

**MINUTES
CITY OF LONSDALE
ECONOMIC DEVELOPMENT AUTHORITY MEETING
JUNE 17, 2021**

1. CALL TO ORDER

Prigge called a meeting of the Lonsdale Economic Development Authority to order at 7:01 am.

MEMBERS PRESENT:

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

MEMBERS ABSENT:

None

STAFF PRESENT:

City Administrator Joel Erickson

OTHERS PRESENT:

None

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, Daleiden, Benninghoff, Prigge, Furrer, Simon and Pelava; Against: None; Vote 7-0. Motion carried.

3. CONSIDER APPROVAL OF THE MINUTES FROM THE MAY 20, 2021 MEETING

Prigge asked if anyone had any additions, deletions or corrections to the minutes. A motion was made by Simon and seconded by Pelava to approve the minutes from the May 20, 2021 meeting. Vote for: Rasmussen, Daleiden, Benninghoff, Prigge, Furrer, Simon and Pelava; Against: None; Vote 7-0. Motion carried.

4. CONSIDER APPROVAL OF THE MAY 2021 TREASURER'S REPORT AND MONTHLY BILL(S)

Erickson said May had a beginning balance of \$131,551.91, revenues of \$552.08 and expenses of \$2,005.62 for an ending balance of \$130,098.37 between the two accounts. He said the revenue was The Pet Stop Vet Clinic's monthly loan payment and expenses included payroll and LACC Street Fair Sponsorship. Erickson said the bills to be paid in June are for sponsorship of the June 10, 2021 LACC Lunch & Learn and APG digital marketing. Pelava asked if the only expense for the Lunch & Learn sponsorship was food. Erickson said yes. Simon asked why the EDA would pay for a publication for water. Erickson said the EDA was not paying for the Water Department publication, only the digital marketing. A motion was made by Pelava and seconded by Furrer to approve the May 2021 Treasurer's Report and monthly bill(s). Vote for: Rasmussen, Daleiden, Benninghoff, Prigge, Furrer, Simon and Pelava; Against: None; Vote 7-0. Motion carried.

5. OLD BUSINESS

a. Update on the Business Retention & Expansion Program

Prigge said the Retreat is scheduled for July 14, 2021 and Extension does most of the work. Daleiden asked if the Leadership Team needed to show up early. Prigge said set up will begin at 3:30. Erickson suggested another invite be sent out this week and as scheduled on June 25th. Pelava said that 4:30 might be early for some of the Taskforce members. Prigge summarized the Retreat location, meal, agenda, etc.

b. Update on Digital Marketing

Erickson reviewed the numbers and location of delivered impressions. There was general discussion on location, view throughs and websites where the impressions are delivered. The Board agreed to keep the current locations and review them at the July meeting.

c. Update on the America Rescue Plan – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Erickson said the City Council has decided to use the funds for improvements to City facilities and other COVID-19 mitigation strategies. Simon asked if any of the funds would be allocated to businesses. Erickson said based on City Council discussion, no.

d. Discuss Off-Premise Signage

Erickson reviewed the discussion from the last several EDA meetings. Prigge said the signs should not include businesses and only City amenities. Erickson said the point of the signs is for businesses to be listed on them. Daleiden said the businesses should have to pay to be on the sign. Rasmussen said the EDA should pay for the sign infrastructure but the businesses pay for their name plate. Prigge agreed the businesses should pay for their name plate. There was discussion on sign location, design and number of businesses potentially on the signs. Simon said that is the point of the signs, who knew there were that many businesses on Main St. Simon said that businesses should be contacted to see if they are interested in having their businesses name on the sign. Prigge said signage/marketing of businesses is the role of the LACC and not the EDA, which is a fine line. Erickson said MnDoT will not approve the signs so everyone needs to understand, they will probably be removed by MnDoT. Rasmussen asked for clarification that the EDA was no longer pursuing a billboard and off-premise advertising. Erickson said based on discussion at the last EDA meeting, a billboard and off-premise signage are not be pursued anymore by the EDA. Rasmussen said it seems that the EDA is spinning its wheels and not accomplishing anything. There was general discussion on sign location, etc. Simon said she was recommending the signs be located on each corner of Highway 19 and Main St., with each sign listing the businesses on that side of the street. Daleiden asked who would manage the business names on the sign when necessary. Prigge said the signs should be general and not list businesses. For reference, Erickson summarized initiatives of the EDA to improvement Main St. dating back to 2007 including two streetscape proposals, being awarded a \$300,000 SCDP grant, equipment deferred loan and the Façade improvement deferred loan programs. Simon, Pelava and Erickson said they would meet after the meeting and bring a proposal to the next EDA meeting.

Prigge left the meeting at 7:45.

e. Discuss a Property Listing Package Proposed by LoopNet

Erickson said representatives from LoopNet were at the meeting as requested to give a presentation on listing the business park properties on LoopNet. Martinek said LoopNet does 20 times the volume compared to the closest competitor. He said LoopNet has made a \$70M investment for increased marketing. Martinek said 40% of leads come from outside of the market area. He said digital marketing is by far the way to go but it does cost money. Martinek said pre-pandemic, 88% of commercial properties get listed on-line and 40% purchase a property. He said LoopNet has 10M unique visitors on a monthly basis and compared Lonsdale's listing on CoStar to those listed on LoopNet and the viewing results for properties listed at the Gold and Silver levels. Martinek and Bosacker reviewed pricing of the listing options and said the message would be tailored to industrial/commercial users. Pelava asked if a 12 month agreement is entered into and the properties sell in 4 months, do we still pay for 12 months. Martinek replied yes, you would pay the full 12 months regardless of when it sells. Rasmussen said he just did an online search and LoopNet is the first listing. Bosacker said the reason the parcels might not sell is current price and exposure. He said the City is responsible for the price and exposure is up to LoopNet, which has 20 times more exposure than the closest competitor. Martinek said LoopNet is working on finalizing their retargeting strategy, which will drive viewers back to the City's website. Rasmussen asked what the budget was for APG versus LoopNet. Erickson said 12 months of digital marketing was budgeted for and all the funds will not be used because digital marketing did not happen for several months between Spectrum Reach and APG. Pelava summarized what was budgeted for in 2021 and asked if the monthly cost was for each parcel. Martinek said the cost is for all parcels and they would be listed under a master listing and he showed the Board an example of multiple listings under a master listing. Pelava said he if saw the current listing price of the business park, he would not look at it any further. Erickson said this would be a good time for the City Council to review the listing price compared to what it is being sold for. Furrer asked when there is a lead, what is LoopNet's role. Martinek said LoopNet is only the conduit and leads would contact the City directly City. Rasmussen asked if the City had anymore land for sale. Erickson and Pelava said no. Benninghoff asked if LoopNet works with site selectors. Martinek said he does not know the number of site selectors on LoopNet because it is not a subscribed service that site selectors subscribe to but he said the usage of LoopNet continues to increase. Bosacker said they have the capabilities to create a reverse IP address list, which would be about 1/3 of searchers. Martinek said he would meet with Erickson and use a warm lead list for follow up, which is a good tool to use to facilitate further conversations with prospective buyers. Furrer asked if the EDA was locked in at the \$649.00 per month for the Gold level or not. Martinek said yes but prices have generally increased but the EDA would be locked in at the \$649.00 per month. Bosacker said after the expiration of the six month agreement, the agreement can continue month to month at the same rate. Daleiden said LoopNet is cheaper than APG and brought up organic versus targeted marketing.

Rasmussen left the meeting at 8:44 am.

The consensus of the Board was to move forward with LoopNet. A motion was made by Pelava and seconded by Furrer to enter into an agreement with LoopNet at the Gold Level at \$649.00 per month for six months. Vote for: Daleiden, Benninghoff, Furrer, Simon and Pelava; Against: None; Vote 5-0. Motion carried.

6. NEW BUSINESS

a. Discuss Submitting a Southern MN Initiative Foundation (SMIF) Small Town Grant Application

Erickson said SMIF is accepting applications for their Small Town Grant and asked if the EDA wanted to submit an application. He said a project should be selected for the application and that he has spoken to the LACC regarding partnering on the application/project. Furrer said the EDA should submit an application to cover the cost of LoopNet/marketing the Business Park. Erickson said we could but it is questionable. Simon said the application should be for a project and not marketing. The Board held general discussion on applying for summer rec/swimming lessons. Erickson asked how that type of a project would meet the requirements of the grant such as how will it make Lonsdale a better place, impact on people's lives, will community actions change, partners, etc. The consensus of the Board was to not submit a grant application.

b. Discuss the EDA's Preliminary 2022 Budget

Erickson said the City Council will be approving the City's preliminary 2022 budget and property tax levy in September. He reviewed the information contained in the meeting packet and recommended that funds not be budgeted for and provided to outside agencies. There was discussion on proceeds from lot sales as a revenue source for the EDA, marketing, BR&E initiatives, etc. Erickson said this is the time to begin discussing applying for a SCDP grant, another round of funding for equipment and/or façade deferred loans, etc.

Daleiden left the meeting at 9:13.

7. OTHER BUSINESS

a. Additional Items to be Discussed

Joy Cherney said she attended the meeting to focus on "Old Town" and asked if the Taskforce had the authority to change implementation of the BR&E Report prepared by the U of M Extension Office. Pelava said no decisions have been made as of yet. Cherney suggested a mural of downtown be painted on the north side of the building located at 101 Main St. S. Pelava said every year, more and more of the paint, brick façade and repairs made to it fall off. Cherney said she is looking at the bigger picture, agreed with the discussed signage and that the City should buy the vacant building at 121 Main St. N. and put mini golf in it.

b. Items for the July 15, 2021 Agenda

The Board requested the 2022 budget and digital marketing be included on the agenda.

8. ADJOURNMENT

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

The meeting ended at 9:23 am.

Respectfully Submitted:

Joel A. Erickson, City Administrator