

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, December 1st, 2020

12:00PM

MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Kasson Economic Development Authority (EDA) was held at City Hall this 1st day of December 2020 at 12:00PM.

The following board members were present: Dan Egger, Chris McKern, Michael Peterson, Janice Borgstrom-Durst, and Kathy O'Malley.

Absent: Tom Monson and Liza Larsen.

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. McKern motioned to approve the October minutes. Peterson seconded.

Ayes (5), Nays (0). Motion carried.
- III. Financial Report. Ouellette reported no major changes to note in the financial report. Ouellette noted two expenses for engineering services and employee contributions. Ouellette also noted loans were being repaid on time and payments would begin this month for loans made through the Short-Term Business Interruption Loan program.
- IV. 2020 Tax Abatement. Ouellette discussed the tax abatements for Gibbs Partnership, LLP and Elite Marketing & Investments, LLC. Ouellette noted the finance department completes tax abatement payments at the end of each year, contingent the business is up to date with taxes due. Ouellette confirmed both Gibbs Partnership and Elite Marketing & Investments were up to date on taxes and their 2020 tax abatement payments should be approved. Peterson motioned to approve the 2020 tax abatement payment for Gibbs Partnership, LLP and Elite Marketing & Investments, LLC. McKern seconded.

Ayes (5), Nays (0). Motion carried.
- V. Subordination Agreement – Elite Marketing & Investments, LLC. Ouellette discussed a subordination request the EDA received from Elite Marketing & Investments, LLC. Joe Lonzo, of Elite Marketing & Investments, LLC was in attendance to answer any questions the EDA might have. Ouellette discussed the business was refinancing a loan to improve its financial position. Egger noted an error on the subordination agreement and Ouellette responded he had a corrected version for the EDA to sign pending Board approval.

- VI. CEDA Contract for Professional Services. Peterson asked if there were any changes to the contract for professional services with CEDA. Ibsch responded the contract is for two days a week and the only change was a 3% increase to the annual rate. Ouellette requested the Board motion to recommend the CEDA contract for City Council approval. McKern motioned to recommend the CEDA Contract for Professional Services for City Council approval. Borgstrom-Durst seconded.

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

- VII. Southwest Land Discussion. Ouellette discussed the updates to the southwest land development concept. Ouellette directed the Boards attention to the revised concept plan provided by WHKS. The revised concept plan reflects the Boards vision for development as discussed at the November EDA meeting. Ibsch noted he was optimistic on the rough estimated costs for infrastructure development, especially concerning the East side development which the EDA had identified as a first phase for development. Ibsch discussed the cost for this infrastructure could easily be covered by a combination of a BDPI program grant and tax increment financing.

Ouellette discussed his meeting with Tracy Lauritzen, who manages CEDA's Market Intelligence Dashboard Tool. Ouellette requested Lauritzen conduct a market potential study across all industries for Kasson and to focus on industries related to the BDPI grant. Ouellette discussed that the market potential information could be useful in identifying an anchor business to partner with on the BDPI grant, and useful for attracting businesses to the industrial park if developed.

Ouellette also brought the Board's attention to a public input letter submitted by Jerry Berg regarding future cemetery expansion. Borgstrom-Durst asked how much space was left in the cemetery. Ibsch noted the cemetery has approximately 15 years' worth of space left by current trends of burial and cremation. Ibsch noted that City Council had discussed the issue, as the cemetery fund has a balance that will last roughly three years. Ibsch expects the cemetery will be discussed at City Council in the near future. The EDA Board was appreciative of the public input provided by Berg and Ibsch thanked him for submitting the letter.

Ibsch discussed that the concept plan was near to completion and that the EDA had achieved its goal of creating a marketable project to develop the southwest land. Ibsch considers the southwest land development concept a "project on the shelf" that the EDA can decide to move forward with implementing in the future. Ouellette added the market potential study could provide some final information to the concept plan before the EDA decides to implement the project.

- VIII. Coordinators Report. Ouellette reviewed the items in his Coordinator's report. Ouellette discussed the estimated market value of the Old Library Building. The Board requested Ouellette compare the cost per square foot of similar buildings sold within the last year to understand what that cost would look like for the Old Library Building. Ouellette requested that as discussions on a lease-to-own agreement between the EDA and Trail

Creek Coffee Roasters happen at the subcommittee level and the Board agreed. Ouellette will reach out to Trail Creek Coffee Roasters in December to organize a meeting between them and the Loan Review Committee regarding a lease-to-own agreement. Ouellette also discussed the market potential study for Kasson, a meeting with Wendall Engelstad regarding development of a 40-acre property outside Kasson city limits, compiling a list of 1-acre sites for apartment development, and reconvening the Downtown Lots Committee. Ouellette also requested the Board consider holding discussions with Dodge County Youth Hockey over their arena project at a subcommittee level until Dodge County Youth Hockey is ready with a proposal to present to the Board. Peterson expressed interest in being a part of the subcommittee discussions. The Board asked Ouellette to email all Board members to survey their interest in joining a subcommittee to discuss the arena project.

IX. City Administrators Report. Ibisch reviewed the items in his Administrators Report.

X. Other Business/Open Discussion. No other business was discussed.

XI. Items for the January EDA Meeting.

XII. Adjourn. Peterson motioned to adjourn the meeting. O'Malley seconded.

Ayes (5), Nays (0). Motion carried. Meeting adjourned at 12:40PM.

The next meeting will be held at 12:00PM on January 5th, 2021.

Minutes Submitted by: _____
Nicholas Ouellette, EDA Coordinator

Dan Egger, EDA President