

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY
MEETING November 3, 2015

Pursuant to due call and notice thereof, a regular meeting of the Kasson EDA was held at City Hall this 3rd day of November, 2015 at 12:00 p.m.

The following members were present: Stevenson, Egger, Johnson, Langan and Wegner.

Absent: Peterson

The following staff members were present: Mike Martin, Community Development Director, City Clerk Rappe, Finance Director Zaworski and City Administrator Theresa Coleman

Also Present: Milt Kuball and Lynn Sturgis

CALL TO ORDER: Chair Stevenson called the meeting to order at 12:00

MINUTES OF PREVIOUS MEETINGS: Motion by Langan, second by Johnson to approve the minutes of regular meeting October 6, 2015 with all voting Aye.

Economic Development Director stated that Omar's Kitchen is no longer behind on their payments as of yesterday and the Financial report submitted does not reflect that.

FAREWELL TO LYNN STURGIS: Chairman Stevenson presented a framed certificate to Lynn Sturgis for her years of dedication and service to the Economic Development Authority.

INTRODUCTION OF CITY ADMINISTRATOR: Theresa Coleman. The new City Administrator, introduced herself to the EDA members.

OMAR'S KITCHEN LOAN REQUEST: Economic Development Director Martin stated that Omar and Lori Feyer from Omar's Kitchen has filed an application for an EDA loan of \$50,000. Martin stated that we have had a loan with Omar's Kitchen and their payment history is inconsistent. Egger stated that their payment history is not good and they get too far behind and this wouldn't be a good idea. Chairman Stevenson agreed and this doesn't fulfill the needs of Kasson by expanding the tax base and employment. Finance Director Zaworski stated that the EDA has approximately \$124,000 left to loan. Wegner would not want to spend one third of what we have left on this loan.

Motion by Wegner and second by Egger to deny this application, with all voting Aye.

FOLKESTAD BUILDING INVESTIGATION: Economic Development Director Martin stated that there were many reasons for the cost of the Folkestad building. There were extenuating environment issues and the buildout was overspent. There were items that were not in the estimate, like the fence and sidewalk that made sense to do even though they were not included. Chairman Stevenson asked who signed off on the bills. Martin stated that the Architect signed off on the bills and then they were approved by the City Council. Johnson would like to continue this investigation. Finance Director Zaworski stated that the bids were given and scrutinized. The EDA would like to examine the detail of the bills that were signed off and paid. Langan stated that he is embarrassed to have been on the EDA and associated with this when these decisions were made. Martin stated that the original engineer's estimate was around \$700,000-\$900,000 and bids came in over that amount.

COMMERCE DRIVE REPORT: Martin stated that Commerce Drive will be a 2016 project. The City has not gotten formal approval from MNDoT and we have had some design issues with

wetlands, and the changing of engineers have all caused delays in starting the construction of this project. The business wanting to locate on Commerce Drive has been notified of the delay.

LAND SALE REPORT: The Folkestad Building is scheduled to close on November 16, 2016. We have continued interest in the Shopko lot. The City has been formally turned down for another entrance onto Mantorville Ave. The party that has been interested in this lot is looking at different traffic patterns they could make work. Martin stated that the realtor has been approached by a used car business on the Shopko lot but they only want to buy half of the lot. Johnson stated that we should find somewhere else for the used car lot. Martin stated that the cost of the Shopko lot is \$128,000.

OTHER BUSINESS: Stevenson asked about the money owed on the loan from Dollar and Video since they are closing. Martin stated that the loan was on the building and they will still own the building.

ADJOURNED: Meeting adjourned at 12:23 pm

Respectfully Submitted,
Linda Rappe, City Clerk