

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY
MEETING August 4, 2015

Pursuant to due call and notice thereof, a regular meeting of the Kasson EDA was held at City Hall this 4th day of August, 2015 at 12:00 p.m.

The following members were present: Peterson, Stevenson, Johnson, Sturgis and Wegner.

Langan arrived at 12:10pm

Absent: Egger

The following staff members were present: Mike Martin, Community Development Director,
Admin Assistant Weigel, Finance Director
Zaworski

Also Present: Ron Eidem, Rose Carlson, Barb Meyer, Jerry Berg, Dan Gibbs, Gary Smith and
Heather Holmes.

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

MINUTES: Chairman Stevenson asked if the hole in the street near Eidem's property had been repaired yet. When the Community Development Director was unable to respond that it had, he was directed to bring the matter to the Public Works director again. *Motion for approval of the meeting minutes from June 2, 2015 made by Peterson, seconded by Johnson, Ayes: Peterson, Stevenson, Johnson, Sturgis and Wegner.*

JOURNEY TO GROWTH: Gary Smith, head of READI, Rochester Economic Development agency was present to share a new effort spearheaded by READI and Rochester Chamber of Commerce intended to complement the DMC process by bringing regional partners together. Mr. Smith presented an overview of their accomplishments to date and their vision for the future.

GIBBS BUISNESS EXPANSION: Dan Gibbs, majority owner of Gibbs Lawn Care. Mr. Gibbs would like to put up a larger storage building. He currently employs 14 people and most of those people have moved to Kasson and bought houses here. Mr. Gibbs would like to put up a 7500 SF storage building. Martin stated that Mr. Gibbs banker would like the EDA to deviate a little from the normal loan of 50-40-10 split, the banker would take 60% , the EDA 40%. Mr. Gibbs stated that he would like to take 15 years to pay off the loan and would like to get this enclosed before winter. He also asked if the EDA would support tax abatement for the project.

Wegner asked if Mr. Gibbs had looked into the 504 program in Rochester, Mr. Gibbs stated he had not. Mr. Gibbs is prepared to spend \$200-250K on this building.

Staff was directed to not delay on this project and to get the approvals done as rapidly as possible.

COMMERCE DRIVE PROPOSAL: Community Development Director Martin stated that the engineers and MNDoT have asked to switch the phases of this project and turn Commerce Drive into Phase one which would free up several acres for development this year and move 4th St SE to Phase two. This switch would allow the Demmer project to continue and, potentially, allow us to move forward with the T & K Auto relocation. We cannot get the DNR permits this year to put the three culverts in because of the wetlands connecting 4th St SE to Commerce Drive. The reason 4th St SE was picked to go first was for truck routes. Kasson is getting funds from

MNDOT to do this project. ***Motion to recommend to the City Council to start with Commerce Drive made by Sturgis, second by Peterson with all voting Aye.***

POTENTIAL SHOPKO LAND SALE: Martin gave the background on the acquiring of this property. Essentially the property in front of Shopko was paid for by bonds sold for the Shopko and Folkestad TIF project and the bonds are being repaid by the Shopko project, but the City owns it. Martin has been contacted by a couple of downtown business people to buy this lot at a relatively small amount to be developed. Peterson stated that the appraised value is \$128K. Chairman Stevenson stated that a \$10K offer is too low. Martin stated that when someone calls him he gives them the appraised price but tells them that the City is much more interested in what is being built than what it is sold for. Chairman Stevenson would like there to be more than Community Development Director Martin for people to talk to when they call City Hall. Martin stated that he has to bring all offers to the EDA. Chairman Stevenson stated that he is frustrated that he sees a lot going on but not in Kasson. Martin stated the lack of decision is not on our part. Chairman Stevenson would like to see the lot listed with a realtor. ***Motion by Wegner, second by Sturgis to list the property and other possible properties with Kirk Swenson with all voting Aye.***

OTHER BUSINESS: Johnson asked what is next for Gibbs? Martin stated that they will get the forms and paperwork filled out and put it on the next City Council agenda. Chairman Stevenson asked what Tax Abatement is? Martin stated is it abating the tax on the new building on a percentage. Martin stated that the general percentage of abatement is 90% of the new building and it is negotiated for the number of years. Jerry Berg asked where the loan that businesses are able to borrow from comes from? Martin stated this comes from the State of MN and is a revolving loan fund and is self-sustaining. Chairman Stevenson stated that most all cities have a revolving fund.

ADJOURNED: Meeting adjourned at 1:11 pm

Respectfully Submitted,
Linda Rappe, City Clerk