

**MINUTES
CITY OF LONSDALE
ECONOMIC DEVELOPMENT AUTHORITY MEETING
JUNE 18, 2020**

1. CALL TO ORDER

Prigge called the meeting to order at 7:02 am and said the meeting was being held electronically due to the ongoing State of Emergency and health pandemic in accordance with Minnesota State Statute §13D.021.

MEMBERS PRESENT:

Rasmussen, Daleiden, Pelava, Benninghoff, Prigge, Furrer and Rivers

MEMBERS ABSENT:

None

STAFF PRESENT:

City Administrator Joel Erickson

OTHERS PRESENT:

Chris Schleusner of Spectrum Reach

2. AGENDA

Prigge asked if there were any additions, deletions or corrections to the agenda. A motion was made by Furrer and seconded by Daleiden to approve the agenda. Vote for: Rasmussen, Daleiden, Pelava, Benninghoff, Prigge, Furrer and Rivers; Against: None; Vote 7-0. Motion carried.

3. APPROVAL OF THE MINUTES FROM THE MAY 21, 2020 MEETING

Prigge asked if anyone had any additions, deletions or corrections to the minutes. Erickson said he was unsure who made the motion and seconded it approving the minutes from the April 16, 2020 minutes. The Board said the minutes as presented looked as they remembered. A motion was made by Furrer and seconded by Pelava to approve the minutes from the May 21, 2020 meeting. Roll Call Vote for: Rasmussen, Daleiden, Pelava, Benninghoff, Prigge, Furrer and Rivers; Against: None; Vote 7-0. Motion carried.

4. CONSIDER APPROVAL OF THE MAY 2020 TREASURER'S REPORT AND MONTHLY BILL(S)

Erickson said May had a beginning balance of \$92,080.95, revenues of \$40,572.60 and expenses of \$2,116.51 for an ending balance of \$130,537.04 between the two accounts. He summarized the revenue and expenditure detail. Furrer asked if legal expenses were incurred in June associated with the Taste of Lonsdale loan default. Erickson said if there are any, they will be minimal. A motion was made by Pelava and seconded by Benninghoff to approve the May 2020 Treasurer's Report and bill(s). Roll Call Vote for: Rasmussen, Daleiden, Pelava, Benninghoff, Prigge, Furrer and Rivers; Against: None; Vote 7-0. Motion carried.

5. OLD BUSINESS

a. Update on the Business Retention & Expansion Program

Prigge said her and Benninghoff attended a virtual meeting with the U of M Extension Office and the next steps include sending a letter to both volunteers and businesses that the program is starting back up and will include: (1) info on social distancing; (2) allowing businesses the opportunity to update their survey responses due to COVID-19; (3) that the survey portion of the program will be completed by the end of July; (4) the e-survey will be reposted and changes allowed to be made to it due to COVID-19 and (5) all information will be sent to the Extension Office at the end of July. The Board discussed if survey answers will change due to the majority of businesses being deemed “essential”. The Board discussed emailing survey information to volunteers to provide a program update. Benninghoff said Darger informed him that the EDA will receive enough information between the e-surveys and in-person interviews to get an accurate data set. Prigge said interviews should be easier to schedule due to one person interviewing businesses in person or via virtually. Erickson said once he receives the completed surveys, he will scan and email the surveys back to Prigge so they can be emailed out to the businesses.

b. Implementation of 2020 Goals

Prigge said the Board has been discussing this item and the focus has been on marketing, land incentives, videos, sponsorship, etc. She asked the Board for their thoughts on these items. Erickson said Chris Schleusner of Spectrum Reach was attending the meeting to discuss TV commercials and digital marketing and now might be a good time for him to review his information. Schleusner said the EDA could change the target location for the desired marketing. He said TV is great but recommended the Board consider marketing on streaming platforms via display ads, which are more effective. Schleusner asked if the EDA had first hand data to be used to specifically target residents and/or businesses. He said with digital streaming marketing, the viewer is required to view the entire ad prior to watching the show. Prigge asked what the cost is. Schleusner said there no cost if their company is used to create the display ad and it is \$800 to create a new video. He said the options are ale carte such as the use of drones, etc. Display ads are showing on streaming platforms such as Hulu, AppleTV, OTT, AT&T, etc. Prigge asked if streaming has the same type of commercials as regular TV. Schleusner said streaming commercials are only shown prior to the show beginning unlike TV, where commercials are played throughout the show. Prigge asked what the cost was for commercials on streaming platforms. Schleusner said the cost is the same as TV and tracking for measuring success is easier with digital compared to TV. Rivers asked about pricing. Schleusner said the cost is basically the same. A marketing budget of \$750 was discussed. Rivers asked if it was recommended to change the video. Schleusner said the video could be changed but it is not necessary because viewers will not get “ad fatigue”. Rivers asked if other cities have done this. Schleusner said Preston, Lanesboro and Rochester utilize digital ads. Rivers said Lonsdale’s marketing will be different than Rochester’s. Schleusner said Lanesboro targeted tourism and Preston targets new residents. Rivers questioned how success is measured. Schleusner said success is hard to track but one option would be to track clicks onto the City’s website or specific pages of it by using Google Analytics. Furrer suggested using the current video but make minimal edits. Schleusner said the

donut commercial might be editable but would confirm that. Prigge asked what the targeted area should be. Erickson said the City's has had the most success attracting businesses located south of the Minnesota River. Rasmussen said a good age to target would be 25-30. Erickson said past TV and pre-roll marketing focused on the BBV zone, the south metro and south to Owatonna. Furrer suggested focusing on cities that currently do not have space for their businesses to locate to or expand in. Schleusner said that could be done and he could create a map showing marketing area options. Prigge said digital marketing is good but hard to track success and asked how the EDA should target businesses separate from residents. Schleusner said two marketing campaigns are needed and would need to be tracked separately. Prigge asked what the next steps are to moving forward. Schleusner said he would work with staff to create a presentation to give to the EDA and asked what the proposed budget would be. Prigge said \$750.00 per month. Erickson said in the past, the budget was \$500 for TV commercials and \$500 for pre-roll per month. He asked the Board if they wanted anything specific in the proposal. Rasmussen said residents should be contacted for any good pictures they may have. Prigge asked if the presentation will be given at the next meeting. Schleusner replied yes. Prigge asked the Board if that was a good plan. Furrer said yes. Prigge asked the Board for their thoughts regarding digital marketing and that Spectrum seems to know the market. Furrer said digital seems to be the way to go. Rivers suggested partnering with builders because they will benefit from the marketing. Prigge asked how builders would be picked and questioned if others would be offended if not selected. Rivers said the builders could cost share as the EDA is looking to spend \$10,000 and that streaming is the way to go. Benninghoff said he goes to a lot of meetings and gets positive feedback from others that have seen the TV commercials.

c. Discuss Recommending a Policy on Providing Financial Assistance to Businesses Locating the Lonsdale Business Park

Prigge said she is not sure if the EDA should be recommending land incentives to the City because each deal is different. Rivers said the purpose of the EDA is to make recommendation regarding economic development to the City Council and if not, what is the EDA's role. Prigge said the EDA's role is to market the City, provide Revolving Loans and other economic development programs. Rivers said that providing free land is a great incentive. Prigge said any recommendations made would be so vague to allow flexibility in their implementation. Rivers said the City should be aggressive in getting new businesses to town or existing businesses to expand and stay in Lonsdale. Rasmussen asked if the Business Park is being marketed. Furrer said when staff and the City Council are considering economic development incentives, all options are discussed. Erickson said every city has the same incentives available to them and there is no "smoking gun" that puts one city over the other. Rasmussen said social media marketing should be used to highlight incentives and why Lonsdale because it is cheap. The Board held general discussion on marketing. Erickson reviewed social media marketing options that have been looked at in the past by the EDA such as APG digital marketing and Buzz 360. Erickson asked if the Board wanted to pursue recommending incentives such as increased incentives based the number of jobs created, increase in tax base, a sliding scale based on the cost of the project, etc. Prigge said she recommended moving on. Rivers said he had a different opinion and the EDA should make recommendations. Furrer said

with her being on the City Council she hears the message and that the City Council listens to Boards and Commissions in making their decision. Rasmussen said he recommends utilizing social media because it is cheap. Furrer said the EDA has looked at social media marketing options in the past. Rivers asked Furrer is she had enough information to use going forward when considering land incentives in the Business Park. Furrer replied yes. Pelava said a marketing plan is needed as well as strategies for implementing the plan. Rivers suggested the marketing slogan “Build a solid/strong foundation on us” with free land in the Lonsdale Business Park.

- d. Discuss TV Commercials and/or Pre-Roll Marketing
This was discussed in the previous agenda items.

6. NEW BUSINESS

- a. Discuss the EDA’s 2021 Budget
Prigge asked the Board if they wanted to discuss this item on or at the next meeting. Benninghoff asked if the EDA would receive funding in 2021. Erickson said the City Council has only had one meeting on the 2021 budget and no decisions have been made. He said if the EDA is going to request property tax levy funding, it will need to be justified. Prigge said the funds requested would be used on marketing and any request should be made based on information recieved through the BR&E program. Benninghoff asked if the City was expecting less property tax revenue due to COVID-19. Erickson said payment of the first half of 2020 property taxes was above expectations but compared historically, it is down 1% - 2%.

7. OTHER BUSINESS

- a. Additional Items to be Discussed
None
- b. Items for the June 2020 Agenda
The Board requested the following items on the January agenda: (1) Marketing (commercials, digital); (2) 2021 Budget; and (3) Business Retention & Expansion Program Update

8. ADJOURNMENT

A motion was made by Furrer and seconded by Benninghoff to adjourn the meeting. Vote for: Rasmussen, Daleiden, Pelava, Benninghoff, Prigge, Furrer and Rivers; Against: None; Vote 7-0. Motion carried.

The meeting ended at 8:39 am.

Respectfully Submitted:

Joel A. Erickson, City Administrator