

**MINUTES
CITY OF LONSDALE
CITY COUNCIL WORK SESSION
November 24, 2008**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 6:00 pm in the Council Chambers at 415 Central Street West.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the Pledge of Allegiance.

3. ROLL CALL

Present: Daleiden, Kodada, Rud, Smith, and Furrer

Absent: None

Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, Public Works Director Russ Vlasak, and City Engineer Kevin Kawlewski

4. AGENDA

Mayor Rud asked if anyone had any additions, deletions, or corrections to the Agenda.

A motion was made by Kodada and seconded by Daleiden to approve the agenda as presented. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

a. Business Retention, Expansion, and Recruitment

Erickson said that the City Council scheduled this work session to discuss business retention, expansion, and recruitment due to the state of the economy, the fact that there

are vacant buildings along Main Street, and that some existing businesses are considering closing. He said that a meeting was held at City Hall on Friday, November 17, 2008 consisting of City, Chamber, Financial and business representatives to discuss similar issues. He said that the goal of the meeting was to focus on short term issues such as occupying vacant buildings, attracting new businesses, and retaining what currently exists. He stated that the discussion centered on 1) Small Business Development Center (SBDC) usage; 2) Gas prices relative to decreased housing and economy in general; 3) Youth Center along Main Street South; 4) Downtown visually unappealing – streetscape; 5) Home Occupations – effect on vacant buildings/new construction; and 6) Creation of multi-family housing. Erickson provided the Council with a U of M Extension Service – Community Leaders Business Retention and Expansion (BR&E) Strategies Program summary. He suggested the BR&E program might be something the City, EDA, and Chamber may be interested in partnering together on.

Rud thanked everyone for coming to the work session. He mentioned that the goal of the meeting was to come up with ideas to recruit and expand businesses within Lonsdale. He mentioned that a few buildings along Main Street South are sitting vacant, and he said the City needs to do something to get tenants into those building before the buildings start deteriorating. He said that the meeting format is pretty informal and welcomed everyone to relay their thoughts. He said that Lonsdale’s residents know a lot of people, and he stressed that citizens should use their connections to help promote Lonsdale and attract business to town. Rud posed the question: what aspect should the City of Lonsdale, the Economic Development Authority (EDA), and the Chamber of Commerce be focusing their attention on in terms of attracting and retaining businesses to Lonsdale. He asked if the City should erect a business incubator building, follow through with the downtown landscape/beautification plan, or focus on the new business park at Hwy 19 and Garfield Avenue.

John Duban stated that money should be given to help downtown property owners fix up their businesses. Rud said that Center Stage Dance did a wonderful job remodeling the building at 120 Main Street North without any help from the City.

Gary Tupy, JB Woodfitter, suggested that the greatest opportunity that Lonsdale has right now is to support a new industrial park. He said that an industrial park will bring jobs in and help the community thrive. He said that businesses in the Burnsville and Savage area are looking to expand or relocate to other communities due to the price of land. He said that the jobs created by the industrial park will help prosper and drive downtown business as well. Tupy also suggested that the City be aggressive on the front end and help advertise or hire a broker to promote Lonsdale as an attractive place to locate a business. Tupy reminded everyone of the residential development slump by stating that Prior Lake has 900 vacant lots and only 20 building permits issued this year. Ted Kowalski, JB Woodfitter, asked everyone to think about the big picture, he suggested focusing on the basics like travel time and availability of good paying local jobs. He said that now is the time to move forward with an industrial park before other communities move ahead with their own ideas of a similar venture. The business owner of Treats of Lonsdale cautioned everyone that the economy may affect large commercial-industrial businesses leaving

huge buildings vacant and open to the possibility of reduced and competitive rents. He also agreed that a new industrial park would help the community, and he suggested starting construction as soon as possible.

Jim Bowers of Frandsen Bank presented ten bullet points on page 4 and 5 from the “Conversations with Successful Communities” brochure. He also said that Lonsdale could use more apartments and rental units. He stated that smaller banks, like Frandsen Bank, are fairly liquid. He said that money is still available but they may look at credit a little harder than before. Rud listed the benefits of locating in Lonsdale: distance from I-35, Hwy 19 as a 10-ton road, available work force, infrastructure in place, and City’s financial condition. He said that in order to attract businesses like College City Beverage, Lonsdale will need to have platted industrial lots ready to go. He stated that once a business decides to build or expand they want to do it quickly.

Kowlaski said that he recently had lunch with APRO Development, and he said that they want to move forward with the business park. He said that there needs to be an affordability aspect in order to sell Lonsdale as a new location for a potential business. He suggested getting a head start over other communities that might try to pursue the same venture by having a polished package ready to go for any potential business looking to start up or relocate.

Daleiden asked if Lonsdale should be looking for niches such as a medical campus, a technology area, or an entertainment center. Daleiden also suggested looking into wind and green energy.

Kowlaski stated that other cities have found niches like Elk River with data processing businesses and Chaska in developing a large scale biotech area. He suggested that Lonsdale be open to what businesses are looking for. He said that the City should not be telling businesses what their buildings should look like and whether their property is fancy enough. He suggested rolling back City regulations in order to recruit more businesses.

Erickson stated that the City recently found out that the recently applied for \$250,000 DEED Infrastructure Grant did not get funded because it was not as competitive as other applications with new businesses ready to build. Erickson also presented information pertaining to the Small Cities Grant.

Tupy referred to an example from Billings, MT, where the community worked together to support local businesses through a joint growth and marketing partnership. He said that it is very important for the local community to understand the value of supporting local businesses. Tupy suggested that if the local community supports its local businesses then an attractive business environment is created that helps retain and attract businesses. Kodada and Daleiden described the positive affect that recent advertising and sales had on the Municipal Liquor Store.

Bowers said that an incubator buildings have worked out for many communities. Furrer

said that the EDA has discussed an incubator building numerous times. He also suggested a cash reward for providing business leads. Erickson presented information regarding the U of M Extension Service's Business Retention and Expansion (BR & E) Strategies Program. Rud said that the City should consider researching Owatonna's incubator building. Chris Pierskalla said that typically incubator buildings are multi-tenant and share infrastructure costs. Carol Dietz suggested that the City may want to pursue a joint marketing effort or hire a professional firm to advertise and promote the City of Lonsdale. She said that Lonsdale needs to find or create something that makes it unique. Rud asked what the status of the Chamber of Commerce was. Harold Kuchinka said that the Chamber helps advertise the different services available in town but they are basically just keeping afloat. Joe Pumper said that the City of Lonsdale could follow the example that the City of Faribault did to market itself. He said that Faribault made a promotional DVD through a community partnership.

Kodada said that a lot of good ideas were brought up throughout the meeting. Rud said that the Council is definitely on board with doing whatever it takes to attract new businesses to town.

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried. The meeting closed at 7:06 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator