

**City of Mora, MN
ECONOMIC DEVELOPMENT AUTHORITY
Meeting Minutes**

August 3, 2021

Present: Gene Anderson, Jody Anderson, Brett Baldwin, Doyle Casavant, Dan Johnson,
Rose Krie and Alan Skramstad
Absent: Bob Jensen
Staff Present: Beth Thorp, Sara King and Natasha Segelstrom
Others Present: None

1. Call to order. Skramstad called the meeting to order at 2:00 pm.
2. Roll Call.
 - G. Anderson – Present
 - J. Anderson – Present
 - Baldwin – Present
 - Casavant – Present
 - Jensen – Absent (excused)
 - Johnson – Present
 - Krie – Present
 - Skramstad – Present
3. Adopt Agenda. Motion by Casavant, second by Johnson to adopt the August 3, 2021 agenda as presented. All present voted aye, motion carried.
4. Minutes. Motion by Casavant, second by Baldwin to approve the minutes of the May 4, 2021 meeting as amended. All present voted aye, motion carried.
5. Claims. Motion by Johnson, second by J. Anderson to approve the May, June and July 2021 claims as presented. All present voted aye, motion carried.
6. Open Forum. No members of the audience were present for open forum.
7. Special Business.
 - a. 2022 Preliminary EDA Budget. King presented the EDA with a preliminary 2022 budget for consideration, highlighting proposed expenditures and revenues which led to an overall 12.79% increase from the EDA's 2021 budget. King also presented a 2022 donation request from the Initiative Foundation in the amount of \$2,250, explaining that it was included in the preliminary 2022 budget. King asked the EDA to provide input on the preliminary budget in preparation of the final budget presentation in November. Noting the significant increase in property tax expenses in the preliminary budget, King explained that, per the Kanabec County Assessor, because the industrial park land was leased for agricultural purposes in 2020 the land would remain taxable in 2022. King added that the city was no longer leasing the land and staff intended to apply for an exemption beginning with taxes payable 2023.

Johnson asked if the land was taxed at an agricultural rate; King responded in the affirmative. J. Anderson questioned the two year lag time between agricultural use and taxes payable, explaining that she believed it to be a one year lag time; King responded that the information was provided directly from the Kanabec County Assessor. Skramstad questioned the proposed decrease in revenue related to the MN Investment Fund (MIF) loan payments from Northland Process Piping (NPP); King provided a brief history of the MIF project, explaining that the city was able to retain \$100,000 of NPP's MIF loan payments and being that that threshold had been met, all future loan payments would be sent to the State of Minnesota. The EDA did not offer any comments or suggestions about the preliminary 2022 EDA budget.

8. New Business.

None

9. Old Business.

- a. City of Mora COVID-19 Emergency Assistance Fund. Thorp informed the board that the City of Mora COVID-19 Emergency Assistance Fund (EAF) program concluded on June 1, 2021, providing a total of 22 grants and seven loans to commercial businesses impacted by the pandemic. Thorp explained that two of the loans had been repaid in full, four businesses were making monthly payments, and one business – The Price is Wright – was presently in default. Thorp further explained that the EDA Review Committee had met in April 2021 to consider a written request from The Price is Wright to further defer loan payments. The review committee approved the request and the first payment was due and received in June 2020; however, the July payment had not yet been received. Thorp provided options to remedy loan default contained within the signed loan agreement. Thorp requested that the board discuss the loan default and whether or not to extend the EAF program. Casavant inquired about available funds for grants and loan; Thorp responded that the program concluded with \$8,500 available for grants and \$54,000 available for loans. Johnson inquired what would happen to the funding if not used for EAF purposes; Thorp responded that the funds could be returned to the MIC Loan program, where the funds originated. Johnson suggested taking no action – leaving the program funded but not extending the program date – and continue to monitor the situation for at least three more months. Casavant concurred with Johnson, commenting that he was not seeing much demand for COVID-related financing at First Citizens Bank. After a brief discussion, the consensus of the board was to not extend the EAF program end date at this time, leave the EAF funding in place, and hold the program for further review and possible reactivation in the future. The board continued its discussion about The Price is Wright loan default, with Thorp providing options for remedy. The board and staff discussed the fact that the business owner did not own the property that her business was located in, which may prohibit the city from certifying the delinquent amount for collection with taxes, and discussed that the property owner had no obligation to repay the loan per the loan agreement. King stated that she would investigate the Revenue Recapture Program to see if economic development loans were eligible. The consensus of the board was to send a 30-day past due demand letter and continue investigation of other options to remedy the default.

10. Communications.

- a. 2021 Major Employers. The board received the annual employment survey showing employee counts amongst the city's 10 largest employers. Thorp explained that the overall

number of employees in 2021 was a full 100 employees higher than the previous year, adding that the single biggest increase occurred at Commercial Plastics and the single biggest decrease occurred at RJ Mechanical.

- b. Quarterly Financial Reports – 2nd Quarter 2021. The board received quarterly financial reports. King shared that the reports included a new fund for the current Small Cities Development Program project, and she pointed out the current balance of the RED Loan Fund which had been discussed earlier in the meeting. Casavant inquired about employment goals for Northland Process Piping (NPP); Thorp responded that NPP met its employment goal for the MN Investment Fund but did not meet its most recent employment goal for tax abatement. Thorp explained that the business cited COVID as a major factor in not meeting its tax abatement employment goal and provided proof that the business was actively seeking employees; therefore, based on the EDA's recommendation, the City Council authorized the tax abatement payment despite not meeting the employment goal. Casavant stated that many businesses were impacted by COVID and experiencing difficulty in hiring, offering justification for the tax abatement payment.
- c. Kanabec County EDA Meeting Minutes – March 10, April 14, May 12 and June 9, 2021. The EDA received meeting minutes for the Kanabec County EDA. There was no discussion.
- d. Kanabec County EDA Strategic Plan 2021-2023. The EDA received a copy of the Kanabec County EDA's (KCEDA's) most current strategic plan. Thorp highlighted the KCEDA's five strategic directions.

11. Reports.

- a. Small Cities Development Program. Thorp provided an update on the two-year residential rehab program, sharing current numbers of approved applications for owner-occupied single family homes, single family rentals, duplex rentals, and multi-family rentals. Thorp reported that all housing categories were active and on target, with the exception of multi-family rentals.
- b. Promotional Video. Thorp reported that city and school district staff had been working with Captivate Media + Consulting on joint and individual promotional videos. Thorp added that preliminary versions of the videos had been received and staff had provided feedback, and staff hoped to have final videos in the near future. Skramstad commented that he had seen one of the preliminary versions and was pleased. Casavant asked how the city would use the videos; Thorp stated that they would be posted on social media sites and on the city's website. Board members commented on the recent influx of new residents from the metro area.
- c. Signs for Available Land. Thorp informed with the board that staff had gathered quotes for the signs but still needed to select a sign company and complete the project.
- d. Business Inquiry. Johnson stated that he had heard rumors of a new business interested in locating in the former Shopko building and asked staff if this was true; Thorp responded that she had spoken with one business interested in the site but, given that it was a manufacturing business, it wasn't suitable for the commercially zoned property. Thorp encouraged board members to refer any interested businesses to staff for assistance. Casavant asked if the property owner was promoting the site; Thorp responded that the property owner was initially promoting the site but she was unaware of current promotional efforts. Casavant asked if the property owner was utilizing any local realtors; Krie commented that she was not aware of any local realtors working with this property. Thorp shared that she had contact information for the property owner and was able to share it

with potential buyers, and the property owner was willing to speak with anyone interested in the site or follow-up on leads.

- e. Vasaloppet Inquiry. Thorp reported that staff had received an informal proposal from Jon Larson, on behalf of Vasaloppet USA, asking about the city's interest in partnering with Vasaloppet USA on the construction of a permanent structure on the Downtown Commercial Corner site (former feed mill site). Thorp provided detail about the proposed structure and provided background on the site, and suggested that the board form a subcommittee to discuss the proposal with Vasaloppet USA if there was interest in the proposal. J. Anderson commented that, if the city were to construct the proposed structure, the city would have a facility to rent to other groups in addition to Vasaloppet USA and it could also be an opportunity to construct office space for city purposes. Casavant commented that the celebration tent installed by Vasaloppet USA every February on the Downtown Commercial Corner site was quite expensive and believed there would be financial benefit to Vasaloppet USA to partner with the city on the proposed project. Thorp spoke about the city's investment in clearing the site and the city's stated goals for the site as contained in the 2019 RFP for Downtown Commercial Corner. Johnson commented that he believed there were existing structures in the downtown area that could accommodate Vasaloppet USA's needs. J. Anderson commented that Vasaloppet USA brought in outside vendors and this may not be possible if utilizing a privately owned structure. Board members and staff discussed the city's past interest in the property, state grant funding that was awarded but ultimately declined, and the current project deficit.
- f. Bus Tours. J. Anderson asked about the status of contacting bus tour companies as a promotional effort; Thorp shared that she had not yet reached out to the bus companies suggested by J. Anderson.

- 12. Adjournment. Motion by Casavant, second by Krie to adjourn. All present voted aye and the meeting was adjourned at 2:45 pm.

Alan Skramstad, President

Beth Thorp, Secretary