

**MINUTES
CITY OF LONSDALE
ECONOMIC DEVELOPMENT AUTHORITY MEETING
AUGUST 20, 2020**

1. CALL TO ORDER

Prigge called the meeting of the Lonsdale Economic Development Authority to order at 7:03 am.

MEMBERS PRESENT:

Rasmussen, Pelava, Prigge, Furrer and Rivers

MEMBERS ABSENT:

Daleiden and Benninghoff

STAFF PRESENT:

City Administrator Joel Erickson

OTHERS PRESENT:

Chris Schleusner of Spectrum Reach and Grace McClintock of the Southern Minnesota Initiative Foundation (SMIF)

2. AGENDA

Prigge asked if there were any additions, deletions or corrections to the agenda. A motion was made by Furrer and seconded by Pelava to approve the agenda as presented. Vote for: Rasmussen, Pelava, Prigge, Furrer and Rivers; Against: None; Vote 5-0. Motion carried.

3. APPROVAL OF THE MINUTES FROM THE JULY 16, 2020 MEETING

Prigge asked if anyone had any additions, deletions or corrections to the minutes. A motion was made by Pelava and seconded by Furrer to approve the minutes from the July 16, 2020 meeting. Vote for: Rasmussen, Pelava, Prigge, Furrer and Rivers; Against: None; Vote 5-0. Motion carried.

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

Erickson said July had a beginning balance of \$132,042.74, revenues of \$1,056.25 and expenses of \$1,193.83 for an ending balance of \$131,905.16 between the two accounts. Furrer asked if the CARES funding would be deposited into the EDA account. Erickson said the portion to be allocated to "assistance" would be deposited into the EDA account and the balance would be used to reimburse the City for expenses between March 1, 2020 and November 15, 2020. Furrer said payroll is more than past months. Erickson said July had three payrolls. A motion was made by Furrer and seconded by Pelava to approve the July 2020 Treasurer's Report and bill(s). Vote for: Rasmussen, Pelava, Prigge, Furrer and Rivers; Against: None; Vote 5-0. Motion carried.

5. OLD BUSINESS

a. Update on Digital Display Ads and Streaming Marketing

Erickson summarized the July meeting's presentation and discussion on marketing and that the EDA motioned to enter into an agreement with Spectrum Reach for digital display ads and streaming marketing. Chris Schleusner of Spectrum Reach said his team has prepared two display ads, one for businesses and one for residents. The Board watched the ads and provided comments. Prigge said the ads need to incorporate local people and businesses and that a photo of Rasmussen should be taken at Smoke. Rasmussen asked if cookies are used to track people and if a common denominator is used. Schleusner said no but they can with social media but not so much with the EDA's program. He said Spectrum can geo-fence an event and he reviewed "Audience Track", Spectrum's dashboard that shows the target area, number of views, clicks, hovers, etc. Prigge again said she wanted local places/people in the ads. Rasmussen asked if specific demographics will be targeted versus a general/broad approach. Schleusner said the program is using geography and an age/income range for residents but the business marketing is broader. Erickson asked if the EDA wanted to target Minneapolis due to rioting and the fact that some businesses have stated they will not rebuild in Minneapolis due to what was allowed to happen. Rasmussen said events such as "home" shows, etc. need to be researched and if the geo-fencing could be used at those events/locations. Prigge asked when the campaign will go live. Schleusner said September 1st. The Board held general discussion on the desired target location.

b. Update on the Business Retention & Expansion Program

Prigge said the program has been extended several more weeks due to COVID-19 and summer winding down. Rivers asked how many interviews have been completed. Prigge said about twelve interviews have been completed and twenty on-line surveys have been completed as well. Rasmussen said a google meeting has been scheduled for the leadership team. Furrer asked if the meeting was later in the day at 3:00 pm. Prigge said the meeting for today has been canceled and Benninghoff will reschedule it.

c. Consider Approval of the EDA's Preliminary 2021 Budget

Rivers asked if the budget was a guideline or a done deal once approved. Prigge said the budget is a guideline. Furrer said it was a guideline and that budgets can be changed. The Board held general discussion on the CARES Act. Erickson said the Board needs to be able to justify funding from the property tax levy. The Board held general discussion on the EDA's preliminary 2021 budget and property tax revenue. Prigge left the meeting at 8:15.

d. Consider Approval of a Funding Request from the Southern MN Initiative Foundation (SMIF)

Grace McClintock of SMIF introduced herself and the Board watched a video of Tim Penny discussion the work of SMIF in general and specifically Rice County. McClintock said SMIF has been designated as a organization to review and service grants/loans through MN DEED relative to COVID-19. Furrer asked if any Lonsdale businesses applied for funding. McClintock said she was unsure as they reviewed many applications. She said SMIF is working hard to spread funding and messaging across the

region. Furrer asked if the Lonsdale Chamber had SMIF's information. Erickson said he was unsure but would provide it to the Chamber. With no further questions, McClintock left the meeting. Rivers asked how much funding the EDA provided SMIF in the past. Prigge said \$500 each of the past two years and \$1,000 has been budgeted for 2020. Rasmussen suggested a \$500 donation and \$500 be used by the EDA for marketing SMIF programs. Prigge said she was recommending \$1,000 be provided to SMIF as allocated in the budget and SMIF can market their own programs. A motion was made by Rivers and seconded by Furrer to approve a \$500.00 contribution to SMIF for 2020. Prigge questioned why the EDA would not provide \$1,000 as it is budgeted. Rivers said the EDA applied for a SMIF grant last year, which was not approved and no businesses have received funding from SMIF in the last year. Prigge said when establishing the 2020 budget, it was discussed to increase the funding to \$1,000.00 based on the work being done in Rice County. Rasmussen asked if the EDA could require SMIF to increase marketing if the EDA made a donation. Pelava said it is difficult to impose requirements on donations. Rivers said he would rather see the money spent in Lonsdale instead of providing it to SMIF. Prigge said in the past, the EDA voted to not approve a funding request for Kindergarten Round-Up in Lonsdale and now it is important to keep the funding local. She recommended the EDA approve the \$1,000.00 that was budgeted. Rivers said the world is different now compared to a year ago. Vote for: Furrer and Rivers; Against: Rasmussen, Pelava and Prigge; Vote 2-3. Motion failed.

A motion was made by Pelava and seconded by Rasmussen to contribute \$1,000.00 to SMIF. Rivers said he wanted to the correct record and the reason why he feels the contribution should be less is because it is not a good use of funds now and that the contribution should be \$500.00 and remaining \$500.00 be spent in Lonsdale. Pelava said Lonsdale is a wealthier community compared to others in the region and that might be why Lonsdale did not get recent funding. He said SMIF has contributed to TCU and has provided assistance to businesses in Rice County. Prigge said at \$500.00, it is decreasing the value of the contribution because for every \$1.00 contributed, SMIF reinvests \$24.00. The Board held general discussion on the contribution and the value of it. Furrer asked if \$1,000.00 has been paid in 2020. Erickson said not the contribution has not been made yet. Vote for: Rasmussen, Pelava, Prigge and Furrer; Against: Rivers; Vote 4-1. Motion carried.

e. Discuss Billboard Advertising at Highway 19 and County Road 46 (Flying J)

Erickson said staff has been approached by Rice County regarding construction of a billboard at the intersection of Hwy 19 and County Road 46, west of the Flying J. He said the last time the EDA looked at doing this project was in 2010 when the Board had a lease agreement with a property owner but MnDoT would not approve the permit because it was within 600 feet of the I-35 Right-of-Way. He said before he spent too much time on the project, he wanted to know if the EDA was interested and wanted to proceed with the project. He said if so, he would spend more time on research and provide more information to the Board at upcoming meetings. The Board held general discussion on the pro's/con's of billboard marketing compared to digital marketing. Rivers said he would not be at the next meeting and that he did not support construction of a billboard. Rasmussen said he agreed and that marketing dollars would be better on

increased digital marketing, etc. Furrer said the location of the billboard should be in Scott County and not at Highway 19.

6. NEW BUSINESS

a. Update on the Lonsdale CARES Act Grant Program

Erickson said at the last meeting, the Board recommended approval of the City's CARES Act policy/application and that it had been approved by the City Council as well. He said as of August 15, 2020, five businesses, six non-profits and three residents have shown interest in the program and that nine applications have been submitted, of which, three were complete and have been approved for funding. Erickson said the total amount of funding requested was \$28,929.45, with \$10,500.00 being provided. He said he is surprised that more applications have not been submitted. The Board held general discussion on potential reasons why more applications have not been submitted such as businesses not wanting government to know their businesses, perceived red tape, they just do not know about it, the amount of funding is not enough, etc.

7. OTHER BUSINESS

a. Additional Items to be Discussed

None

b. Items for the September 17, 2020 Agenda

The Board requested the following items on the January agenda: (1) 2021 Budget; (2) Marketing Update; and (3) Business Retention & Expansion Program Update

8. ADJOURNMENT

A motion was made by Pelava and seconded by Rasmussen to adjourn the meeting. Vote for: Rasmussen, Pelava, Furrer and Rivers; Against: None; Vote 4-0. Motion carried.

The meeting ended at 9:00 am.

Respectfully Submitted:

Joel A. Erickson, City Administrator