

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY
MEETING May 14, 2014

Pursuant to due call and notice thereof, a regular meeting of the Kasson EDA was held at City Hall this 14th day of May, 2014 at 12:00 p.m.

The following members were present: Ehmke, Langan, Sturgis, Peterson, Egglar, Hopkins and Wegner

Absent: None

The following staff members were present: Mike Martin, Community Development Director,

Also Present: Sandy Musolf

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

MINUTES: Motion for approval of the meeting minutes from April 1, 2014 made by Wegner, seconded by Peterson, All Ayes.

FINANCIAL REPORT: Martin apologized for not inviting Finance Director Zaworksi to this meeting but promised she will be at the next one to explain the reports.

PUBLIC HEARING – BUSINESS SUBSIDY AGREEMENT: Martin stated that this is a time for the public to speak on the contract for private development between the City and KTJ234, LLC. This is a requirement of the State of MN and there are three questions answered to satisfy the state requirement. The first is there has to be an agreement to create a certain number of jobs – we have agreed on 5 jobs. Sandy Musolf stated that at the beginning we were told they would 25-30 jobs, Martin informed Ms. Musolf that they will employment more than 5 but that is the minimum number we need to use for this subsidy. The second is that they need to be paid at least \$10 an hour. The contract contains these requirements in the agreement. It also contains the TIF information and

Business subsidy information. Oppidan will own all of lot A and the City will retain Lot B (Zomok property) for future commercial expansion. There were questions on the retention ponds and the DNR permits. Martin stated that there will be three ponds and all of the DNR permits except one have been issued. There were questions on what will be done with Lot B and Martin stated that that is not what this hearing is for and we don't know for sure yet what will go in there.

PUBLIC HEARING CLOSED

RESOLUTION RECOMMENDING APPROVAL OF THE CONTRACT FOR PRIVATE DEVELOPMENT INCLUDING A BUSINESS SUBSIDY AGREEMENT WITH KTJ 234 LLC – Sturgis finds the first WHEREAS in the contract offensive. Martin stated that language must be used and everyone finds it offensive. Sturgis also questioned what Oppidan will own, Martin stated that Oppidan will own the entire Lot A. Sturgis also does not like the last WHEREAS and Martin stated that is attorney language. Martin stated we made these findings when we made the TIF plan. **Motion to recommend approval** of the Contract for Private Development between the City of Kasson and KTJ 234 LLC made by Hopkins second by Peterson, Ayes: Ehmke, Egglar, Hopkins, Wagner and Peterson Nays; Sturgis and Langan

FOLKESTAD BUILDING UPDATE: The remodel is on schedule and almost finished. Just Like Home has already started moving some things in. The exterior still has to be finished and

there will be a fence in the back, that expense the City will split with the tenants and JLH will be putting in a patio and cabinets at their expense.

PRAIRIE STONE COFFEE AND JUICE – Martin stated that Prairie Stone has vacated the property and the City workers will be lifting the building and moving it to the Northeast Park and using it as a concession stand and bathrooms. Langan asked if anyone else was interested in it, Martin stated that since the building belonged to the City the Parks Department was very interested in using it. Wagner asked about the income from Prairie Stone, Martin stated that the City was losing approximately \$5K a year having Prairie Stone in there. It was an expensive building to build and pay taxes on since it was such a big lot and the EDA approved lowering the rent.

OTHER BUSINESS: Langan asked if he could email something to Martin and if he could share it with the City Council. Martin stated that would be fine. Langan stated he received this from the Institute of Local Self Reliance through the Kasson Chamber and he believes with Oppidan and big businesses and with Destination Medical Center in our midst that it would behoove us to read this.

ADJOURNED: Meeting adjourned at 12:42 pm

Respectfully Submitted,

Linda Rappe
City Clerk