

KASSON ECONOMIC DEVELOPMENT AUTHORITY

Kasson City Hall
Tuesday, November 3rd, 2020
12:00 PM

I.	Call Meeting to Order	
II.	Approve Minutes of the Previous Meeting	
	a. October 6, 2020 Minutes	1
III.	Financial Report	
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	c. EDA Loans	10
IV.	Dodge County Youth Hockey	
	a. Presentation	
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X.	Other Business/Open Discussion	
XI.	Items for December EDA Meeting	
XII.	Adjourn	

Next meeting will be held on Tuesday December 1st, 2020

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, October 6th, 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 6th day of October 2020 at 12:00PM.

The following board members were present: Chris McKern, Janice Borgstrom-Durst, Tom Monson, and Kathy O'Malley.

Absent: Dan Egger, Liza Larsen, and Michael Peterson.

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

- I. Call Meeting to Order. McKern called the meeting to order at 12:00PM.
- II. Approve Minutes of the Previous Meeting. Monson motioned to approve the September minutes. Borgstrom-Durst seconded.

Ayes (4), Nays (0). Motion carried.
- III. Financial Report. Ouellette reviewed the financial report with the Board. Ouellette noted no change in assets, net income earned on interest was \$450, and expenses were \$212 for the disbursement of a Business Façade Improvement Program grant. Ouellette informed the Board loan payments were being made as expected, and that Gradient Hospitality had paid back their Short-Term Business Interruption Loan in full.
- IV. Downtown Lots – Tax Increment Financing District. Nancy Zaworski spoke to the Board regarding the Tax Increment Financing district on EDA owned lots on Mainstreet (TIF 1-17). Zaworski informed the Board the TIF district was created in 2009 and is expected to run until 2038. Interest has been charged to the district every year by the EDA. A concern is the TIF district has had any active development in order to start paying back the tax increments and interest accrued on the EDA loan to the district. Zaworski recommended the Board pass a resolution not to charge additional interest on the loan to the TIF district. The EDA would have the possibility to restart the interest payments in the future if development was to occur. Monson asked if there was any benefit or detriment to accruing a larger account receivable. Zaworski responded that it is a net scenario where interest accrued would likely be forfeited with no net loss or gain and the likely loss would be from the original amount loaned to the TIF district. Zaworski noted the TIF district has passed the time it is able to offer a developer an TIF incentive and be able to pay the City back unless the development was of a considerably large size. A possible benefit to leaving the TIF district in place is leaving open the possibility of payment back to the EDA if development occurs, without the ability to offer TIF incentives to a developer. Zaworski listed the options of leaving things as they are now or incur a financial loss to

decertify the TIF district. Decertifying the present TIF district would allow for the creation of a new TIF district. The new TIF district must be larger than the present TIF district, as bare land does not qualify for a redevelopment TIF. A housing TIF district is possible but Zaworski noted there are income limits and other reporting requirements. Ibisch noted if the land were sold to a developer it would likely be sold at a large discount, so it would not make sense to incur more interest. Zaworski continued to update the Board on the status of TIF districts throughout Kasson.

McKern stated he did not see the benefit in accruing additional interest from the TIF district. Ibisch requested Ouellette present a resolution to suspend accruing additional interest from the TIF district. Monson recommended the EDA relist the properties for sale or consider converting them into parks. O'Malley noted the lots might be difficult to sell considering their size. Ouellette recommended discussing future plans for the parcel at the November meeting.

- V. Southwest Land Discussion. Ouellette explained the intent of the memo was to describe how staff anticipate the process of development occurring on the city-owned land. Ouellette recommended the EDA consider the scenarios described in the memo as paths forward to developing the land which include commercial, light/industrial, and or housing. Ouellette asked that the EDA come to a consensus on plans to develop the property and definition for what constitutes high density residential development. Ouellette discussed the requirements and benefits certain funding programs could provide in developing the land.

The Board discussed different types of residential development in consideration of adjoining land uses. The board discussed the shortage of commercial industrial properties in Kasson and how the land could be used to create such developments. Monson noted he thought high-traffic commercial would see the highest value in the northwest corner of the parcel with the highway visibility. Ibisch discussed this property could be viable for the development of 3 storey apartment buildings. Ibisch also noted patio home and apartment residents might approve of different adjacent land uses. The Board agreed they would like park space developed on the land. The discussion will continue at the next board meeting with the Boards recommendations and land-use report from WHKS.

- VI. Coordinators Report. Ouellette discussed his meetings with :
- Angel Adolpho (El Patron) to discuss the Business Façade Improvement Program;
 - Bucky Beeman & Hank Friederichs to discuss possible incentives for a redevelopment project; and,
 - Brad Clemens and Pat Adamson (Plaza 57) to discuss tenant recruitment to their retail space.

Ouellette presented an “EDA Programs” promotional pamphlet he created to the Board. Ouellette also discussed Manufacturing Week 2020 and the Small Business & Nonprofit Relief Funds program.

- VII. City Administrators Report. No discussion.

VIII. Other Business. No other business was discussed.

IX. Items for the September EDA Meeting. Downtown TIF Resolution and discussion, SW City-Owned Land, and a presentation from Dodge County Youth Hockey.

X. Adjourn. Borgstrom-Durst motioned to adjourn the meeting. O'Malley seconded.

Ayes (4), Nays (0). Motion carried. Meeting adjourned at 12:57PM.

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

Minutes Submitted by:

Nicholas Ouellette, EDA Coordinator

Dan Eggler, EDA President

11/02/20
08:37:39

CITY OF KASSON
Balance Sheet
For the Accounting Period: 10 / 20

Page: 1 of 3
Report ID: L150

225 EDA FED MIF

Assets

Current Assets

CASH-OPERATING	44,382.99
MONEY MARKET-SMITH BARNEY	631.86
INVESTMENT INTEREST RECEIVABLE	72.00
LOAN PRIN REC-WHITMARSH	3,003.51
LOAN PRIN REC- 1760 MILLWORK	74,796.93
LOAN PRIN REC-GIBBS	44,975.53
LOAN PRIN REC- L & A (MAIN STREET FITNESS)	37,729.53
LOAN PRIN REC- DOLLAR VIDEO	14,986.51
SPECIAL ASSESSMENTS--DEFERRED	11,708.17

Total Current Assets	232,287.03
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Total Assets	232,287.03
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Liabilities and Equity

Current Liabilities

Deferred Revenue Assessments	11,708.69
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Total Current Liabilities	11,708.69
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Total Liabilities	11,708.69
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Equity

UNRESERVED FUND BALANCE	211,251.99
CURRENT YEAR INCOME/(LOSS)	9,326.35

Total Equity	220,578.34
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Total Liabilities & Equity	232,287.03
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11/02/20
08:37:39

CITY OF KASSON
Balance Sheet
For the Accounting Period: 10 / 20

Page: 2 of 3
Report ID: L150

226 EDA RLF

Assets

Current Assets

CASH-OPERATING	77,562.00
DAISY MAE CONSIGN PRIN RECEIVABLE	2,400.00

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

Total Liabilities

Equity

CURRENT YEAR INCOME/(LOSS)	79,962.00
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Total Equity	79,962.00
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Total Liabilities & Equity	79,962.00
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11/02/20
08:37:39

CITY OF KASSON
Balance Sheet
For the Accounting Period: 10 / 20

Page: 3 of 3
Report ID: L150

290 Economic Development

Assets

Current Assets

CASH-OPERATING	27,578.10
DUE FROM OTHER FUNDS	82,677.89
PREPAID ITEMS	30.00

Total Current Assets	110,285.99
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Total Assets	110,285.99
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Liabilities and Equity

Current Liabilities

ACCRUED WAGE/SALARY PAYABLE	0.31
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Total Current Liabilities	0.31
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Total Liabilities	0.31
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Equity

UNRESERVED FUND BALANCE	152,331.02
CURRENT YEAR INCOME/(LOSS)	(42,045.34)

Total Equity	110,285.68
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Total Liabilities & Equity	110,285.99
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11/02/20
08:37:03

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 10 / 20

Page: 1 of 3
Report ID: L140

225 EDA FED MIF

	Actual		Actual		Annual Budget
	Period to Date	%	Year-To-Date	%	
Revenue					
Community/Economic Development					
3611 SPECIAL ASSESSMTS - PRINC	0.00		2,927.05		0.00 2,927.05
3612 SPECIAL ASSESSMT-PENALTY/	0.00		263.42		0.00 263.42
3621 INTEREST EARNED	352.28		6,128.88		0.00 6,128.88
3626 MONEY MARKET INTEREST	0.00		7.00		0.00 7.00
Total Department	352.28		9,326.35		0.00 9,326.35
Total Revenue	352.28	100.00	9,326.35	100.00	0.00 9,326.35
Net Income(Loss)	352.28		9,326.35		

11/02/20
08:37:03

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 10 / 20

Page: 2 of 3
Report ID: L140

226 EDA RLF

	Actual		Actual		Annual Budget	
	Period to Date	%	Year-To-Date	%		
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.	0.00		40.00	100.00	0.00	-40.00
Account Total			40.00	100.00		-40.00
Total Department			40.00	100.00		-40.00
Total Expenses	0.00		40.00	100.00	0.00	-40.00
Net Income(Loss)	0.00		79,962.00****. **			

11/02/20
08:37:03

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 10 / 20

Page: 3 of 3
Report ID: L140

290 Economic Development

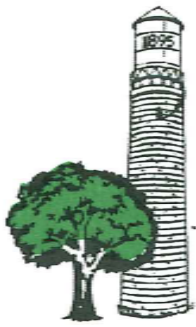
	Actual		Actual		Annual Budget	
	Period to Date	%	Year-To-Date	%		
Revenue						
Community/Economic Development						
3101 CURRENT AD VALOREM TAXES	0.00		45,266.50	51.74	90,533.00	-45,266.50
3107 ABATEMENT LEVY	0.00		115.00	0.13	0.00	115.00
3621 INTEREST EARNED	0.00		65.00	0.07	2,000.00	-1,935.00
Total Department			45,446.50	51.94	92,533.00	-47,086.50
Total Revenue	0.00	100.00	45,446.50	100.00	92,533.00	-47,086.50
Expenses						
Community/Economic Development						
Community/Economic Development						
101 FULL-TIME EMPLOYEES - REGULAR	1,377.60	10.16	9,413.62	10.76	11,700.00	2,286.38
121 EMPLOYER PERA CONTRIBUTIONS	103.33	0.76	706.00	0.81	878.00	172.00
122 EMPLOYER FICA CONTRIBUTIONS	83.53	0.62	579.24	0.66	725.00	145.76
123 EMPLOYER MEDICARE CONTRIBUTION	19.54	0.14	135.49	0.15	170.00	34.51
130 EMPLOYER PAID INSURANCE	186.01	1.37	755.68	0.86	2,000.00	1,244.32
150 WORKER'S COMPENSATION	0.00		47.76	0.05	100.00	52.24
210 OPERATING SUPPLIES	20.86	0.15	244.58	0.28	400.00	155.42
303 ENGINEERING FEES	817.92	6.03	817.92	0.93	3,000.00	2,182.08
304 LEGAL FEES	0.00		0.00		4,000.00	4,000.00
321 TELEPHONE	22.29	0.16	198.47	0.23	500.00	301.53
325 COMMUNICATION-OTHER	15.00	0.11	221.67	0.25	200.00	-21.67
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		500.00	500.00
334 MEMBERSHIP DUES AND FEES	0.00		396.00	0.45	500.00	104.00
351 LEGAL NOTICES PUBLISHING	0.00		50.70	0.06	0.00	-50.70
360 INSURANCE	0.00		388.28	0.44	360.00	-28.28
414 COMMERCIAL PROGRAMS	0.00		7,969.00	9.11	20,000.00	12,031.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		1,654.43	1.89	4,500.00	2,845.57
440 PROFESSIONAL SERVICES	0.00		285.00	0.33	500.00	215.00
444 OTHER CONTRACTUAL SERVICES	10,907.00	80.48	43,628.00	49.87	42,500.00	-1,128.00
720 OPERATING TRANSFERS	0.00		20,000.00	22.86	0.00	-20,000.00
Account Total	13,553.08	100.00	87,491.84	100.00	92,533.00	5,041.16
Total Department	13,553.08	100.00	87,491.84	100.00	92,533.00	5,041.16
Total Expenses	13,553.08	100.00	87,491.84	100.00	92,533.00	5,041.16
Net Income(Loss)	-13,553.08	-100.00	-42,045.34	-48.06		

EDA Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	12.31.19 Balance	Prin Recvd YTD	10.31.20 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	2,860	37,729
Dollar Video	8/1/2009	\$ 50,000	3.0%	345.29	14 years 9/1/2024	18,023	3,036	14,987
Gibbs	10/14/2015	\$ 80,000	3.0%	772.49	10 years 1/1/2026	52,128	7,153	44,975
Millwork	7/1/2016	\$ 90,000	3.0%	499.14	20 years 6/1/2036	77,876	3,079	74,797
Whitmarsh	6/28/2018	\$ 5,000	4.75%	90	5 years 7/1/2023	3,768	764	3,004

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		Check Returned
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: October 29, 2020

Re: Downtown Lots Tax Increment Financing District

Summary:

The EDA owns two lots at 204 and 206 Main Street, which are included in Tax Increment Financing District 1-17. The EDA lent \$50,000 to the TIF district to cover the cost of demolishing buildings on the properties. Interest has been charged to the TIF district on the loan funds from the EDA. Finance Director Nancy Zaworski recommended the Board suspend interest payments to the TIF district and that there was no benefit to accruing additional interest on the loan. She explained the situation was a net scenario, where interest accrued would likely be forfeited with no net loss or gain, and the likely loss to the EDA would be from the original amount loaned to the TIF district.

Action Requested:

It is requested the EDA Board approve the resolution to suspend the interest payments due to the EDA by Tax Increment Financing District 1-17.

Further Discussion:

The EDA Board may discuss future outcomes for the lots. In the past year, the EDA discussed the possibility of improving the lots as park space while remaining open to future sale or development. The Downtown Lots Committee recommended low level activation efforts for the lots. This could include extending the width of the existing patio, removal of the tree, and the placement of benches, trash bins, and picnic tables.

The parcels are zoned in the Central Business District (C-1). The purpose of the C-1 central business district is to provide for high density development for commercial and service activities, with activity focused on Main Street, gaining economic advantage from a concentration of

complementary uses and drawing from and serving customers from the community and surrounding area. Please review the Principal Uses Table (p.107) from the Zoning Chapter of the City of Kasson Code of Ordinances:

https://www.cityofkasson.com/vertical/sites/%7BC3C7597A-7E80-4164-9E1A-84A37B5D7AAF%7D/uploads/Link_28_DRAFT_Ch154_Zoning_082520.pdf

**CITY OF KASSON ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION #11.03-20**

**RESOLUTION TO SUSPEND INTEREST PAYMENTS DUE TO THE CITY OF
KASSON ECONOMIC DEVELOPMENT AUTHORITY BY TAX INCREMENT
FINANCING DISTRICT NO. 1-17**

WHEREAS, the City of Kasson Economic Development Authority (the “EDA”) was established by action of the Kasson City Council on December 18, 1991; and

WHEREAS, the City of Kasson created Tax Increment Financing District No. 1-17 (the “TIF District”) on January 14, 2009; and

WHEREAS, the EDA loaned \$50,000 to the TIF District No. 1-17 to facilitate the demolition of blighted buildings within the TIF District; and

WHEREAS, the EDA annually accrues interest on the \$50,000 loan to the TIF District; and

WHEREAS, the TIF District has not had any active development that would enable the TIF District to repay the loan and interest owed to the EDA; and

WHEREAS, the EDA understands further accrual of interest may dampen future development or sale of EDA owned lots within the TIF District.

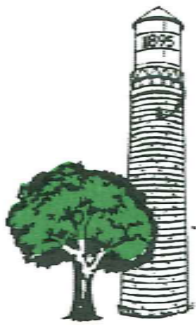
NOW, THEREFORE, BE IT RESOLVED, the City of Kasson Economic Development Authority authorizes the suspension of accruing further interest on the principal amount of the loan

ADOPTED this 3rd day of November, 2020.

Dan Egger, EDA President

Michael Peterson, EDA Vice-President

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



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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: October 29, 2020

Re: Southwest Land Development

Included in this meeting packet is the draft Concept Plan for the City-owned land in Southwest Kasson. The Concept Plan was produced based on earlier requests and ideas on how the EDA would like to see development occur on the parcel. At our last meeting, the Board discussed a preference for commercial/industrial and housing development in the first phase.

The concept plan should provide the Board a more concrete vision for how development could be specially organized. We will be able to amend the concept plan to better fit the EDA's vision for development. The future land use for the entire parcel is shown as parks in the Comprehensive Plan. This will need to be addressed if the development project moves forward.

Contract for Professional Services

This contract is made and entered into by Community and Economic Development Associates, a Minnesota nonprofit corporation exempt from income tax as an organization operated for charitable purposes within the meaning of Internal Revenue Code section 501(c)(3), hereafter “CEDA”, and the City of Kasson, a political subdivision of the State of Minnesota, hereafter “the City”, to define the terms by which CEDA shall provide technical and management expertise services to the City.

I. Agreement scope and purpose. The City hereby retains CEDA to perform to its benefit the services described in paragraph II, to the end of the City more effectively accomplishing:

- * Prevention and/or combat of community and neighborhood deterioration and revitalization of deteriorated neighborhoods;
- * Attraction and/or retention of businesses that would not, but for the assistance provided, choose to locate/remain in the area;
- * The securing of businesses who will be required to provide jobs for unemployed and underemployed residents of the community; and
- * The expansion of business opportunities for minority entrepreneurs and other entrepreneurs that are viable business opportunities to enhance the well being of the community and/or for businesses who are unable to obtain financing from conventional sources

II. Services to be provided by CEDA. CEDA agrees to provide technical and management expertise in the form of staff and materials to the City. Staff’s services, and associated materials, will be provided in order to facilitate and support the accomplishment of the City’s undertakings to the ends described in the preceding paragraph. CEDA’s staff and materials shall be made available toward efforts in the following specific arenas of the City’s needs and operations:

- * Assessment and pursuit of grantor funding for the City’s economic development programs
- * Providing loan packaging services for the City’s business assistance programs
- * Administering local, regional and state revolving loan funds, if appropriate
- * Drafting and providing staff support for the City’s Economic Development Work Plan(s)
- * Planning, facilitating, and/or directly conducting the City’s community and business development projects, including as necessary, staffing those projects as directed by the City in consultation with CEDA. These efforts shall include (but are not limited to), the following:
 - * work in coordination with other agencies
 - * developing relationships and partnerships to enhance the City’s goals
 - * provide general economic development and community development services
 - * promoting the use of local assets to support and promote value-added processes and unique based businesses (notably supporting the City’s Buxton partnership)
- * Assisting with local projects related to business and industry, community, and land and buildings
- * Assisting with the City’s economic development marketing efforts and coordination; including website development and maintenance
- * Coordinating and/or hosting forums in which the City’s comprehensive planning and economic development programs are open for the public’s review

III. Obligations of the City.

A. The City shall reimburse CEDA for staff time provided at the annual rate of \$44,936 not to exceed annually. This is based on an average of sixteen hours per week.

B. Materials, conferences, meetings and the like shall be paid for on a unit basis agreed to by the City in writing prior to the provision of the materials.

C. The City shall be responsible to provide payment to CEDA within 30 days of the submission of each invoice provided by CEDA.

IV. Obligations of CEDA.

A. CEDA is performing services as an independent contractor. Accordingly, the provision of staff by CEDA to provide technical and management expertise to the City under this Agreement neither creates a release of CEDA staff to employment at the City nor makes such staff subject to supervision by the City.

B. CEDA has no authority or right, express or implied, to assume or create any obligation or responsibility on behalf of the City or to bind the City in any manner. CEDA will not represent the contrary, either expressly or implicitly, to anyone.

C. CEDA is solely responsible for payroll tax responsibilities related to each of its staff persons whose time is provided under this Agreement and shall acquire and maintain necessary insurance related to their efforts under this Agreement, including carrying workers' compensation insurance coverage at all times. CEDA shall supply the City with certification of such coverage.

D. CEDA shall be responsible to invoice the City for staff time and materials provided under this Agreement on a periodic basis, no less frequently than quarterly.

V. Period/Termination. The term of this Agreement is one year, commencing January 1, 2021. The Agreement may be terminated earlier in its term upon 30 days' written notice by CEDA to the City or by the City to CEDA. Upon termination, the City shall be liable to pay CEDA for services performed at \$44,936 per year and materials provided under this Agreement prior to and through the effective date of termination, unless otherwise specifically agreed by the parties in writing.

VI. Confidentiality: CEDA staff will maintain confidentiality related to retail recruitment and will not discuss or disclose economic and planning activities with former employees of the City of Kasson.

VII. Construction of Agreement. This Agreement is to be performed and construed under Minnesota law, and supersedes any and all prior agreements and contains the entire agreement of the parties.

CITY OF KASSON

By _____

Its _____

Date _____

By _____

Its _____

Date _____

COMMUNITY AND ECONOMIC DEVELOPMENT ASSOCIATES

By



Its CEO/President

Date October 28, 2020

Economic Development Authority Coordinators Report

Nicholas Ouellette
October 6, 2020 – November 3, 2020



Meetings

1. Business Outreach
2. Tony & Joel Bigelow

Dodge County Small Business & Nonprofit Relief Funds Program

As of October 29, six businesses in Kasson have been approved for a grant from the Small Business Relief Funds program. The total amount awarded to Kasson businesses so far has been \$60,000.

Chuy's Bakery

Chuy's Bakery is now open on Main Street. The business will be open from 6AM to 6PM on Tues-Friday and Sunday.

Trail Creek Coffee Roasters

The owners of Trail Creek Coffee Roasters have expressed an interest in exploring a contract to deed option for the building they currently lease from the City.

Bigelow

The City Administrator and I met with Tony & Joel Bigelow to discuss the development of affordable housing in Kasson. The Bigelow's expressed to develop affordable housing but certain costs associated with development may add costs to housing units. The Bigelow's wanted understand what the City could offer to help keep housing development affordable.

Online Property Inventory

I have received some requests from local property owners to post their properties online. I am working on a format to post the property information. I expect to have these properties listed on the website by the first week of November.

Market Potential Study

The CEDA Market Intelligence Dashboard is ready for use. This tool can analyze local market data on consumers and businesses. This tool can be used to identify gaps in the market and which industries have the highest local potential. CEDA has scheduled a team training session for staff to learn how to use the market intelligence dashboard tool in our communities.



To: City Council

Date: 10/28/2020

Agenda Heading: City Administrator's Report

“We do not have government by the majority.
We have government by the majority who participate.”
— **Thomas Jefferson**

- **Bonding Bill Approved.** Gov. Tim Walz signed the \$1.9 billion Local Jobs and Projects Plan into law last Wednesday afternoon. The package contains \$1.36 billion in general obligation bonding and also contains tax relief provisions for farmers and small businesses, funding for low-income housing, and \$31 million in supplemental general fund budget spending. Although many individual projects requested by cities were not included, the bill funds dozens of accounts that will award grants for local and regional projects on a competitive basis. It includes:
 - \$627 million for transportation infrastructure, including local roads and bridges
 - \$269 million for water infrastructure projects
 - \$166 million for the University of Minnesota and Minnesota State
 - \$116 million for affordable housing

Most notably in our area money is allocated to help repair runways at Rochester International Airport and to rebuild the 104 interchange in Byron. Our local Senator, Sen. Senjem was the lead author in the Senate so a big thank you to him for getting it done. Also shout out to the SEMLM folks for working hard to get this through. My goal would be to have a bonding request ready for Kasson's ponding project in 2022. All provisions will be summarized in the LMC's 2020 Law Summaries.

- **Park and Recreation Updates.** The Park Board met to discuss a variety of issues last week including the Veteran's Park wall. Janet Sinning updated us with the amount raised thus far at \$11,000. She noted that there are a couple of collection site around town. No adult basketball league is expected this year. However, we will continue to plan for 2021. The Christmas tree lighting is scheduled for November 20th and the Board plans to hold the event as it typically has been with the addition of social distancing and masks. Councilman Eggler will lead the proceedings. Finally, the Board reviewed an initial proposal from Park and Rec Director Unger. He went through recommended fee changes at length and asked that they bring him feedback for next month. With substantial losses this year at the Aquatic Park, he is looking to cut costs and raise revenue. Estimates will be based off of 2019 numbers so they are not skewed by the COVID-19 issue. I anticipate these changes will be part of the fee schedule revisions later this fall.
- **CMPAS Meeting/CEO Search.** I attended the CMPAS Annual Meeting with Jarrod. There were a number of topics discussed including the power purchasing programs.

and how forecasting is changing how we do things. KPU has some very exciting things coming, they include local generation and the potential to purchase into some transmission. This would allow for norming of the rates changes over the next ten years. Additionally, Nancy has prepared a resolution to allow us to apply for a grant opportunity. She will also have her memo in the packet. Tomorrow I will be attending the CEO search committee meeting in Madison, WI to meet with the consultants and review the initial information they have prepared.

- **Early Voting/Absentee.** As of this writing, 1,068,988 people have cast a ballot in MN, In Dodge County over 2000 voters have already voted. This far exceeds the numbers from 2016. Linda anticipates that 40% of votes may be cast early. In some ways this will be a positive because it will lessen the pressure on Election Day itself. We have had some staffing issues due to the COVID restrictions, however we believe that the preparations made should allow for the integrity of the election process to be preserved. Sample ballots were provided in this week's newspaper. Please encourage your neighbors to get out and let their voices be heard.
- **City Website Update.** As requested by City Council, staff have begun a review of the City Website. There are 3 potential vendor options: Gov Office, Revize, and Civic Plus. We will be taking quotes to implement a change in the near future. Currently the City website is not entirely meeting certain criteria and we believe it would be prudent to move towards a more user-friendly option. Please review these 3 sites as time permits.

REVISE: **The Village of Glencoe, Illinois** www.villageofglencoe.org

CIVICPLUS: **Thief River Falls, Minnesota** <https://www.citytrf.net/>

GOVOFFICE: **Federal Heights, Colorado** <https://www.fedheights.org/>

Let me know if you have a strong preference. I will need this feedback on or before November 9th.

- **MN State Budget Update.** The State is preparing their official updated forecast. However, if the interim, things seem to be picking up. The Office of Management and Budget quarterly revenue and economic update has reported that the worrying forecast in May might have been somewhat too pessimistic. Since that document was produced by state economists, back in the early weeks of the recession, actual tax collections have been better than feared. In the calendar quarter from July to September, tax collections have been \$593 million more than what was predicted in May. That's 12.7 percent higher than was predicted.

All sources of state taxes have shown higher collections, with individual income taxes up \$165 million from the May estimate and sales tax collections up \$271 million. Due to the vagaries of when income tax payments are made — and whether money sent in will actually be due once returns are completed — the sales tax is a better indicator of economic activity. We're seeing this in Kasson with solid property tax collection numbers, both this summer and to be anticipated in the fall. However, MMB's update stresses that just because collections are better than projected in May doesn't mean they are good. "For the period of March through September ... sales tax receipts are about 3.8 percent lower than during the same period one year ago," the October update noted. And income tax payments are about 2 percent lower than the same period a year ago. I will continue to monitor the situation.

Meetings and Events Attended or Planned

October 1	Kraus Anderson City Engineer ICS Sump Pump Laterals Inspection Meeting
October 5	Library Director
October 6	EDA
October 7	Bigelow Voight 8 th Pre-Con City Engineer EMS Committee
October 8	City Attorney
October 12	Planning and Zoning
October 13	Dodge County Board
October 14	Chamber of Commerce City Council
October 15	City Engineer
October 16	LMC Legal Counsel Meeting-Planning and Zoning Staff meeting-Library Director
October 20	Staff meeting-Mike Ness Audit RFP-Eide Bailly ICS site review Park Board
October 21	CMPAS Regular and Annual Meeting
October 22	Dodge County Septic Meeting City Engineer Safe Committee
October 23	Gov. Walz Briefing
October 27	South Pointe-Bigelow Homes Cares Act Webinar Dodge County Planning Session
October 28	Regular City Council