



ECONOMIC DEVELOPMENT AUTHORITY

Friday, February 21, 2020

8:30-10:00 a.m.

**WASECA COUNTY EAST ANNEX
300 N STATE ST, WASECA
COUNTY BOARD ROOM**

A G E N D A

- 1. CALL TO ORDER/ ESTABLISH QUORUM**
- 2. ELECTION OF OFFICERS / MEETING DATES**
 - a) Chairperson**
 - b) Vice-Chairperson**
 - c) Secretary**
 - d) Treasurer**
 - e) Establish Meeting Dates**
- 3. APPROVAL OF AGENDA**
- 4. APPROVAL OF MINUTES- November 15, 2019**
- 5. BILLS AND COMMUNICATIONS - None**
- 6. REPORTS - Member Reports**
- 7. UNFINISHED BUSINESS – None**
- 8. NEW BUSINESS**
 - a. Revolving Loan Fund (RLF) Request- Ruff Life Kennel**
- 9. MISCELLANEOUS - None**
- 10. ADJOURNMENT**

**Waseca County Economic Development Authority
Minutes of November 15, 2019
D R A F T**

CALL TO ORDER/STABLISH QUORUM

A quorum was established to conduct business and the chair, Pam Lehrke called the Waseca County Economic Development Authority (EDA) meeting to order at 8:29 a.m. at the meeting room in the East Annex Building.

MEMBERS PRESENT

Blair Nelson, Carol Raimann, Russ Frederick, Pam Lehrke, Charles Benson, Chris Osterloh

MEMBERS ABSENT

Doug Christopherson

STAFF PRESENT

Mark Leiferman, Planning & Zoning Administrator

OTHERS PRESENT

Sam Ziegler, Jim Boerboom, Jeff Neisen, Cory Harmening

APPROVAL OF AGENDA

Raimann made a motion with Frederick seconding to approve the agenda of the November 15, 2019 meeting. The motioned passed unanimously.

APPROVAL OF MINUTES

Frederick made a motion with Raimann seconding to approve the minutes from the June 21, 2019 meeting. The motion passed unanimously.

MEMBER UPDATES

None.

NEW BUSINESS

GreenSeam Presentation – Sam Ziegler

Sam Ziegler, Director of GreenSeam, gave a presentation about the organization. Ziegler stated that rural areas are shrinking yet Minnesota has great soil resiliency, capability, and high market value of Ag products sold. GreenSeam was created to bring more attention to the strengths of the area and to tell the story. The organization’s mission is “to be the premier ag business epicenter in the United States.” Over 950 Ag businesses are in the GreenSeam with 28% of the total workforce employed in Ag businesses, representing \$36 Billion in economic activity.

Raimann asked what some initiatives are done by GreenSeam. Ziegler gave examples such as assisting an indoor lettuce growing facility that was expanding but needed an exemption for investment into the company. Another example was connecting people with different backgrounds into the Ag business, such as connecting an individual with a robotics background to use his skills in creating Ag technology. GreenSeam also assisted Fairmont with recruitment tools such as pamphlets.

Leiferman asked if GreenSeam is working with any hemp groups.

Ziegler stated that it has been difficult due to how fast the industry is growing.

Discussion was held on hemp production, transport, and farming. Ziegler stated it is more expensive per acre.

Leiferman asked about other cities or counties who have been asked for funds. Ziegler responded that the goal is to be industry driven with only 10% being public dollars. He stated it is critical to have elected officials on board and that the public sector needs a voice too. The State of Minnesota has given GreenSeam \$75,000 and were the first public entity on board. The City of Waseca has pledged \$37,500.

Broadband Presentation – Jeff Neisen, Le Sueur County IT

Jeff Neisen presented to give perspective on what Le Sueur County is doing with their broadband. It has been presented to the County Board in July for approval. Two years ago, residents stressed concern about rural broadband. The County Board appointed a Broadband Group to look into the matter. Companies and businesses want better connections and won't be looking into moving to areas that have bad connection. It cost \$50,000 to approve the study done by Finley Engineering.

The study area consisted of:

- Area that already have fiber served by Lonsdale Telephone and Bevcomm.
- All towns and cities except Cordova, Kilkenny, and Ottowa.
- Fiber that has been along some highways by Jaguar Communications and that serves homes along those roads.

Neisen showed a map of where different coverage currently exists. Neisen stated it is difficult to expand because of "toes being stepped on."

"Why Broadband matters":

- Lower property values / County tax base
- Education
- Agriculture
- Medical
- Working at home
- Taking part in modern society
- Expanding demand – home broadband usage is doubling every 3 years

Neisen considered two different options:

1. Areas with less than 25/3 broadband and all rural areas
2. The larger study area covers 95% of the area of the County and includes those with less than 100/20 broadband

Each scenario considered building fiber.

Potential Broadband customers were:
 Passings for areas without 25/3 broadband: 2,402
 Passings for all rural areas: 2,954

The network design is as follows:

- Construct a 74.6 mile long fiber ring to provide service for fiber hubs
- In the 25/3 scenario there are 537.8 additional miles of fiber to reach customers
- In the all-rural scenario there are 582.3 additional miles of fiber to reach customers
- It's cost effective to bury the whole network, but the network could be placed on rural pole

Neisen stated that a wireless method is faster to implement but may not be suitable for long-term solutions.

The network costs are:

| | <u><25/3</u> | <u>< 100/20</u> |
|--------------------|-------------------|--------------------|
| Fiber & Drops | \$14,542,391 | \$15,544,427 |
| Electronics | \$ 1,477,747 | \$ 1,749,797 |
| Huts/Land | \$ 343,396 | \$ 343,396 |
| Operational Assets | <u>\$ 212,670</u> | <u>\$ 214,625</u> |
| Total | \$16,576,204 | \$17,852,245 |

The products offered will be: Triple Play (fast internet, cable TV, telephone), managed Wi-Fi, and more.

The Financial Results – Base are as follows:

| | <u><25/3</u> | <u>< 100/20</u> |
|---------------------|------------------|--------------------|
| Asset Costs | \$16.58 M | \$17.85 M |
| Grant | \$ 0.00 M | \$ 0.00 M |
| Equity | \$ 3.78 M | \$ 4.01 M |
| Bank Debt | <u>\$15.13 M</u> | <u>\$16.03 M</u> |
| Total Financing | \$18.91 M | \$20.03 M |
| Passings | 2,402 | 2,954 |
| Penetration Rate | 70% | 70% |
| Cash after 20 Years | (\$10.50 M) | (\$6.69 M) |

And here are the results with a \$5 million grant:

| | <u>< 25/3</u> | <u>< 100/20</u> |
|---------------------|------------------|--------------------|
| Asset Costs | \$16.58 M | \$17.85 M |
| Grant | \$ 5.00 M | \$ 5.00 M |
| Equity | \$ 2.66 M | \$ 2.88 M |
| Bank Debt | <u>\$10.63 M</u> | <u>\$11.53 M</u> |
| Total Financing | \$18.28 M | \$19.41 M |
| Passings | 2,954 | 2,954 |
| Penetration Rate | 70% | 70% |
| Cash after 20 Years | (\$3.70 M) | \$0.11 M |

The financial conclusions are:

- Looks hard to finance only 25/3 area (economy of scale)
- Bonds more expensive than bank loans
- Requires grant financing
- Will require significant equity
- Results are sensitive to penetration rate, interest rate, broadband prices, and asset costs.

Next steps:

- Consider a residential survey. Any solution will require a penetration rate of 70% or greater.
- A solution probably will require County grant funding.
- Find a partner.
- Keep your eye on federal grant programs.
- Be persistent. You're competing with a lot of rural counties in Minnesota for funding.
- Continue to educate the public.

Neisen stated that they are waiting until mid-December to hear if the grant will be given.

Lehrke asked who wrote the grant. Neisen stated that Finley Engineering did. The county had worked with the same representatives from the beginning.

Neisen stated that this benefits a lot of people, they just need the public funding.

Frederick asked about the life expectancy of new technologies including fiber. Neisen stated that it is quite a while for fiber. Copper has been lasting quite a while for phones. The capabilities of fiber could lead down decades as it is a more permanent solution. Neisen stated that Wi-Fi is faster to complete but can be interfered with.

Leiferman asked if the State is willing to fund Wi-Fi. Neisen stated if it meets the criteria given. He stated that it comes down to the dollars.

Osterloh commented that it is up to how much you want to pay per customer. Hypothetically, you can pay for 1 gigabyte a second if you really wanted. Neisen stated that it is also how much the county is willing to pay as well.

UNFINISHED BUSINESS

Broadband Discussion

Leiferman recommended having the County Board look over and review the broad band study to see what their opinion is as this has been an area of interest for the County.

The potential next steps: Discussion and review of the “Dig Once Policy” and a “Broadband Study.”

Leiferman showed the maps regarding rural dwelling density in broadband underserved areas and census blocks with broadband funding. Discussion was held on the location of the current lines and the potential of growth.

Osterloh stated there is potential for current lines to pick up some more residents. Ziegler mentioned smart grid systems and a feasibility study currently being done by Blue Earth County.

Lehrke stated that there are a lot of angles for these types of projects and a lot of different ways to be done in the county alone. She stated that there needs to be attention from big companies who are interested in partnerships. She believes a feasibility study is a good place to start.

Cory Harmening, serving as the IT representative for Waseca County introduced himself and gave his thoughts on the broadband study. He stated that there is difficulty because Frontier and CenturyLink owns access in these areas which can cause clashes. Harmening asked who the county expects to be the customer of the fiber system, residents or businesses. There are instances of businesses leaving an area because of the limited access to fiber. This provides a large challenge for counties in rural areas. Counties will need the support of townships, cities, and school districts. Harmening stated that businesses also don't want to share their fiber but want to own their own, called “dark fiber.”

Lehrke stated that there is more conversion to fiber in the industry. Copper is leaving with the growth of fiber. The question raised is how fast it is growing and Waseca County may not be the target area.

Harmening stated that these large companies may not share their fiber with you but would be willing to share the cost of digging, which labor is where the largest chunk of expenses come from while fiber in conduits is cheap.

Lehrke reiterated that the feasibility study will be useful.

Chris Osterloh made a motion with Carol Raimann seconding to recommend to the County Board on moving forward with the Feasibility Study. Motioned carried unanimously.

MNDOT Land (US Highway 14 and State Highway 13)

Leiferman showed an email from MNDOT regarding the property bought by Waseca County. Leiferman stated that they did not want to just give up the land.

There is a request to revise the parcel with a graphic showing the portion to be added, made up of 4.55 square feet. Leiferman asked if there were any objections. Leiferman told MNDOT that he would have to check-in with this committee before moving forward.

Chris Osterloh made a motion with Charles Benson seconding that the portion given from MNDOT is appropriate. Motion carried unanimously.

Leiferman stated that staff will bring more information when this project continues. The area is zoned Highway.

Trail Discussion

Staff submitted the Regional Parks Plan to the Regional Parks and Trails Staff. The first step is Waseca County and Freeborn County boards agreeing to make application to the Greater Minnesota Regional Parks and Trails Board. The second step is submitting the plan for ranking. Leiferman showed the Protocol for Regional Parks and Trails Funding Program.

Rena Madsen from Regional Parks and Trails is reviewing the current plan.

These items are required for all projects:

- Application Summary
- Cost Breakdown
- Availability for Public Use
- Location Map
- Park or Trail Site Map
- State Historic Preservation Office (SHPO)
 - Review Letter
- Natural Heritage Information System
 - Report
- Water and/or Wetlands Permit Determination Letters and Permits, if required
- Environmental Assessment Statement
 - (EAS) Checklist

Minnesota Environmental Quality Board review, a rules determination letter, and land approval certification form are required for the trail projects. Appraisals are required for land acquisition projects.

Former County Administrator Jessica Beyer was heavily involved in this process. Staff will be waiting until the hiring of the new County Administrator before moving forward.

Goals/Projects Discussion

Waseca County Economic Development Goals:

- Foster New Business Development and Expansion and Assist with Work Force Development
- Maintain, Develop, and Promote our Agricultural Economy
- Assist in the Development of Residential Housing (Rural Subdivisions, Lake Property, Hobby Farms and Multi-family Units)
- Work to Expand Countywide Broadband Infrastructure
- Expand and Foster the County Trails and the Tourism Sector

Waseca County staff have been working with St. Olaf Lake Association specifically to meet the goal “Assist in the Development of Residential Housing (Rural Subdivisions, Lake Property, Hobby Farms and Multi-family Units).”

Leiferman showed the aerial of the location for the St. Olaf Residential Project. The owner of the land is potentially selling the properties for a potential residential development.

The project will be developed under the Conservation Subdivision Provisions of the Waseca County Unified Development Code. The plan must be approved by a conditional use permit by Waseca County in consultation with the Minnesota Department of Natural Resources (DNR).

The DNR has not yet reviewed this plan. The clustering of docks is preferred by the department with 1 dock per development.

There has not been a wetland delineation completed.

The size of the cluster mound must be determined by a licensed septic installer as well as being approved by the Waseca County Public Health Services Department.

The suitability of the soils for construction on improvements including residents and the cluster mound as well as the road have not been determined.

Leiferman spoke briefly on the County EDA Goals, or “Vision 2020.”

Leiferman showed the Vision 2030 Action Pillars which are as follows:

6.1.3 Create High Quality Community Assets-

- Launch Programs that Attract and Retain Youth and Young Professionals
- Transform Education System into Lifelong Learning
- Update Community Aesthetics and Infrastructure
- Anchor Downtown as the Heart of the Community

Expand and Leverage Economic Development Initiatives-

- Establish a Long-Range Economic Development Plan with Metrics for Success
- Create a Community Marketing and Branding Initiative
- Diversify and intensify the Agricultural Sector
- Expand Technology, Professional and Business Sectors

6.3.3 Strengthen Regional Connectivity

- Collaborate with Regional Entities to Build Connectivity
- Expand Higher Education Connections to Attract Regional Innovation
- Build Top Grade Infrastructure
- Become a “Destination Location”

Create a Vibrant Dynamic Community

- Leverage Governmental Collaboration and Cooperation
- Active Leadership to Encourage Collaboration between Organizations

- Promote Social Connectivity
- Foster Entrepreneurships and Encourage Innovation

An item under Vision 2030 is 6.33 “Implementation Toolkit for Strengthening Regional Connectivity.” Waseca County hopes to become a “destination location.” The plans associated with this are:

- Develop parks, recreation and tourism master plan to identify development of events, activities and recreational opportunities to draw visitors from the region.
- Create development plans for Maplewood Park and Northwest Nature Area to transform them into regional recreational attractions.
- Develop and invest in plans to address water quality issues at Clear Lake and add water-based activities to attract visitors and local investment.

This also falls in line with County EDA Goal 5: Expand and Foster the Country Trails and Tourism Sector.

Another item under Vision 2030 is 6.13. Implementation Toolkit for Creating High Quality Community Assets. The plans associated with these are:

- Create opportunities and initiatives that enhance aesthetic improvements along key driving corridors, parks, trails and in the maintenance of community facilities.
- Evaluate zoning and maintenance code requirements and enforcement to ensure they meet expectations for community aesthetics are aligned with community vision.
- Establish programs to address blighted and distressed residential properties through incentives, assistance and enhanced code enforcement.
- Install artwork in public spaces.

This falls in line with the County EDA Goal 3: Assist in the Development of Residential Housing (Rural Subdivisions, Lake Property, Hobby Farms and Multi-family Units)

Clear Lake Projects - Water Quality.

- Waseca County Continues to utilize Minnesota Department of Natural Resources - Aquatic Invasive Species funds for:
 - Watercraft inspections and
 - lake weed treatments
- Waseca County Staff and the Waseca SWCD worked to make sure Clear Lake was eligible for grants under the 1 Watershed 1 Plan for the Cannon River.

Leiferman showed the surrounding neighbors who may be impacted. Leiferman stated the neighbor had planned new trees and there is an ability to continue on the south shore. It is \$40 per bundle.

The County is prepared to work with the City and County Staff, Elected Officials and the Lake Association on Corridor and Lake Improvement/Development projects.

Leiferman stated that the Kieslers are comfortable with the progress being made.

The Lakeside Issues involve a potential wetland violation which was not caught due to staff turnover.

Nelson asked if the DNR didn't have a concern then, why is there a concern now. Leiferman stated that the land is sloping down, it is getting depressed, and the roadways are sinking. Staff will work to find a solution. Buying credits is expensive and unwanted, about \$40,000 a credit.

It was brought to staff's attention that Bunker Drive has also been sinking these past several years. There is water backing up near the resident and flooding occurring on the course.

Another item under Vision 2030 is Implementation Toolkit for Creating High Quality Community Assets. The plans associated with this are:

- Create opportunities and initiatives that enhance aesthetic improvements along key driving corridors, parks, trails and in the maintenance of community facilities.
- Evaluate zoning and maintenance code requirements and enforcement to ensure they meet expectations for community aesthetics are aligned with community vision.
- Establish programs to address blighted and distressed residential properties through incentives, assistance and enhanced code enforcement.
- Install artwork in public spaces.

This project is permitted in the Limited Residence District. The current use is also allowed as it has been grandfathered in.

Leiferman went over the Code Amendments which are as follows:

Code Amendments – Retail Specialty Uses

Retail Specialty Uses.

- A. Retail specialty uses may be allowed as conditional uses in the LR Limited Residential District.
- B. Retail specialty uses shall be restricted to the following uses:
 1. Convention and exhibit hall;
 2. Mixed use residential and commercial use;
 3. Motel or hotel;
 4. Restaurants including bakery and coffee shop;
 5. Retail sales and office establishments;
 6. Tavern, brewery, winery and/or distillery;
 7. Parking facility; and
 8. (8) Water-oriented accessory structures (docks, lifts and the like); and Water-oriented commercial business.
- C. Performance standards for residential specialty shops shall be as follows:
 1. The minimum lot area of each lot where a residential specialty shop is established shall be 20,000 square feet.
 2. All trash and refuse must be contained and all refuse receptacles shall be enclosed in opaque fencing at least six feet in height. Screening, in the form of shrubbery, trees or a fence, to a height of at least five feet, shall be installed along all property lines abutting a residential use.
 3. The entire front yard space shall be landscaped with grass or other natural materials, with the exception of areas needed for access drives.
 4. A parking plan shall be submitted which shall be approved only upon the terms and conditions as result in preservation of the character of the area related to lot coverage and screening.

5. Sizes and locations of signs for each permitted specialty retail or service business shall be set by the Waseca County Board of Commissioners.
6. Each retail specialty use property must front on Old Highway 14, Clear Lake Drive or the East Elysian Lake Road and must abut an established commercially zoned district or a property that is used for, or located adjacent to a property used for commercial purposes.
7. Each retail specialty use located within 200 feet of a residence or residential use not owned by retail specialty use owner, shall maintain an exterior residential appearance and character. The term “residential” shall, for purposes of this section, mean a building that has an exterior facade that is compatible and of the approximate size of the surrounding single-family houses.
8. Business hours for retail specialty uses located within 200 feet of a residence not owned by retail specialty use owner shall be limited to 8:00 a.m. to 8:00 p.m.

There is a meeting between Lakeside and Kieslers to discuss the potential of expanding the housing as well as a potential tax increment district (TIF), abatement area, and/or small cities development program (SCDP) grant in the Elk, Fawn, and Doe area.

Leiferman discussed if Lakeside is included in the TIF. Nelson stated that the issue would be that the area is small plotted lots. Leiferman suggested getting the property owners together to make larger lots.

Discussion was held on the types of TIFs.

Miscellaneous

None.

ADJOURNMENT

Frederick made a motion with Nelson seconding to adjourn the meeting. Motion carried unanimously. The EDA meeting of November 15, 2019 was closed at 9:58 a.m.



1178 380th Ave

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FEB -7 2020

WASECA COUNTY
PLANNING & ZONING

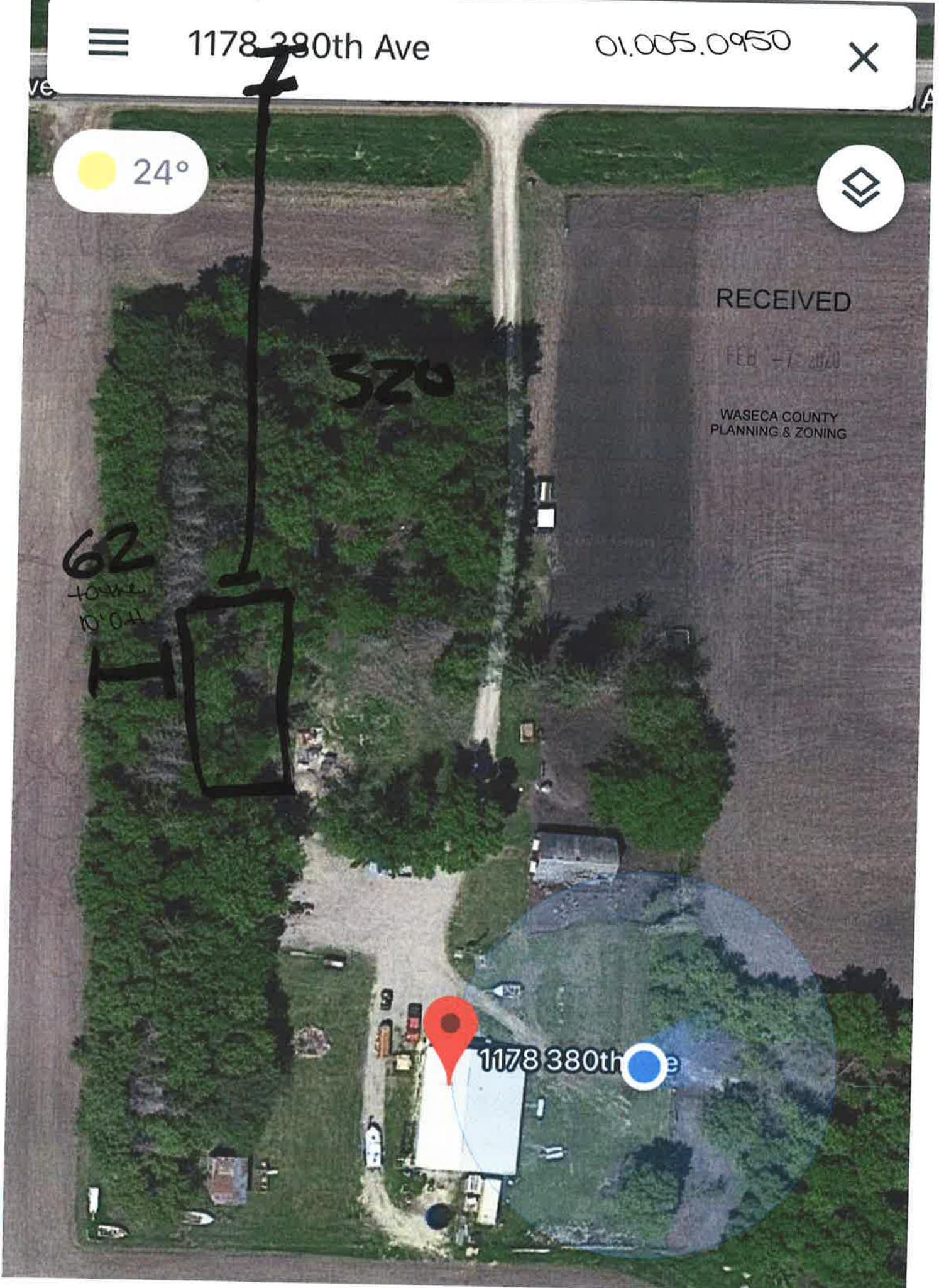
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1178 380th Ave



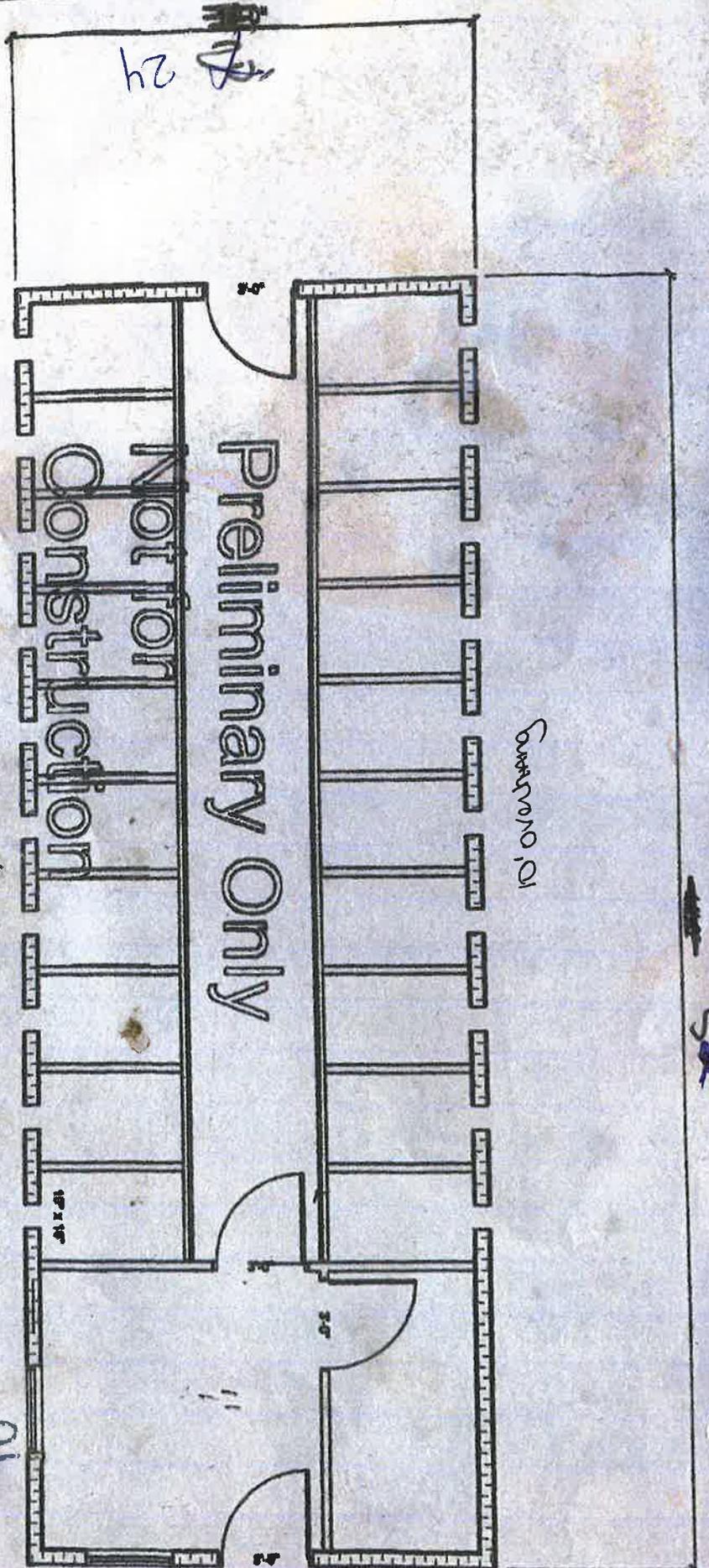
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FEB -7 2020

WASECA COUNTY
PLANNING & ZONING

MAIN FLOOR
SCALE: 1/4" = 1'-0"



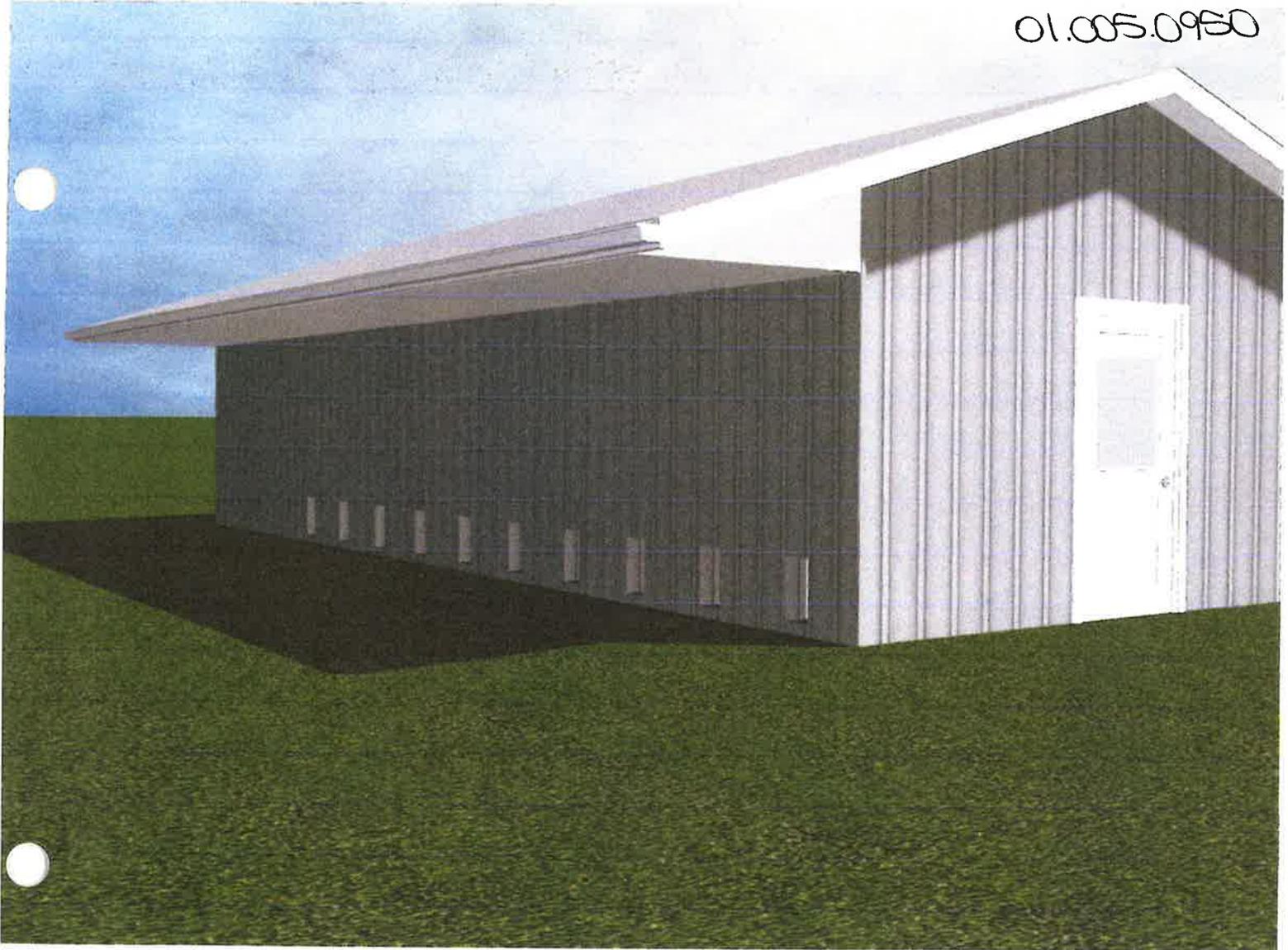
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WASECA COUNTY
PLANNING & ZONING