial assistance is available to Minnesota businesses, who may apply for reimbursement of up to \$500 for export training or up to \$7,500 for approved export development activities, including participation in trade missions, exhibiting at trade shows, translation of marketing materials, and development of foreign language websites among other activities.

To apply, review eligibility requirements, or learn more about the program please visit the [STEP Grant Program Export Assistance website](#).

Angle Tax Credit

This program provides tax incentives to investors or funds that invest in startup business that are primarily focused on high technology or new proprietary technology. Key features of the refundable Angle Tax Credit include:

- A 25% tax credit for investments in small, emerging businesses
- A maximum credit of \$125,000 per person per year (\$25,000 if married filing jointly)
- Portion of credits reserved for investments in women-owned and minority-owned businesses and firms located outside the Twin Cities metro area

Four types of businesses qualify for angel investments:

- Those using proprietary technology to add value to a product, process or service in a qualified high technology field
- Those researching or developing a proprietary technology to add value to a product, process or service in a qualified high technology field
- Those researching, developing, or producing a new proprietary technology for use in agriculture, tourism, forestry, mining, manufacturing, or transportation
- Those researching or developing a proprietary product, process or service for use in agriculture, tourism, forestry, mining, manufacturing, or transportation

Additional requirements apply, and for those interested in the program it is recommended to visit the [Angel Tax Credit website](#).

Greater Minnesota Job Expansion Program

This tax refund program provides sales tax rebates to existing businesses located in Greater Minnesota that are approved by DEED meet the following eligibility requirements:

- Have operated in for at least one year in Greater Minnesota
- Meet wage and compensation requirements
- Will add at least two employees 10% of current staff, whichever is greater, within three years
- Meet industry eligibility including not being engaged in retail, gambling, entertainment, among many other industries
- Demonstrate that the expansion wouldn't occur without assistance
- Have a significant share of sales from the facility to non-Minnesota customers

Additional information on the Greater Minnesota Job Expansion Program can be found on their [website](#).

Greater Minnesota Internship Tax Credit

Eligible employers may claim a refund credit of up to \$2,000 for each internship provided to an eligible student in Greater Minnesota.

For more resources and programs for Minnesota businesses, please visit the [Minnesota Department of Employment and Economic Development website](#). Feel free to [contact the Kasson EDA](#) with any questions or comments, we are always happy to help and connect you with the right resources for your business!

FEDERAL PROGRAMS and RESOURCES

U.S. Department of Agriculture Rural Development

The U.S.D.A. Rural Development Office, has an extensive list of programs to assist new and existing businesses with construction, equipment purchases, renewable energy production, and energy efficiency upgrades.

Rural Development has over 15 programs, ranging from competitive grants to guaranteed loans, designed

specifically for small businesses and agri-businesses in rural America.

Small Business Administration (SBA)

Banks and other lending institutions offer a number of SBA guaranteed loan programs to assist small businesses. While the SBA itself does not make loans, it can guarantee loans made to small businesses by private and other lending institutions. Below is an overview of the SBA's programs:

- General Small Business Loans: 7(a)
 - The 7(a) Loan Program, SBA's most common loan program, includes financial help for businesses with special requirements.
- Real Estate & Equipment Loans: CDC/504
 - This loan program provides financing for major fixed assets such as equipment or real estate.
- Microloan Program
 - SBA's Microloan Program provides small, short-term loans to small business concerns and certain types of not-for-profit child-care centers.

For more information on SBA programs, please visit the [SBA Loans webpage](#).

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Economic Development Authority Coordinators Report

Nicholas Ouellette
May 5, 2019 – June 2, 2019



Meetings

1. Allison Wagner – CEDA Grants Department
2. Janna Monosmith – Byron EDA
3. Will Wangerin – Canadian Pacific Program Manager Industrial Development
4. CEDA Virtual Annual Meeting
5. Jerry Geese - KARE
6. Economic Development Professionals Meeting

Short-Term Business Interruption Loan Program

Two STBIL Program loans were approved and funds have been disbursed. No other applications have been received at this time.

Grant Assistance – MNHS KARE

I had a meeting with Jerry Geese of the KARE to review their Minnesota Historical Society Grant application to repair the roof on the Historic Public School.

EDA Strategic Plan

Top 5 priorities have been collected and a preliminary synopsis has been created to highlight overall priorities of the Board. This list and synopsis have been included in this packet. With this list it is my hope the EDA Board adopts their Top-5 priorities so that a timeline for achieving the priorities may be presented at the July 7th meeting.

EDA Webpage

The EDA Webpage has been updated with Local, Regional, State, and National resource pages. I will continue to add and update resources as I learn of them. Over the next few days I will be updating the COVID-19 Business Resource page so that all materials and information are relevant and current.

DEED Subsidy Reporting

As a government agency that represents a population of more than 2,500, business subsidy reporting is required by the Department of Employment and Economic Development. This reporting requirement has been completed for the year 2019.

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MNHS Grant – Historic WPA Wall

I have begun work on a Minnesota Historical Society Grant for \$10,000 (Small Grant Program) to help finance the restoration of the Historic WPA Wall at the Kasson pool and Veterans Memorial Park. The deadline for the Small Grant applications is July 10th.

Utility Metrics Collection

I am collecting metrics on Kasson's utility capacity to better understand the City's capacity for business attraction and growth. I plan for these metrics to be used with prospective businesses that have specific electrical, water, and/or sewage requirements to establish their business in a certain location.

SMIF Paint the Town Grant

SMIF has extended the deadline for their Paint the Town Grant. Grant applications are due June 17th. The grant funds up to 100 gallons of paint (max \$50 per gallon). Grant recipients will receive free paint products for a community mural, community welcome sign, or a historic structure project. Up to ten applicants will be chosen from this grant round.



TREE
CITY
USA

CITY OF
KASSON

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MEMO

To: Economic Development Authority Board

From: Nicholas Ouellette, EDA Staff

Date: April 30th, 2020

Re: EDA Board Seat

Mayor McKern has indicated he wishes to keep the empty EDA Board open for the time being. At the May 5th EDA meeting it was discussed that the EDA Board should wait on Mayor McKern's action on whether to reopen the seat for new applications.

Action Requested:

It is requested the EDA Board and Mayor McKern determine how to proceed with filling the open Board seat.