

KENYON ECONOMIC DEVELOPMENT AUTHORITY

Annual Meeting

Minutes for Tuesday, January 27, 2015

Present: Commissioners Dummer, Barsness, Engel, and Braegelmann, Campbell.

Others in Attendance: Councilman Doug Henke, Library Director Michele Otte, Police Chief Lee Sjolander, Public Works Superintendent Steve Baalson, City Engineer Joe Rhein, KMU Operations Superintendent Randy Eggert, and City Administrator Mark Vahlsing,

The EDA meeting was held in the Conference room of Schweich's Hotel. Chairman Dummer called the meeting to order at 9:00 a.m.

Motion by (Braegelmann/Engel) to adopt Agenda. Approved 5-0-0

2015 Project prioritization and strategic planning session

Administrator Vahlsing reviewed the 2014 City Strategic Plan, and the list of all the priorities that were originally identified in the 2013 stakeholder survey. The stakeholder survey was the basis for the final strategic plan. Chairman Dummer asked those in attendance for their ideas and input for the 2015 activities of the EDA.

Priority items identified by those in attendance included:

- Keeping a medical clinic in Kenyon
- Finish the Fire Hall project
- More land for commercial development
- Continue beautification efforts in the downtown
- The City should hold a spring clean-up day
- Additional activities for youth and community through the library

The regular EDA meeting resumed at 10:35 am.

Election of Officers

Motion by (Engel/Campbell) to appoint 2015 EDA Officers:

- President Dan Dummer
- Treasurer Stu Campbell
- Executive Director/Secretary Mark Vahlsing

Motion was approved 5-0-0

Approval and Acceptance of Financial/Statutory Items

Motion (Dummer/Campbell), to approve the minutes with corrections. Motion was approved 5-0-0.

Motion (Barsness/Dummer) to approve the quarterly and year-end financial reports as presented. Approved 5-0-0.

Reports

Director Vahlsing stated that NAPA is current on their lease payments. He also informed the EDA that St. Mark/Chris Hanke was 60 days behind on their lease payment. Administrator Vahlsing discussed ideas on dealing with future past due lease payments. He also stated that the EDA should provide notice

to Hanke to vacate the EDA owned land with 45-60 days. He would need adequate time to clear his equipment off the site.

Facade Improvement Program

Vahlsing stated that two applications for the program had been distributed in the last three weeks.

Business Recruitment and Retention

Vahlsing stated that a real estate consulting firm had contacted him seeking information on sites for a possible retail development.

Status of existing projects:

Hanke – St. Mark –Construction of Permanent Ready Mix plant

Administrator Vahlsing updated the EDA on the status of the St. Mark Ready Mix project.

Status of Building permit: Since the stop work order was issued last October by the building inspector, no further work has been completed on the project. Hanke was required to submit revised construction plans in accordance with State Building, plumbing and electrical codes. He has not responded. If Hanke does not respond the matter will have to be referred to the City Attorney for further action.

Status of fines related to development agreement violations

Vahlsing updated the EDA that Hanke has not met any of the completion dates in the development agreement. The final completion date (based on the revised development agreement) was November 31, 2014. He has been getting fined according to the development agreement since July of 2014. The total unpaid fines related to the completion dates are \$3000. There are also unpaid utility hook-up fees totaling just over \$1100. He also is two months behind on his lease payments totaling \$700. In the past Hanke has fallen behind in his lease payments up to three months, and then comes in and pays them. Currently, in total, Hanke owes the City over \$4800.

Fire Hall

City Engineer Rhein stated that there are three sites that he is currently reviewing to prepare a comparative study. He stated that he is also working with an architect that has designed many Fire Buildings. The report should be done in February. Administrator Vahlsing stated that the EDA has the legal authority to issue Lease Revenue Bonds that could finance the project. Under this type of financing, the City would make the payments for the bonds through the EDA. The financing will be discussed further after a site is selected.

Tax Forfeited Parcel –West of funeral home

Administrator Vahlsing stated that there was no new information to report.

New Business

Incentives for new home construction

Administrator Vahlsing stated that other cities in the area had offered reductions in building permit fees and utility hook-up fees for owner occupied new construction in the last few years. He asked that the EDA consider recommending some type of incentive program to the Council.

Possible Sites for Additional Commercial/Light Industrial Land

Administrator Vahlsing stated that in his opinion two of the sites under consideration for a new Fire Department facility would also be suitable light industrial/commercial development:

Nielsen Property on Goodhue County Road 12. Just south of Kenyon Ag Service. The owner has indicated a willingness to sell some smaller parcels along County 12 that may be suitable for commercial development. His asking price has been high but the area would work very well since there are currently several commercial buildings to the north.

Cemstone Property on Langford Ave. If the Concrete Plant was moved from this site, it would have potential to be redeveloped. The property to the east owned by Kirk Hiner would most likely also be available.

Motion (Braegelmann/Campbell) to adjourn the meeting at 11:35 a.m. Motion carried 5-0-0.

Mark R. Vahlsing, Executive Director

Dan Dummer, EDA President

KENYON ECONOMIC DEVELOPMENT AUTHORITY

Special Meeting

Minutes for Friday, May 29, 2015

Present: Commissioners Dummer, Engel, and. Campbell, Absent: Braegelmann

Others in Attendance: City Administrator Mark Vahlsing

The EDA meeting was held in the City Hall Conference room and Dummer called the meeting to order at 8:00 a.m. The purpose of the special meeting was to consider a Façade Improvement Program application.

Applicant: 602 Huseth St. – AgReliant Genetics

Replacement of exterior doors and other improvements.

Program funding applied for \$500: Total project cost. \$4113.

Motion by (Campbell/Barsness) to approve the Façade Improvement Program application of AgReliant Genetics Program funding up to \$500* Motion carried 4-0-0

*Conditions of disbursement:

1. Half paid up front. The second half will be paid upon verification of project completion by City staff.
2. Payment for work completed by owner will be made as reimbursement for materials only when project is completed and verified by City Staff.
3. Checks will made jointly payable to the applicant and the contractor

Motion by (Campbell/Engel) to adjourn the meeting at 8:20 a.m. Motion carried 4-0-0.

Mark R. Vahlsing, Executive Director

Dan Dummer, EDA President

KENYON ECONOMIC DEVELOPMENT AUTHORITY

Minutes for Tuesday, April 28, 2015

Present: Commissioners Dummer, Barsness, Engel, and Braegelmann, Campbell.

Others in Attendance: City Administrator Mark Vahlsing, Councilmen Doug Henke

The EDA meeting was held in the City Hall Conference room and Dummer called the meeting to order at 8:00 a.m.

Motion by (Bragelman/Engel) to approve Agenda. Motion carried.

Approval and Acceptance of Financial/Statutory Items

Motion (Engel/Campbell), to approve the minutes with corrections. Approved 5-0-0.

Motion (Campbell/Barsness) to approve the quarterly financial reports as presented. Approved 5-0-0.

Reports

Administrator Vahlsing stated that NAPA is current on their lease payments. St. Marks is one month behind on their lease payments. He also stated that Hanke was given written notice that he had 120 days to vacate the City owned property. He must be off of the property of August 15, 2015. When he vacates the property it must be cleared based on the conditions of the lease agreement.

Facade Improvement Program

Administrator Vahlsing updated the EDA Board on the status of three applications.

Kenyon Ace Hardware 523 2nd St. - Install new signage - \$283. Total Project cost: \$566

Motion (Campbell/Barsness) to approve Façade Improvement application of Kenyon Ace Hardware \$283. Motion carried 5-0-0.

Youth Center – All Seasons Community Services 516 2nd St.
Application pending. Install new signage. Project cost: TBD

Ag Reliant Genetics - 602 Huseh St. - Repairs to front, and south side of building including replacement of siding - \$3500. Total project cost: \$7000

Motion (Braegelmann/Engel) to approve Façade Improvement application of Ag Reliant Genetics in the amount of \$3500. Motion carried 5-0-0.

Status of existing projects:

Business Recruitment & Retention

Traxler Equipment - Future expansion/new facility

Administrator Vahlsing stated that Jeff Traxler had discussed with him the idea of either expanding or constructing a new facility. He would be interested in the land owned by Richard Nielsen to the south of his existing site. I also discussed the Cemstone site with him. He did not give an indication of when he would make a decision.

Unfinished Business

Hanke – St. Mark Materials:

Administrator Vahlsing stated that the building permit was approved by Goodhue County Land Use earlier this week. Most of the cement plant is completed. He stated that process to foreclose

on the property could continue. The EDA could also request a schedule from Chris Hanke on the remaining work to complete his project.

Motion (Campbell/Engel) to instruct Administrator Vahlsing to send a letter to Chris Hanke. The letter will state that the EDA will hold off further action on the foreclosure if he provides a schedule of the remaining work to complete the cement plant project. The schedule must be provided within 14 days. Motion carried 5-0-0.

Tax forfeited parcel –West of funeral home
No new information

Fire Hall

Administrator Vahlsing stated that at the April 14th meeting the Council designated the Foldcraft property as the preferred site for a new Fire Department building. The City will be submitting an offer to Foldcraft shortly. The asking price for the parcel is \$100,000. The Council countered with a purchase price of \$90,000. He stated that both sides were fairly close to coming to an agreement on sale terms.

Commercial/light industrial land

Cemstone site: Administrator Vahlsing updated the EDA Board on the status of discussions he has had with Cemstone. In summary, representatives of the company have stated that they are interested in selling the site, but they have not provided any specific asking price. Depending on the sale price, the company would remove the cement plant on the site. They would be willing to leave the block garage building. Administrator Vahlsing stated that he has discussed utilizing the assessed tax valuation for the site as a starting point. Cemstone has brought up mid \$60,000 as their internal valuation for the property. Vahlsing recommended that the EDA make an offer to Cemstone. If they receive a physical offer it may be more likely that they will respond back to the City in a timely manner. The offer should have normal contingencies including environmental, and financing. If approved the City attorney would prepare a purchase agreement to be presented to Cemstone.

Motion (Barsness) to offer Cemstone \$25,000 for the site as is with the buildings in place, (Motion died for lack of a second).

Motion by (Engel/Barsness) to offer Cemstone \$30,500 for the site, as is, with the buildings in place. Motion carried 5-0-0.

New Business

Dollar General Store – (Information)

Administrator Vahlsing stated that two development companies have been attempting to find a site in Kenyon for a Dollar General for the last six months. Overland Development from Kansas appears to be the firm that located a site for Dollar General. The site they are interested in is located on 2nd Street just west of Highway 56. There are two properties that would be involved in the project. They are owned by Larry Krenzke and Adrian Mogren respectfully. The site would be approximately 1.3 acres, and it is currently zoned A - Agricultural.

Vahlsing also stated that the site would require rezoning for a retail use. Dollar General has not indicated when they plan on coming forward with a rezoning request.

Possible sale and changes to Marathon Station:

Administrator Vahlsing stated the City was contacted by a consulting company working on a proposal to design signs for River Valley Coop. He stated that the City has not received any information, but it would appear that they are reviewing options of converting the station to a SuperAmericia.

Motion (Campbell/Bragelman) to adjourn the meeting at 9:15 a.m. Motion carried 5-0-0.

Mark R. Vahlsing, Executive Director

Dan Dummer, EDA President

KENYON ECONOMIC DEVELOPMENT AUTHORITY

Special Meeting

Minutes for Friday, May 29, 2015

Present: Commissioners Dummer, Engel, and Campbell. Absent: Braegelmann

Others in Attendance: City Administrator Mark Vahlsing

The EDA meeting was held in the City Hall Conference room and Dummer called the meeting to order at 8:00 a.m. The purpose of the special meeting was to consider a Façade Improvement Program application.

Applicant: 602 Huseth St. – AgReliant Genetics

Replacement of exterior doors and other improvements.

Program funding applied for \$500: Total project cost. \$4113.

Motion by (Campbell/Barsness) to approve the Façade Improvement Program application of AgReliant Genetics Program funding up to \$500* Motion carried 4-0-0

*Conditions of disbursement:

1. Half paid up front. The second half will be paid upon verification of project completion by City staff.
2. Payment for work completed by owner will be made as reimbursement for materials only when project is completed and verified by City Staff.
3. Checks will made jointly payable to the applicant and the contractor

Motion by (Campbell/Engel) to adjourn the meeting at 8:20 a.m. Motion carried 4-0-0.

Mark R. Vahlsing, Executive Director

Dan Dummer, EDA President

KENYON ECONOMIC DEVELOPMENT AUTHORITY

Special Meeting

Minutes for Wednesday, June 24, 2015

Present: Commissioners Dummer, Engel, and Braegelmann. **Absent:** Campbell

Others in Attendance: City Administrator Mark Vahlsing

The EDA meeting was held in the City Hall Conference room and Dummer called the meeting to order at 8:07 a.m. The purpose of the special meeting was to consider a counter sale offer for the Cemstone property in Kenyon

City Administrator Vahlsing discussed the counter sale offer received from Cemstone on their Kenyon property.

The EDA discussed the counter offer further.

EDA president Dummer stated that he felt that the property was a hazard due to the height of the concrete plant.

Mayor Engel stated that the EDA original offer would still stand.

Councilmen Barsness stated that the EDA should look at other options for land acquisition for light industrial/commercial development.

City Administrator Vahlsing reviewed the other areas that have been discussed by the EDA in the past few years for possible acquisition.

Motion by (Barsness/Engel) to adjourn the meeting at 8:40 a.m. Motion carried 4-0-0.

Mark R. Vahlsing, Executive Director

Dan Dummer, EDA President

KENYON ECONOMIC DEVELOPMENT AUTHORITY

Minutes for Tuesday, April 28, 2015

Present: Commissioners Dummer, Barsness, Engel, and Braegelmann, Campbell.

Absent: Barsness. **Others in Attendance:** City Administrator Mark Vahlsing, and John Mortensen,

The EDA meeting was held in the City Hall Conference room and Dummer called the meeting to order at 8:00 a.m.

Motion by (Braegelmann/Engel) to approve Agenda. Motion carried.4-0-0

Approval and Acceptance of Financial/Statutory Items

Motion (Engel/Campbell) to approve the quarterly financial reports as presented. Approved 4-0-0.

Motion (Engel/Campbell), to approve the July 28, 2015 regular meeting minutes. Approved 4-0-0.

Reports

Administrator Vahlsing stated that NAPA is current on their lease payments. St. Marks is one month behind on their lease payments. He also stated that Hanke must be off of the property by August 15, 2015. When he vacates the property it must be cleared based on the conditions of the lease agreement.

Facade Improvement Program

Administrator Vahlsing updated the EDA Board on the status of three applications.

- a. Ace Hardware
- b. Youth Center – All Seasons Community Services
- c. McBroom Chiropractic

Status of existing projects:

Business Recruitment & Retention

Traxler Equipment - Future expansion/new facility

Administrator Vahlsing stated that there was no new information at this time.

Unfinished Business

Hanke – St. Mark Materials:

Administrator Vahlsing stated that the project was nearly completed. Goodhue County Land Use had informed the City that the plumbing was completed without an approved State permit. Subsequently, plans were submitted to the State but the status of approval was not known.

Fire Hall:

Administrator Vahlsing stated that the survey, phase one environmental review, and the title work for the Foldcraft property is nearly completed. Closing could occur within the next 3-4 weeks. Block drawing and preliminary site plans are being finalized. Financing options are being reviewed at this time. Administrator Vahlsing stated that he had met with a representative of USDA Rural Development last Friday about the Community Facility Loan program. This program offers reduced rate financing with terms up to 40 years.

Commercial/light industrial land:

Cemstone site

Administrator Vahlsing stated that the EDA offer was not accepted. Cemstone did not submit a formal counter offer but said they might consider an offer in the range of \$48,000-\$49,000. The EDA discussed other options including the Minnesota Mattress Factory site to the east of the

Cemstone site. Administrator Vahlsing stated that he would talk to the owner of that site. Board member Campbell stated that the EDA could still market the Cemstone property without actually owning it. If a potential buyer was identified, the City could work with the owner to sell and redevelop the property. TIF or other ways of providing incentives could be utilized.

Nielsen Site on County Rd. 12:

Administrator Vahlsing told the EDA Board that he had talked to Richard Nielsen in the last few days. He is still interested in selling, but wanted to talk to his family before getting back to the EDA with an asking price. The EDA discussed construction of an access road to the property. They also discussed financing options for purchasing the property. Administrator Vahlsing stated that he would continue to work with the seller and discuss other options of purchasing the all or a portion of the site.

New Business

Dollar General Store – (Information):

Administrator Vahlsing stated that a site south of 2nd Street had been under consideration, but subsequently Dollar General decided that it would not meet their requirements. The Development Company has been looking at other sites in Kenyon, and it appears now that they are focused on a site south of the former Farm and Home Building owned by Craig Jacobson and located on the east side of Highway 56. The site would be approximately 1-2 acres. It is currently zoned A (Ag). Dollar General is still considering a store size in the range of 7,000-10,000 square feet.

Regional Marketing project – CEDA:

The Board was updated by Administrator Vahlsing on a new regional marketing effort. As part of the DMC discussion, CEDA has begun a project to better link cities and organizations involved in marketing efforts in SE Minnesota. He further stated that the goals of this project include improving communications, leveraging resources and development of more effective methods of regionally informing visitors/residents of events and activities. Further information is contained in the meeting packet.

Motion (Braegelmann/Engel) to adjourn the meeting at 9:10 a.m. Motion carried 4-0-0.

Mark R. Vahlsing, Executive Director

Dan Dummer, EDA President