

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY  
MEETING December 2, 2014

Pursuant to due call and notice thereof, a regular meeting of the Kasson EDA was held at City Hall this 2nd day of December, 2014 at 12:00 p.m.

The following members were present: Ehmke, Peterson, Langan, Sturgis, Hopkins and Wegner  
Absent: None

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

Also Present: Mayor-elect Johnson, Councilperson-elect Buck, Tom Monson-Dodge County  
EDA and CEDA

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

**MINUTES:** Motion for approval of the meeting minutes from November 10, 2014 made by Sturgis, seconded by Peterson, All Ayes.

**FINANCIAL REPORT:** Martin stated that we are not as far in the negative as the reports show. This will be cleared up with the year-end accounting transactions the Finance Director will make for the auditors. Finance Director Zaworski stated that the 2014 final numbers should be ready for the February EDA meeting. Chairman Ehmke asked what funds the EDA actually has available to use? Zaworski stated the EDA has \$128K as an unreserved fund balance.

**REVIEW OF OPERATING POLICIES AND PROCEDURES:** Martin asked the EDA to go through three important philosophy questions;

1. Should the City assist retail/commercial developments – the consensus of the EDA is that retail is part of economic development.
2. Should the City actively recruit new business to the community – Martin stated that we have not recruited in the past. We have responded. Sturgis stated we need more industrial. In most cases businesses have always come to us the only business Martin has made first contact with was Cleary's. Langan stated that we don't have don't have enough time and resources to go out recruiting. Martin stated that we do have our resources listed with the State Economic Development and we work with the Economic Development agencies in the area and the Rochester Economic Development. Most developers that have come in have done their research and know more about the community than we do. Tom Monson stated that neither Dodge County nor any City in Dodge County is actively marketing, they have joined the Rochester Chamber of Commerce to get into the DMC development and the developers interested in locating around Rochester. Stewartville is actively marketing on-line through national marketing and are looking at more technology based marketing. Martin stated that the City of Kasson doesn't own industrial land and we would have to be marketing someone else's property. Dodge County has a very low unemployment rate. Mr. Monson stated that the majority of Dodge County labor force works in Rochester, second is Kasson and third is Dodge Center. Martin is working with a group to reach out to returning veterans. Wegner stated that we need to be known as a community who is looking for businesses. Martin stated that we will work with the Chamber and advertise generally.
3. Should the City offer direct subsidies to new or expanding businesses – If we offer assistance to the business the money never goes into the business it is used for public

improvements. The special assessment money was used for oversizing the retention ponds, to move the park equipment and to build the trail. These are indirect subsidies. Erdman's is an old TIF district and the amount of money is going back to Erdman's is the amount above what the normal taxes would be and the City uses the rest of the tax money. Wegner asked what surrounding communities are doing, Martin stated that it is all over the map.

Martin stated that since the philosophy questions have been answered then we have to answer the policy questions;

1. Are written policies and procedures to limiting - Langan stated that every situation should be looked at individually and we shouldn't have a cookie cutter approach to subsidies.
2. Should projects be evaluated according to more subjective criteria – Martin stated that now we look at the business plan/proposal, the financial projections and these either match with what we are looking for or it doesn't. Should we be more subjective such as we like this business and not that business and be more selective as to what businesses we want in town? Peterson asked about the application and should we get more detailed in the application, Martin stated that the application stops a lot of people that come in, as basic as it is. We have sent people to places that would help them fill out their business plan, we don't send anyone out the door. Many people are looking to see what the City will give them to locate in Kasson. Langan stated that this is a good way to weed out businesses. Mayor-elect Johnson stated that picking and choosing businesses could cause the City some legal issues.
3. Should the role of the public in decision-making be expanded – Martin stated that with the Shopko project there were 11 separate public hearings and the City is still hearing that the public wasn't listened to. Peterson wanted to know what percentage or criteria do you consider the public opinion? Councilperson Egglar stated that do you listen to 5 people that show up or all that didn't show up. Chairman Ehmke stated that is what the elected officials are for and the public votes and voice are shown through the election process.

Martin stated that he will ask for a combined meeting with EDA, City Council and Planning Commission sometime in February to bring this forward.

**OTHER BUSINESS:** Langan brought up the Park Board issue of non-resident board members and wanted to know if that would be the same for EDA. Martin stated that this is not an issue for EDA. The EDA has no restrictions on where Board members reside. When a term is up, it is up to the Mayor.

ADJOURNED: Meeting adjourned at 12:52 pm

Respectfully Submitted,  
Linda Rappe, City Clerk