

KASSON ECONOMIC DEVELOPMENT AUTHORITY

Kasson City Hall
Tuesday, December 1st, 2020
12:00 PM

I.	Call Meeting to Order	
II.	Approve Minutes of the Previous Meeting	
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XI.	Items for December EDA Meeting	
XII.	Adjourn	

Next meeting will be held on Tuesday January 5th, 2020

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, November 3rd, 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 3rd day of November 2020 at 12:00PM.

The following board members were present: Dan Eggler, Chris McKern, Liza Larsen, Tom Monson, Kathy O'Malley, and Michael Peterson.

Absent: Janice Borgstrom-Durst.

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

- I. Call Meeting to Order. Eggler called the meeting to order at 12:00PM.
- II. Approve Minutes of the Previous Meeting. Peterson motioned to approve the October minutes. Monson seconded.

Ayes (6), Nays (0). Motion carried.
- III. Financial Report. Ouellette reported no major changes to note in the financial report. Ouellette clarified all EDA loans were being repaid on time.
- IV. Dodge County Youth Hockey. CJ Reiner, a Board Member with Dodge County Youth Hockey, introduced himself to the EDA Board. Reiner provided some background on the history and growth of youth hockey in Dodge County. Reiner presented the concept of constructing a new ice rink arena complex on city-owned land in Southwest Kasson. Reiner noted approximately \$12,900,000 would be needed to build the entire ice arena complex, but it is expected to be constructed in phases over a number of years. Phase 1 would consist of an ice rink with seating for at least 1,000 spectators and cost approximately \$9,000,000. Phase 2 would see the construction of a second ice rink and cost approximately \$4,000,000. Dodge County Youth Hockey is exploring all options to finance the project, such as raising private capital through sponsorships, grants, and subsidies available through the EDA. Monson discussed possible tools the hockey association could explore to save funds for the project. City Administrator Ibisch discussed the upgrades needed to service possible land for the ice arena complex. City Engineer Brandon Theobald noted it would take a significant amount of infrastructure upgrades to make the proposed site developable.
- V. Downtown Lots – Tax Increment Financing District. Ouellette reviewed discussion from the last meeting and presented a resolution to suspend the accrual of interest on a loan from the EDA to TIF District 1-17. Ouellette requested further discussion on what the EDA would like to do with the lots moving forward.

Monson motioned to approve EDA Resolution #11.03-20 to Suspend Interest Payments Due to the City of Kasson Economic Development Authority by Tax Increment Financing District No. 1-17. McKern seconded.

Ayes (6), Nays (0). Motion carried and Resolution #11.03-20 approved.

Discussion on this agenda item continued following approval of the resolution. Ouellette noted there was no benefit to decertifying the TIF district and that leaving it in place leaves the possibility that the EDA loan could be paid back by the TIF district. Ouellette plans to reconvene a meeting of the Downtown Lots subcommittee to move forward with plans to improve the space for a park. Ouellette will also repost the lots on the EDA webpage for available commercial lots.

- VI. Southwest Land Discussion. City Engineer Brandon Theobald was in attendance to present a concept plan for the Southwest Land to the EDA Board. Ibisch noted zoning on the concept plan was changeable, and would likely be delineated as a “development holding district” under the City’s new zoning definitions. Theobald reviewed some of the major considerations from an engineering standpoint and how the project breaks up into two phases. Theobald defined the two phases as commercial/industrial development (first) and residential development (second) as the Board had requested both types of development be considered for the land. Theobald described some of the challenges to development in the western portion of the parcel such as the condition of 8th Street, extension of utilities, and the varied topography. Theobald continued to describe how he considered development of the parcel would tie into surrounding parcels and existing infrastructure. Theobald noted the ponds on the concept plan were not sized and have the potential to be smaller than expected. He also noted that road access to the eastern portion of the parcel would have to cross privately owned land, this could affect the cost and feasibility of the project and an agreement would have to be reached with the property owner. Theobald explained the purpose for seeking industrial development on the parcel is the availability of grants to cover the cost of infrastructure for industrial development.

Monson discussed the benefit of segmenting different types of development, especially developing industrial parcels in a single phase which would work well for a BDPI program grant from DEED. Ibisch brought up that the ice arena development would not be considered eligible for a BDPI grant as it is considered an entertainment venue. Monson noted it could be eligible for a USDA community facilities program. Peterson noted his concern that residential could end up between an ice arena and industrial development which could hinder marketability of the residential segment. Ibisch recalled that at the last meeting the Board had considered developing high-density development on the north-side of the road through the prospective industrial development area. Ibisch described the importance of developing industrial and commercial parcels in Kasson, especially so close to the major transit node of Highway 57 and Highway 14. Ouellette noted the residential development doesn’t have to be low density, where this space could be considered for intermediate housing for residents not quite ready to afford or move into single family homes. Ibisch continued that he sees this development as similar to those on West Circle

Drive in Rochester, where there are commercial/industrial developments that transition into large apartments, which then transition into single family residential properties. Moving forward it will be important to identify an end user for the industrial development. Ouellette requested Theobald to come up with more accurate estimates for the cost of infrastructure development for both phases. Theobald will also update the concept plan to reflect the Board's vision for development.

- VII. Coordinators Report. Ouellette reviewed the items in his Coordinator's report. Ouellette brought up Trail Creek Roasters request to enter a contract to deed agreement on the building they currently rent from the City. The Board was open to entering discussion with Trail Creek Coffee roasters.
- VIII. City Administrators Report. No discussion.
- IX. Other Business/Open Discussion. No other business was discussed.
- X. Items for the December EDA Meeting. Updates on the SW Land development project, 2020 tax abatement approval.
- XI. Adjourn. Peterson motioned to adjourn the meeting. McKern seconded.

Ayes (6), Nays (0). Motion carried. Meeting adjourned at 1:05PM.

The next meeting will be held at 12:00PM on December 1st, 2020.

Minutes Submitted by: _____

Nicholas Ouellette, EDA Coordinator

Dan Egger, EDA President

12/01/20
07:47:45

CITY OF KASSON
Balance Sheet
For the Accounting Period: 11 / 20

Page: 1 of 3
Report ID: L150

225 EDA FED MIF

Assets

Current Assets

CASH-OPERATING	46,921.81
MONEY MARKET-SMITH BARNEY	785.97
INVESTMENT INTEREST RECEIVABLE	72.00
LOAN PRIN REC-WHITMARSH	2,925.40
LOAN PRIN REC- 1760 MILLWORK	74,484.78
LOAN PRIN REC-GIBBS	44,315.48
LOAN PRIN REC- L & A (MAIN STREET FITNESS)	37,085.47
LOAN PRIN REC- DOLLAR VIDEO	14,678.69
SPECIAL ASSESSMENTS--DEFERRED	11,708.17

Total Current Assets 232,977.77

Total Assets 232,977.77

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)	10,017.09

Total Equity 221,269.08

Total Liabilities & Equity 232,977.77

12/01/20
07:47:45

CITY OF KASSON
Balance Sheet
For the Accounting Period: 11 / 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
----------------------------	-----------

Total Equity	79,962.00
--------------	-----------

Total Liabilities & Equity	79,962.00
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12/01/20
07:47:45

CITY OF KASSON
Balance Sheet
For the Accounting Period: 11 / 20

Page: 3 of 3
Report ID: L150

290 Economic Development

Assets

Current Assets

CASH-OPERATING	23,952.01	
DUE FROM OTHER FUNDS	82,677.89	
PREPAID ITEMS	43.94	

Total Current Assets		106,673.84

Total Assets		106,673.84

Liabilities and Equity

Current Liabilities

ACCRUED WAGE/SALARY PAYABLE	0.31	

Total Current Liabilities		0.31

Total Liabilities		0.31
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Equity

UNRESERVED FUND BALANCE	152,331.02	
CURRENT YEAR INCOME/(LOSS)	(45,657.49)	

Total Equity		106,673.53

Total Liabilities & Equity		106,673.84

12/01/20
07:48:05

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 11 / 20

Page: 1 of 3
Report ID: L140

225 EDA FED MIF

	Actual		Actual		Annual Budget "	Variance
	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	536.63		6,819.62		0.00	6,819.62
3626 MONEY MARKET INTEREST	0.00		7.00		0.00	7.00
Total Department	536.63		10,017.09			10,017.09
Total Revenue	536.63	100.00	10,017.09	100.00	0.00	10,017.09
Net Income (Loss)	536.63		10,017.09			

12/01/20
07:48:05

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 11 / 20

Page: 2 of 3
Report ID: L140

226 EDA RLF

	Actual		Actual		Annual Budget "	Variance
	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****,**			

12/01/20
07:48:05

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 11 / 20

Page: 3 of 3
Report ID: L140

290 Economic Development

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
Revenue						
Community/Economic Development						
3101 CURRENT AD VALOREM TAXES	0.00		45,266.50	49.69	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	49.88	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	918.40	25.43	10,332.02	11.34	11,700.00	1,367.98
121 EMPLOYER PERA CONTRIBUTIONS	68.90	1.91	774.90	0.85	878.00	103.10
122 EMPLOYER FICA CONTRIBUTIONS	55.06	1.52	634.30	0.70	725.00	90.70
123 EMPLOYER MEDICARE CONTRIBUTION	12.87	0.36	148.36	0.16	170.00	21.64
130 EMPLOYER PAID INSURANCE	166.76	4.62	922.44	1.01	2,000.00	1,077.56
150 WORKER'S COMPENSATION	0.00		47.76	0.05	100.00	52.24
210 OPERATING SUPPLIES	13.95	0.39	258.53	0.28	400.00	141.47
303 ENGINEERING FEES	2,353.92	65.17	3,171.84	3.48	3,000.00	-171.84
304 LEGAL FEES	0.00		0.00		4,000.00	4,000.00
321 TELEPHONE	22.29	0.62	220.76	0.24	500.00	279.24
325 COMMUNICATION-OTHER	0.00		221.67	0.24	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	0.43	500.00	104.00
351 LEGAL NOTICES PUBLISHING	0.00		50.70	0.06	0.00	-50.70
360 INSURANCE	0.00		388.28	0.43	360.00	-28.28
414 COMMERCIAL PROGRAMS	0.00		7,969.00	8.75	20,000.00	12,031.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		1,654.43	1.82	4,500.00	2,845.57
440 PROFESSIONAL SERVICES	0.00		285.00	0.31	500.00	215.00
444 OTHER CONTRACTUAL SERVICES	0.00		43,628.00	47.89	42,500.00	-1,128.00
720 OPERATING TRANSFERS	0.00		20,000.00	21.95	0.00	-20,000.00
Account Total						
	3,612.15	100.00	91,103.99	100.00	92,533.00	1,429.01
Total Department	3,612.15	100.00	91,103.99	100.00	92,533.00	1,429.01
Total Expenses	3,612.15	100.00	91,103.99	100.00	92,533.00	1,429.01
Net Income (Loss)	-3,612.15	-100.00	-45,657.49	-50.12		

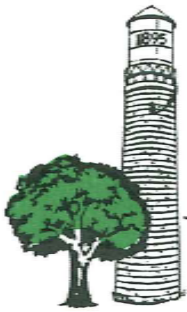
EDA Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	12.31.19 Balance	Prin Recvd YTD	11.30.20 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	3,504	37,085
Dollar Video	8/1/2009	\$ 50,000	3.0%	345.29	14 years 9/1/2024	18,023	3,344	14,679
Gibbs	10/14/2015	\$ 80,000	3.0%	772.49	10 years 1/1/2026	52,128	7,813	44,315
Millwork	7/1/2016	\$ 90,000	3.0%	499.14	20 years 6/1/2036	77,876	3,391	74,485
Whitmarsh	6/28/2018	\$ 5,000	4.75%	90	5 years 7/1/2023	3,768	842	2,926

EDA RLF Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	Loan	Prin Recvd YTD	11.30.20 Balance
Gadient	4/27/2020	\$ 5,000	0.0%	100	1/1/2025	5,000	0	
Daisie Mae Consignements	5/1/2020	\$ 2,400	0.0%	100	11/1/2022	2,400	0	2,400

Check Returned



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: November 30, 2020

Re: 2020 Tax Abatements

Summary:

Gibbs Partnership, LLP and Elite Marketing & Investments, LLC have Tax Abatement Agreements with the EDA. The EDA abates the city's portion of property taxes at the end of the year pending the businesses are up to date with property taxes. Attached are the property tax records for each business. Also attached are the verified claims for the abatement to each business.

The tax abatement amount for Gibbs Partnership, LLP is \$2,876.00 and the tax abatement amount for Elite Marketing & Investments, LLC is \$3597.33. Upon inspection of the property tax records, each business is up to date with property taxes due.

Action Requested:

It is requested the EDA Board motion to approve the 2020 tax abatement for Gibbs Partnership, LLP in the amount of \$2,876.00.

It is requested the EDA Board motion to approve the 2020 tax abatement for Elite Marketing & Investments, LLC in the amount of \$3587.33.



DODGE COUNTY
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Property Tax

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Print Screen



PDF Tax Bill

Dodge County

Property Information, Owner, Legal Description, and Assessed Values displayed below are taken from the Tax Statements (good as of the date the tax statements were printed).

The Taxes, Special Assessments, Penalty, Interest, Paid To Date, Balance Due, Installment, Receipt information, and History is live information (accessed live from the County's Tax System dynamically).

Property Information

Parcel Number 24.355.0080

Payable Year: 2020

Property Address

301 5TH ST SE KASSON

Tax Roll Type: Real Estate

Jurisdiction : KASSON CITY

School District: SCHOOL DISTRICT 204

Owner Information

Primary Taxpayer/Owner

ELITE MARKETING &
INVESTMENTS LLC
301 5TH ST SE
KASSON MN 55944

Legal Description

Sect-33 Twp-107 Range-016 KASSON INDUSTRIAL PARK
LOT 1 & 2 BLK 3

Plat: 24355

Real Estate and Personal Property Taxes are determined using the previous year assessment value.
Mobile Home Taxes are determined using the current year assessment value.

***Additional reductions in taxable value may apply due to special tax deferrals, This Old House, Plat Laws, etc.*

Property Classification: INDUSTR

Assessment Year

Est. Market Value - Total	\$305300
Taxable Market Total	\$305300

Payable Year

Total Tax \$10,230.00

Special Assessments

2020 RECYCLE FEE	\$28.00
Penalty	\$0.00
Interest	\$0.00
Fee	\$0.00
Tax/Asmts	\$10,258.00
Total	\$10,258.00
Paid To Date	\$10,258.00
Unpaid Balance	\$0.00

Installments

Installments	Due Date	Due Amount
Taxes/Assessments 1st Half	05/15/2020	\$0.00
Taxes/Assessments 2nd Half	10/15/2020	\$0.00

Receipts

Receipt#	Date	Amount
0005054	05/13/2020	\$5,129.00
0005495	10/13/2020	\$5,129.00

History

Payable Year	Tax	Special Assessment	Penalty Interest & Fees	Amount Paid	Total Due	Add To cart
2019	\$8,078.00	\$28.00	\$0.00	\$8,106.00	\$0.00	Paid
2018	\$8,376.00	\$26.00	\$1,995.47	\$10,397.47	\$0.00	Paid
2017	\$9,700.00	\$26.00	\$3,794.38	\$13,520.38	\$0.00	Paid
2016	\$10,004.00	\$24.00	\$601.68	\$10,629.68	\$0.00	Paid
2015	\$9,980.00	\$24.00	\$443.31	\$10,447.31	\$0.00	Paid
2014	\$9,348.00	\$24.00	\$0.00	\$9,372.00	\$0.00	Paid
2013	\$9,734.00	\$24.00	\$0.00	\$9,758.00	\$0.00	Paid
2012	\$9,758.00	\$22.00	\$0.00	\$9,780.00	\$0.00	Paid
2011	\$9,272.00	\$22.00	\$0.00	\$9,294.00	\$0.00	Paid



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Property Tax

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Print Screen



PDF Tax Bill

Dodge County

Property Information, Owner, Legal Description, and Assessed Values displayed below are taken from the Tax Statements (good as of the date the tax statements were printed).

The Taxes, Special Assessments, Penalty, Interest, Paid To Date, Balance Due, Installment, Receipt information, and History is live information (accessed live from the County's Tax System dynamically).

Property Information

Parcel Number 24.355.0060

Payable Year: 2020

Property Address
400 5TH ST SE KASSON

Tax Roll Type: Real Estate
Jurisdiction : KASSON CITY
School District: SCHOOL DISTRICT 204

Owner Information

Primary Taxpayer/Owner
GIBBS PARTNERSHIP LLP

P O BOX 152
BYRON MN 55920

Escrow Information

Escrow Agent: HOME FEDERAL SAVINGS BANK

Legal Description

Sect-33 Twp-107 Range-016 KASSON INDUSTRIAL PARK
Lot-006 Block-001

Plat: 24355

Real Estate and Personal Property Taxes are determined using the previous year assessment value.
Mobile Home Taxes are determined using the current year assessment value.

***Additional reductions in taxable value may apply due to special tax deferrals, This Old House, Plat Laws, etc.*

Property Classification: INDUSTR

Assessment Year

Est. Market Value - Total	\$382400
---------------------------	----------

Payable Year

Total Tax	\$13,329.62
-----------	-------------

Taxable Market Total	\$382400
----------------------	----------

Special Assessments

2020 DLQ CHARGES	\$102.38
2020 RECYCLE FEE	\$28.00

Penalty	\$0.00
Interest	\$0.00
Fee	\$0.00

Tax/Asmts	\$13,460.00
Total	\$13,460.00
Paid To Date	\$13,460.00

Unpaid Balance	\$0.00
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Installments

Installments	Due Date	Due Amount
Taxes/Assessments 1st Half	05/15/2020	\$0.00
Taxes/Assessments 2nd Half	10/15/2020	\$0.00

Receipts

Receipt#	Date	Amount
0160073	05/06/2020	\$6,730.00
0163859	09/22/2020	\$6,730.00

History

Payable Year	Tax	Special Assessment	Penalty Interest & Fees	Amount Paid	Total Due	Add To cart
2019	\$11,988.00	\$28.00	\$0.00	\$12,016.00	\$0.00	Paid
2018	\$12,500.00	\$26.00	\$0.00	\$12,526.00	\$0.00	Paid
2017	\$11,570.00	\$26.00	\$0.00	\$11,596.00	\$0.00	Paid
2016	\$4,876.00	\$24.00	\$0.00	\$4,900.00	\$0.00	Paid
2015	\$4,784.00	\$24.00	\$0.00	\$4,808.00	\$0.00	Paid
2014	\$4,460.00	\$24.00	\$0.00	\$4,484.00	\$0.00	Paid
2013	\$4,578.00	\$24.00	\$92.04	\$4,694.04	\$0.00	Paid
2012	\$4,736.00	\$22.00	\$95.16	\$4,853.16	\$0.00	Paid
2011	\$4,444.00	\$22.00	\$673.25	\$5,139.25	\$0.00	Paid

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VERIFIED CLAIM OF

Elite Marketing & Investments LLC

DATE _____ AMOUNT 3597.33

Check No. _____ Vendor No. 5299

[illegible]

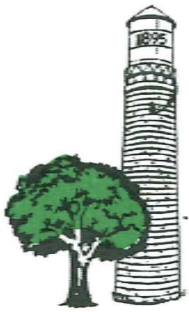
Approved by _____

Gibbs Partnership

Check No. _____ Vendor No. 5201

[illegible]

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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: November 30, 2020

Re: Subordination Agreement – Elite Marketing & Investments, LLC

Summary:

Hansen Title & Legal Services has been working with Joe Lonzo of Elite Marketing & Investments, LLC to refinance the business's loan. The EDA has received a request from Elite Marketing & Investments, LLC to subordinate its position on the business's mortgage. Subordinating the Kasson EDA's position will allow Elite Marketing & Investments LLC to refinance and improve their financial position. Attached is the proposed subordination agreement between the Kasson EDA and Elite Marketing & Investments, LLC.

Action Requested:

It is recommended the EDA motion to approve the subordination request and that the subordination agreement shall be executed by a representative of the Kasson EDA.

(Top 3 inches reserved for recording data)

**SUBORDINATION AGREEMENT
by Business Entity**

DATE: **December** _____, 2020

FOR VALUABLE CONSIDERATION, the undersigned hereby subordinates the lien on real property in **Dodge** County, Minnesota, legally described as follows:

Lots 1 & 2, Block 3, Kasson Industrial Park, in the City of Kasson, Dodge County, Minnesota.

Check here if all or part of the described real property is Registered (Torrens) ☐

which is evidenced by a **Mortgage** dated **May 31, 2016**, and recorded on **July 21, 2016**, as Document Number **A217002**, in the Office of the ☒ County Recorder ☐ Registrar of Titles of **Dodge** County, Minnesota, to a subsequent lien evidenced by a **Mortgage** from **Elite Marketing & Investments, LLC, a Minnesota limited liability company** to **Manufacturers Bank and Trust Company**, in an amount not to exceed **One Hundred Seventy Six Thousand and 00/100 Dollars (\$1276,000.00)** and recorded on _____, as Document Number _____ in the Office of the ☒ County Recorder ☐ Registrar of Titles of **Dodge** County, Minnesota.

Note: Remainder of page left blank, signature page follows.

Kasson Economic Development Authority

By: _____

Its: _____

By: _____

Its: _____

State of Minnesota, County of **Dodge**

This instrument was acknowledged before me on **December** _____, **2020**, by _____
as _____ and by _____ as _____
_____ of **Kasson Economic Development Authority**, an economic development authority created
pursuant to Minn. Stat. Sec. 469.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
Hansen Title & Legal Services, LLC
2518 Superior Drive NW
Suite 100
Rochester, MN 55901

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 _____

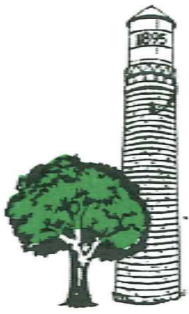
COMMUNITY AND ECONOMIC DEVELOPMENT ASSOCIATES

By



Its CEO/President

Date October 28, 2020



MEMO

To: Economic Development Authority Board

From: Nicholas Ouellette, EDA Staff

Date: November 30, 2020

Re: Southwest Land Discussion

Attached is a revised concept plan from WHKS which reflects the most recent discussions on prospective development by the EDA Board. Brandon Theobald also provided some rough costs for infrastructure development:

8th Street and 240th Avenue

- \$1,200,000 - \$1,500,000 for roadway improvements and utilities to site
- This project is on the City's draft long term capital improvement plan, timed for 5 or more years into the future

Residential and Commercial Development (West Side)

- \$1,200,000 - \$1,500,000 for roadways and utilities

Industrial Development (East Side)

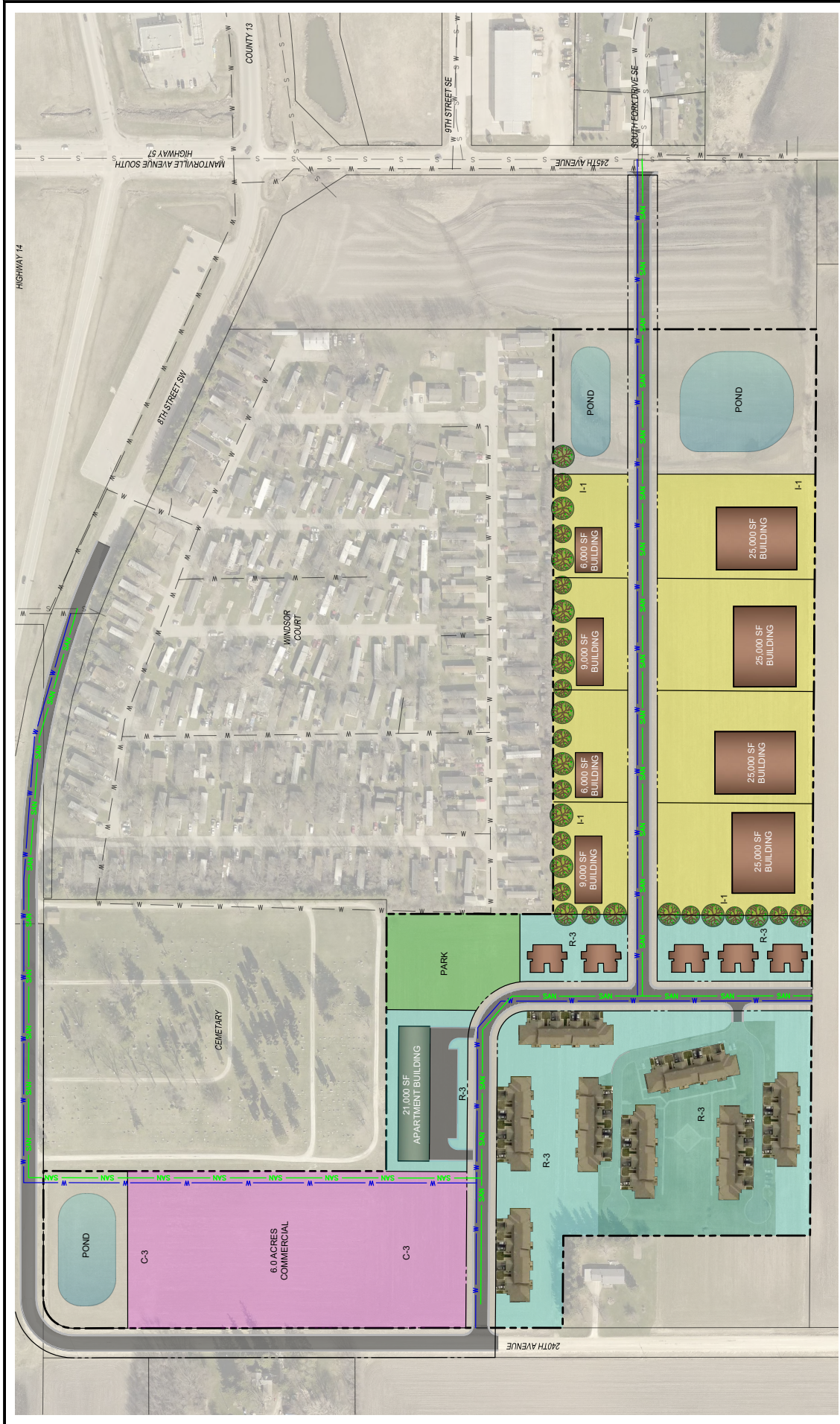
- \$1,100,000 to \$1,400,000

Total Project Rough Estimate:

- \$3,500,000 - \$4,400,000

I met with Tracy Lauritzen, who manages CEDA's Market Intelligence Dashboard Tool, to request a market potential study be completed for Kasson. An aspect of this study will investigate the market potential for businesses in Kasson for industries related to the Innovative Business Development Public Infrastructure (BDPI) program. The study will be useful to substantiate market potential for businesses related to the BDPI program, and possibly identifying a business with a desire to relocate or expand to Kasson as part of a BDPI program application. If a Board member is unfamiliar with the premise behind the BDPI Program I have attached part of the BDPI Concept and Applications document from DEED.

Also attached is public input for the southwest land development discussion, submitted Jerry Berg, regarding the capacity of Maple Grove Cemetery.





Innovative Business Development Public Infrastructure Application

Minnesota Statute 116J.435

Innovative Business Development Public Infrastructure Program Concept and Application Instructions

BACKGROUND/PURPOSE

The Minnesota Department of Employment and Economic Development (DEED) has the authority under Minnesota Statute 116J.435 to award grants to assist Eligible Applicants with the development of costly public infrastructure to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new innovative businesses.

ELIGIBLE APPLICANTS

Eligible Applicants for the Innovative Business Development Public Infrastructure (IBDPI) Grant Program include counties, cities, towns, special districts, public higher education institutions, or other political subdivisions or public corporations.

TYPES OF FUNDING AVAILABLE

DEED provides funds as a grant.

APPLICATION DEADLINE

The Department of Employment and Economic Development (DEED) will accept applications on an open application, (pipeline) basis until all funds are committed. DEED reserves the right to modify or withdraw this application at any time and is not responsible to reimburse an applicant for costs incurred in the preparation or submittal of their application.

FUNDS AVAILABLE

Call DEED if interested and a current amount funds available will be provided.

MAXIMUM AWARD

There are no funding limits for proposals requesting funds from the IBDPI Program. Larger levels of funding may be requested if there is significant leverage, job creation, tax base increase and other factors that warrant the increased funding amount.

Based on the number of eligible applications, funding availability and award amounts will be determined solely by DEED.

MATCH REQUIREMENT

The amount of a grant may not exceed the lesser of the cost of the public infrastructure or 50 percent of the sum of the cost of the Public Infrastructure plus the cost of the completed Eligible Project.

A Local Governmental Unit's resolution certifying that the required match is being provided must be included with the application. A sample resolution is attached.

ELIGIBLE PROJECTS

An Eligible Project means an innovative business development capital improvement project in this state, including: manufacturing; technology; warehousing and distribution; research and development; innovative business incubator; agricultural processing; or industrial, office, or research park development that would be used by an innovative business.

Public Infrastructure means publicly owned physical infrastructure, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, parking ramps, facilities that support basic science technology and clinical research, and research infrastructure. Funds may also be used to acquire and prepare land on which public infrastructure required to support an eligible project will be located, including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, construct, furnish, and equip public infrastructure required to support an eligible project.

Capital Costs are defined as an expenditure associated with the improvements to the land, (land costs can be capital costs) made as part of the activities for which application funds are being requested. Capital Costs cannot include feasibility studies, platting, or project administration.

Innovative Business means a business that is engaged in, or is committed to engage in, innovation in Minnesota in one of the following: using proprietary technology to add value to a product, process, or service in a high technology field; researching or developing a proprietary product, process, or service in a high technology field; researching, developing, or producing a new proprietary technology for use in the fields of tourism, forestry, mining, transportation, or green manufacturing.

Proprietary Technology means the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted.

Note: *If your project does not meet one of the above criteria, but you still feel it is a viable grant program project, please contact DEED for clarification prior to submission of an application.*

SELECTION CRITERIA

Innovative BDPI Grant Program applications will be evaluated on the following criteria:

1. The project has well documented interest by a business(es) to justify the need for the infrastructure.
2. The project will have substantial economic benefit to the community in which the project will be located.
3. The project is not relocating substantially the same operation from another location in the state, unless DEED determines the project cannot be reasonably accommodated within the city or county in which the business is currently located, or the business would otherwise relocate to another state. Such evidence must be included in the application.
4. The number of and salaries of full-time jobs created and/or retained.
5. The amount of tax base increase expected from the project and the businesses started in the development.
6. The amount of leverage committed to the public project.
7. The timeliness of project completion and businesses opening.

Additionally, the IBDPI Grant Program shall prioritize projects that provide the highest return in public benefits for public costs incurred. "Public Benefits" include job creation, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax maintenance or improvement. In making this judgment, DEED shall give priority to eligible projects with one or more of the following characteristics:

- Potential of the local government to attract viable innovative businesses

- Proximity to public transit if located in a metropolitan county¹
- Multijurisdictional eligible projects that take into account the need for affordable housing, transportation, and environmental impact.

The most competitive applications are those that can demonstrate within their request the following:

- A strong, well-documented need and an effective solution This would include documented financial costs, reasonable budgets, secured leverage resources;
- How the proposal addresses the goal of the application;
- Committed business(es), number of full-time jobs created and their salaries
- Project Readiness – will the project be started within 6 months after DEED approval;
- Evidence that the Eligible Applicant and/or their partner are able to perform and complete the tasks stated within the application.

DEED DISBURSEMENT REQUIREMENTS

Supporting documentation (including invoices and canceled checks) for all incurred costs (including the required match) must be included with each pay request in order for DEED to process payment. DEED will only reimburse for completed work that has been paid for by the grantee.

TIME TABLE FOR COMPLETION OF AWARDS

Projects should be completed within three (3) years of execution of the funding agreement, unless an extension is requested by the awarded community in writing and approved by DEED. If the project has not proceeded in a timely manner (i.e. within six (6) months of scheduled construction start date), DEED has the authority to cancel the award. Projects must be occupied by an Innovative Business within 5 years of the last grant payment or the grant recipient must repay the amount of the grant received.

APPLICATION REQUIREMENTS/TIME TABLE

Please submit **one original and one copy** of the application to DEED, the approving authority.

Applications will be accepted on an open application basis (pipeline) until all funds are committed. DEED will provide notice on their website when all funds have been committed.

REPORTING REQUIRMENTS

DEED will provide each grantee with the necessary reporting documents. Reports must be provided to DEED upon request.

APPROVING AUTHORITY

Eligible applicants must submit **one original and one copy** of the application to be considered for funding to the address listed below.

Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, Minnesota 55101-1351
Attn: Jeremy LaCroix

CONTACTS

Jeremy LaCroix
651-259-7457
Jeremy.lacroix@state.mn.us

¹ As defined in section 473.121, subdivision 4.

November 6, 2020

Members of the Kasson EDA,

After viewing the video of the November 3rd meeting of the EDA meeting, I have a suggestion/comment about the proposed development of the land west, south and east of the Maple Grove Cemetery. I would suggest preserving the land directly west and directly south of the cemetery for future cemetery use. It will never again be available if it is sold and developed for residential or any other use. I don't know the history of the purchase of the land but I had assumed someone had the foresight of securing it for future cemetery expansion.

There are approximately 5,550 plots in the current cemetery. Of those plots (as of November 25, 2015) approximately 2,543 have remains interred. This has happened over a 150-year period but, of course, the population of Kasson and surrounding area has and is growing very fast and with it there are deaths from that population.

There is a current trend toward cremation which could lessen the demand for space. There are solutions to save space for preservation of cremation remains, however, that trend could easily return to full burials.

I believe we have a one-time opportunity to provide for the future of Maple Grove Cemetery which should not be lost. There is certainly other space for "living" development in Kasson. Our forefathers saw the need for sufficient burial space. Let us not lose the opportunity to continue that vision.

Thank you for your service to the Kasson community and listening to my thoughts,

Jerry Berg
506 5th Ave NW
Kasson, MN

Economic Development Authority Coordinators Report

Nicholas Ouellette

November 3, 2020 – December 1, 2020



Meetings

1. Hy-Vee Grand Opening
2. Wendell Engelstad
3. Tracy Lauritzen

Dodge County Small Business & Nonprofit Relief Funds Program

The program has been closed as the deadline for Dodge County to allocate its CARES Act funds is December 1. The program was successful locally, with:

- \$40,000 awarded to non-profit organizations in Kasson
- \$100,897 awarded to businesses in Kasson

Old Library Building – 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. In discussions with the Dodge County Assessor's office, the current estimated market value of the Old Library Building is \$73,000. It is important to note the Chuy's Bakery Building (f.k.a. Jimmy's Pizza Bldg.) was sold for \$60,000; that property is smaller but has better exposure. The market value for the Old Library Building is projected to be between \$75,000 and \$100,000.

I have received an example of a lease-to-own agreement from a colleague at CEDA which will provide insight into how a lease-to-own agreement could be constructed. Should the EDA be open to discussions with Trail Creek Coffee Roasters on a lease-to-own agreement for the Old Library Building, it may be beneficial to hold preliminary discussions at the Loan Review Committee level.

Online Property Inventory

Properties have been posted on the online inventory. Attached is a copy for one of the property listings. These may change in the near future as the City is changing website services to Revize. The transition to Revize will allow us to revamp the EDA webpage.

Wendall Engelstad

Wendall Engelstad is exploring options to develop a 40-acre property northwest of Kasson, just beyond city limits. Mr. Engelstad met with myself, Timothy Ibisch, and City Engineer

Brandon Theobald to discuss the potential for development and next steps for Mr. Engelstad to move his project forward.

CEDA Market Intelligence Dashboard Tool

I met with Tracy Lauritzen to discuss a market potential study for the City of Kasson. This tool is provided at no cost to CEDA communities. I requested a market potential study be completed for Kasson that examines all industries. We have a basic understanding of the amount of business lost to Rochester, however, with an up to date and more nuanced understanding of market potential the EDA can use this study as a tool for business attraction and retention. I also requested Ms. Lauritzen focus on market potential in industries related to the BDPI program with respect to the Southwest Land development project. We hope to have the market potential study completed in January or early February.

Land for Apartment Development

I received a request from a developer for a list of 1-acre sites in Kasson appropriately zoned for apartment development. I provided a list of 12 possible properties for apartment development. There were a number of properties that met the 1-acre criteria; however, none of the properties were zoned in a district that allowed for high density dwellings. A majority of the 1-acre properties fall into commercial or industrial districts which require rezoning to allow for apartments.

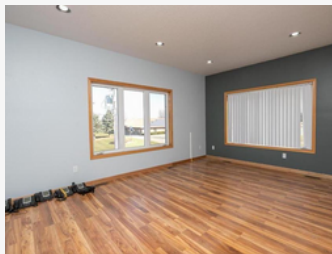
Downtown Lots Committee

Following the discussion on the downtown lots owned by the EDA, I plan to reconvene a Downtown Lots Committee (Tom, Michael, and myself) to discuss plans to improve the space as a park amenity. The lots will be posted in the online property inventory as well.

Dodge County Youth Hockey

I would like to discuss the possibility of creating a sub-committee, or delegating to an existing one, to manage discussions with Dodge County Youth Hockey regarding the arena project. I have requested Dodge County Youth Hockey provide estimated finances for the project and projects for how the arena would operate as a next step.

302 5TH STREET SE



LIST PRICE

\$695,000

As of 11/12/2020

PROPERTY FEATURES

- Year Built: 1993 & 2003
- Zoning: I1 - Business Park, Light Industrial Park
- Multi-use office, retail, and commercial space
- High Traffic Visibility from Highway 14
- Lot Size: 1.14 Acres
- Square Feet: 17,282
- Loading Dock
- 3-Phase 120/208V

CONTACT INFO

Mike Stevens (realtor)
(507) 951-0493
mike@realtyplus.com

MORE INFORMATION

<https://bit.ly/302FifthSt>





To: City Council
Date: 11/18/2020

Agenda Heading: City Administrator's Report

"Don't wait until the fourth Thursday in November, to sit with family and friends to give thanks.
Make every day a day of Thanksgiving!" — **Charmaine J. Forde**

- **PERA Opening for City Representative on Its Board of Trustees.** The Public Employees Retirement Association (PERA) has posted two opportunities to serve on the PERA Board of Trustees — one to represent cities and a second to represent counties. Both positions are four-year terms and are appointed by the governor. The PERA Board of Trustees approves PERA's operating budget, decides legislative policy and priorities, and hires the executive director. In addition, the trustees establish the policies and procedures that govern operations at PERA, hear and rule on appeal matters of disabilitants, retirees, and members, and direct the dissemination of information to PERA's members. If you are interested in serving on the PERA Board of Trustees, you can apply through the Office of the Secretary of State website. The first application review date is Nov. 23.
- **EDA Updates.** Our EDA met last week and discussed a number of issues. Loan performance has been strong this year. The City Engineer was on hand to present a possible option for development of the SW Kasson property. That map is included into your packet. It has not been finalized and will likely change significantly before it is finalized. It will also require some amendments to the Comprehensive Plan. Additionally, the Board heard a presentation from a local youth hockey group. They are interested in a potential new area which could incorporate 2 ice sheets.
- **Insurance and Audit RFP results.** Included in your packets this evening are the proposals related to insurance and the 2020-2022 audits. The subcommittee reviewed these proposals and their recommendations are incorporated into the resolutions which we are seeking approval for tonight. They are recommending Stevenson Insurance for next year and Eide Bailly for the next 3 years. The total costs for these are included and should provide some surety over the next few years.
- **Election Day Canvassing.** The City Clerk conducted the County canvassing this past Friday. We will complete our requirements at tonight's meeting. All told the election proceedings went quite smoothly. We had extremely high turnout and very few issues. Most of the lawn signs are down and hopefully we will not have any more problems for at least 2 years! Let Linda know if you have any questions.

- **CIP/5-year plan**. This fall we have been working on a new 5-year plan for projects. This is incorporating a number of factors namely budgets, staffing, direct needs, and ways to control costs. The City Engineer has put together a packet of information and it details how we will be costing these items out. There are a variety of funding sources which give us some flexibility, including fund balance, utility contributions, assessments, and some debt levy proceeds. Please review this information and get back to us regarding any updates. We will be reviewing this in more detail at the annual schedule which will be likely held in late January or February.
- **Gov. Walz Executive Order changes**. He announced measures that close bars and restaurants at 10 p.m. and restrict the sizes of weddings, funerals and indoor and outdoor gatherings. In addition to early closing times, counter service will not be permitted at bars and social games such as darts and pool will not be allowed. Takeout service can continue after 10 p.m., though, and service at cafeteria-style counters can continue. Group gatherings will be limited to 10 people, indoors and outdoors, from no more than three households. This may be difficult if not impossible to enforce.

Wedding and funeral crowd sizes also will be limited due to state health data showing that those events have spawned numerous outbreaks this fall and summer. The reductions will be phased in to allow for immediate events in the coming days to proceed as planned. Right now, local police have not been involved in enforcement measures and hopefully cooler weather will naturally restrict the size of gatherings.

- **Budget Revisions**. The State's new budget forecast is due out in early December and it will provide more transparency on the condition of revenue collection. Overall signs seem to be promising however, its likely that with the changes Gov. Walz has implemented by executive order that most of the gains have already been realized. With that in mind, we have taken a conservative line on budget changes. I believe that we are in better shape to address the expected shortfalls compared to any other point in the City's history. While we may face one or more difficult fiscal years ahead, the prudent decisions that have been made should help us avoid the lingering structural budget problems that overwhelmed the local economy before. We may have some difficult choices in the next 18 months, but it seems clear will be able to return to the stability, optimism, and innovation that characterized our recent efforts if we remain responsible. As part of that process, staff has made some changes and needs feedback from Council. Are we on the right track? Or do other changes need to be made. Let me know ahead of our next meeting.
- **Mayor for a Day**. The League of Minnesota Cities is holding their annual essay contest, and we're encouraging elementary students in grades four to six to participate and share their vision of what they would do if they were mayor for a day. Entries for the 2020 Mayor for a Day essay contest must be emailed or postmarked by Dec. 7. Submission forms and additional information are available online at www.lmc.org/mayorforaday. Three winners will be chosen and awarded \$100, as well as have their essays published in the League's Minnesota Cities magazine.

Meetings and Events Attended or Planned

October 29	CMPAS CEO Search Committee
November 2	Hwy 14 Corridor Analysis PAC Meeting
November 3	Election Day EDA
November 5	City Engineer Public Works Review
November 6	Budget Updates
November 9	Englestad Property Meeting CIP Planning
November 10	Labor Relations Webinar Staff Meeting-Finance Director
November 12	City Engineer SE League Policy Chat-Brenda Johnson
November 13	Southeast ED Professionals Meeting
November 17	MCMA Member Connect Park Board
November 18	CMPAS Board Meeting-Eden Prairie Council Worksession Regular Council meeting