

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, October 6th, 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 6th day of October 2020 at 12:00PM.

The following board members were present: Chris McKern, Janice Borgstrom-Durst, Tom Monson, and Kathy O'Malley.

Absent: Dan Egger, Liza Larsen, and Michael Peterson.

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

- I. Call Meeting to Order. McKern called the meeting to order at 12:00PM.
- II. Approve Minutes of the Previous Meeting. Monson motioned to approve the September minutes. Borgstrom-Durst seconded.

Ayes (4), Nays (0). Motion carried.
- III. Financial Report. Ouellette reviewed the financial report with the Board. Ouellette noted no change in assets, net income earned on interest was \$450, and expenses were \$212 for the disbursement of a Business Façade Improvement Program grant. Ouellette informed the Board loan payments were being made as expected, and that Gadiant Hospitality had paid back their Short-Term Business Interruption Loan in full.
- IV. Downtown Lots – Tax Increment Financing District. Nancy Zaworski spoke to the Board regarding the Tax Increment Financing district on EDA owned lots on Mainstreet (TIF 1-17). Zaworski informed the Board the TIF district was created in 2009 and is expected to run until 2038. Interest has been charged to the district every year by the EDA. A concern is the TIF district has had any active development in order to start paying back the tax increments and interest accrued on the EDA loan to the district. Zaworski recommended the Board pass a resolution not to charge additional interest on the loan to the TIF district. The EDA would have the possibility to restart the interest payments in the future if development was to occur. Monson asked if there was any benefit or detriment to accruing a larger account receivable. Zaworski responded that it is a net scenario where interest accrued would likely be forfeited with no net loss or gain and the likely loss would be from the original amount loaned to the TIF district. Zaworski noted the TIF district has passed the time it is able to offer a developer an TIF incentive and be able to pay the City back unless the development was of a considerably large size. A possible benefit to leaving the TIF district in place is leaving open the possibility of payment back to the EDA if development occurs, without the ability to offer TIF incentives to a developer. Zaworski listed the options of leaving things as they are now or incur a financial loss to

decertify the TIF district. Decertifying the present TIF district would allow for the creation of a new TIF district. The new TIF district must be larger than the present TIF district, as bare land does not qualify for a redevelopment TIF. A housing TIF district is possible but Zaworski noted there are income limits and other reporting requirements. Ibisch noted if the land were sold to a developer it would likely be sold at a large discount, so it would not make sense to incur more interest. Zaworski continued to update the Board on the status of TIF districts throughout Kasson.

McKern stated he did not see the benefit in accruing additional interest from the TIF district. Ibisch requested Ouellette present a resolution to suspend accruing additional interest from the TIF district. Monson recommended the EDA relist the properties for sale or consider converting them into parks. O'Malley noted the lots might be difficult to sell considering their size. Ouellette recommended discussing future plans for the parcel at the November meeting.

- V. Southwest Land Discussion. Ouellette explained the intent of the memo was to describe how staff anticipate the process of development occurring on the city-owned land. Ouellette recommended the EDA consider the scenarios described in the memo as paths forward to developing the land which include commercial, light/industrial, and or housing. Ouellette asked that the EDA come to a consensus on plans to develop the property and definition for what constitutes high density residential development. Ouellette discussed the requirements and benefits certain funding programs could provide in developing the land.

The Board discussed different types of residential development in consideration of adjoining land uses. The board discussed the shortage of commercial industrial properties in Kasson and how the land could be used to create such developments. Monson noted he thought high-traffic commercial would see the highest value in the northwest corner of the parcel with the highway visibility. Ibisch discussed this property could be viable for the development of 3 storey apartment buildings. Ibisch also noted patio home and apartment residents might approve of different adjacent land uses. The Board agreed they would like park space developed on the land. The discussion will continue at the next board meeting with the Boards recommendations and land-use report from WHKS.

- VI. Coordinators Report. Ouellette discussed his meetings with :
- Angel Adolpho (El Patron) to discuss the Business Façade Improvement Program;
 - Bucky Beeman & Hank Friederichs to discuss possible incentives for a redevelopment project; and,
 - Brad Clemens and Pat Adamson (Plaza 57) to discuss tenant recruitment to their retail space.

Ouellette presented an “EDA Programs” promotional pamphlet he created to the Board. Ouellette also discussed Manufacturing Week 2020 and the Small Business & Nonprofit Relief Funds program.

- VII. City Administrators Report. No discussion.

VIII. Other Business. No other business was discussed.

IX. Items for the September EDA Meeting. Downtown TIF Resolution and discussion, SW City-Owned Land, and a presentation from Dodge County Youth Hockey.

X. Adjourn. Borgstrom-Durst motioned to adjourn the meeting. O'Malley seconded.

Ayes (4), Nays (0). Motion carried. Meeting adjourned at 12:57PM.

The next meeting will be held at 12:00PM on November 3rd, 2020.

Minutes Submitted by:

Nicholas Ouellette, EDA Coordinator

Dan Egger, EDA President