



NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION

Wednesday, February 8, 2017

6:30 p.m.

City Hall – Large Conference Room

310 Elm Street West

Norwood Young America, MN

- I. Call to Order**
- II. Consideration of the Agenda**
- III. Oath of Office** – Kaarin Foede
- IV. Approval of Minutes**
 - A. January 11, 2017 Regular Session
 - B. January 25, 2017 Joint Marketing Meeting
- V. Unfinished Business**
 - A. Branding and Marketing Discussion
 - B. No/Low Interest Loan Program
- VI. New Business**
 - A. Shovel Ready Designation
- VII. Project Updates**
- VIII. Miscellaneous Communications**
 - A. 2017 Goals
- IX. Upcoming Meetings**
 - A. EDC Regular Meeting Wednesday, March 8, 2017, 6:30 p.m.
 - B. National Small Business Week Breakfast, May 3, 2017 - John McHugh, KwikTrip
- X. Adjournment**



DATE: February 8, 2017

MEMO TO: NYA Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item III. Oath of Office

Background:

The City Council has previously appointed Kaarin Foede to the EDC, but she was not administered the Oath of Office.

Action:

This Commissioner will be administered the Oath of Office at the February 8, 2017 meeting. Thank you to Kaarin for her dedication and service to the EDC!

NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION

Minutes from the Meeting on Wednesday, January 11, 2017 at 6:30 p.m.
Oak Grove City Center – Large Conference Room
310 Elm Street West
Norwood Young America, MN

I. Call to Order

Secretary Molnau called the meeting to order at 6:30 p.m.

EDC members in attendance were: Charlie Storms, Bruce Mathwig, Sarah Molnau, and Kaarin Foede, Chamber of Commerce liaison. Carol Lagergren arrived at 6:34 p.m. Also in attendance was former Mayor, Tina Diedrick.

Absent: Kyle Strickfaden and Julie Schmidt.

Staff attending were: City Administrator Steve Helget and Economic Development Coordinator Holly J. Kreft.

II. Consideration of the Agenda

A motion was made by McPadden, seconded by Mathwig to approve the agenda as amended with the addition of 2017 Economic Development budget review.

III. Oath of Office

Incoming member, Mike McPadden, and new member, Carol Lagergren, read the Oath of Office.

IV. Election of Officers

A motion was made by Molnau seconded by McPadden to nominate Schmidt as Chair. Motion carried 5-0.

A motion was made by Molnau seconded by McPadden to nominate Foede as Vice Chair. Motion carried 5-0.

A motion was made by Molnau seconded by McPadden to nominate Molnau as Secretary. Motion carried 5-0. Staff person Kreft will maintain monthly meeting minutes.

V. Approval of Minutes

A motion was made by McFadden seconded by Storms to approve the December 14, 2016 Finance Committee Meeting Minutes as presented. Motion carried 5-0.

A motion was made by McFadden seconded by Storms to approve the December 14, 2016 EDC Meeting Minutes as presented. Motion carried 5-0.

VI. Unfinished Business.

A. Branding and Marketing Discussion.

Staff noted that the EDC reviewed the draft logos at the December meeting and had recommended some improvements. John Gamades with Orange Ball Creative recommended a joint meeting with the Marketing Committee and EDC.

A motion was made by Molnau second by McPadden to have a joint EDC/Marketing Committee on Wednesday, January 25th at 6:30 p.m.

B. No Interest Loan Program.

Staff provided an overview of the survey results to businesses. Mayor Lagergren questioned the percent of responses which appeared to be approximately 10% or less. Administrator Helget discussed the previous program which was a matching forgivable loan for façade improvements and was forgiven as long as the business remained in business for 5 years. Administrator Helget noted there is still a risk for the City with a low interest loan. Commissioner Mathwig asked if there is a collateral requirement. He also questioned asked if a business like Cedar Direct LLC could apply. Helget stated under the program, the applicant would need to either own the building or have the owner co-sign for the loan. There was discussion that the previous program was façade only and the City hasn't funded any projects since 2012. Administrator Helget noted that in 2013 it was available, but no one applied.

Mayor Lagergren noted that if the goal is to beautify the community, then the exterior would be the primary focus. Commissioner Molnau stated she would consider exterior only and open to all businesses. Commissioner Storms asked if leasee could apply, City would have a lien on the property, so property owner would need to co-sign.

Commissioner Mathwig questioned if survey should be re-sent given the low response rate. He stated that the City could include more details on the program as part of the survey. The City has approximately \$120,000 available for the program. The Commission discussed the dollar amount to commit per year. Commissioner Mathwig questioned the number of projects and interest rate – and indicated possibly a sliding scale with \$1,000-\$5,000 with no interest and then \$5,000 to \$10,000 with low interest rate and up to a three year term.

There was a brief discussion on design guidelines. Kreft noted those should be reviewed by Planning Commission.

Consensus of the Commission was to have a policy drafted for review at the next meeting and then possibly re-send a survey to the businesses with more details on the program.

C. 2017 Goals and Strategic Plan.

Kreft noted that this was reviewed at the December meeting and updated based on comments. Administrator Helget noted that no funds are available for the signs at this time. Commissioner Molnau asked about the MnDOT program. The consensus was to change the language to reflect

planning for updating the monument signs.

Commissioner Foede asked if there will be deadlines for the goals and gave the example of the business spotlights. Commissioner Molnau suggested coordinating that goal with Chamber of Commerce. Mayor Lagergren suggested having ownership of the goals by assigning the goals to Commissioners. Storms said he would work with Manufacturing Week and discussed the former YAC building. McPadden said he would work with newspaper about articles and coordinate with Chamber. McPadden left at 7:15 p.m.

VII. New Business
A. 2017 Budget

Administrator Helget distributed the 2017 budget relative to Economic Development as approved by the Council. He noted there would be costs to update marketing items. For example, the cost for industrial park land was \$1.00 per square foot, but the market value has changed. Professional fees include shovel ready and potentially updated website design. Professional services are for consultant economic development. Printing and publishing includes new billboards and the newsletter.

VIII. Project Updates

Commissioner Mathwig asked if Waconia Manufacturing was bought out. Steve confirmed they were purchased by the parent company. The name will be changing.

Administrator Helget distributed a list of the new businesses that opened in 2016. He noted that there was also a request to open a doggie daycare in downtown which will be considered by the Planning Commission. He also noted there is also a new business that will focus on repairs to Volkswagen Beetles in former Jerry's Body Shop building. Owner asked to wait until spring for ribbon cutting.

Commissioner Mathwig questioned if Cedar Direct LLC accepted terms of EDC loan. Administrator Helget indicated they had and that the loan closing was held in December.

IX. Miscellaneous Communications

There was some discussion of residences illegally using main floor commercial buildings.

X. Upcoming Meetings

The next regular EDC meeting will be February 8, 2017 at 6:30 p.m. January 25th joint EDC/Marketing meeting. Chamber Banquet on January 19th and Chili Feed on February 11th.

XI. Adjourn

A motion was made by Storms seconded by Mathwig to adjourn the meeting at 7:32 p.m. Motion carried 4-0.

Respectfully submitted,

Holly J. Kreft, Economic Development Consultant, MDG, LLC.

**Norwood Young America Joint Meeting
Branding & Marketing Committee
Economic Development Committee
January 25, 2017**

The meeting was called to order at 6:35 p.m.

Present: Jessica Klausermeier and John Gamade of OrangeBall Creative, Marketing and Branding Committee Members Josh Kroells, Charlie Storms, Tina Diedrick, Perry Forst, Steve Helget and Holly Kreft. EDC members in attendance were: Bruce Mathwig and Kaarin Foede. Also present was Chamber of Commerce Executive Director, Karen Hallquist.

Absent: Mike McPadden, Julie Schmidt, Kyle Strickfaden, Kaarin Foede, and Sarah Molnau.

Business.

- A. John Gamades discussed about how we got to this point and the importance of the joint meeting. Jessica Klausermeier noted that most of the EDC was not in attendance. John reviewed the Voice and Brand Document. The five focus points are community, families, businesses, small town, authentic and real. John covered the Our Families concept of “Norwood Young America is a growing community, proudly rooted in small town values, offering best-in-class education, convenient healthcare, safe tree-lined streets, and a high quality of life. The Our Community concept “Norwood Young America is a generational community, grounded in tradition, yet progressive by nature, built on long-lasting relationships and opportunities to become involved and work side-by-side with neighbors and friends.” Our Businesses concept “Norwood Young America is a thriving community in the West Metro centrally located on major highways with opportunities to grow, affordable space, and a highly educated workforce that value hard work and integrity in all they do.”

Why Statement – “Norwood Young America is a growing community rooted in small town values where you can raise your family, where businesses thrive, and you live each day to the fullest. A place where a high quality of life still exists, relationships are formed, and opportunities are found. Welcome to Norwood Young America, more than a place, it’s home.” There was discussion by the group about where this would be used – website, print material. Bruce indicated that he is not a fan of the “more than a place, it’s home” tagline and suggested ending it with “Welcome to Norwood Young America!”

John discussed the “it’s home” statement and the intent that it covers children, adults, and businesses. Karen explained why she liked it. Steve indicated that the ribbon cuttings and outreach with businesses make they feel like they’re home. Josh noted that it is unique. Tina agreed that she liked it and is the “warm and fuzzy” at the end of the statement. There was discussion about having a tagline on all material. John noted that the tagline may not be included on everything. John reviewed supporting ideas. The supporting statement is that “We are small town”. John noted that it is authentic and real, not trying to create a small town like some communities are trying to do.

John reviewed logos. He noted that there isn’t a symbol that clearly represents Norwood Young America like some communities located on a lake or monument. He noted that previous symbols reviewed included water towers and churches. There was some discussion about the use of the

church from a legal standpoint. John questioned if that was strongest story to tell. Karen noted that she was impressed with the progression of the logos and liked everything in Round 6 and noted it covered everything – houses, a flag, commercial, and farms. She also liked the colors that complement the Stiftungsfest colors.

Perry noted on C that the flag got cut off. He also suggested to make the farm buildings smaller to make room for a tree on the right side and have the sun coming up or setting versus in the middle. Steve discussed his concerns with the busyness of the logo. He noted that City vehicles are red and how this logo will be modified to accommodate for multiple uses – banners, decals, website, letterhead. Jessica discussed that in certain applications the buildings could be removed and an just have the swoops and the name. John noted that the name of City is so long so could stack it vertically versus horizontally. Steve liked there could be options for different uses. Josh referenced Round 5E with the stacked name and buildings underneath. There was discussion about what was reviewed at EDC and Holly noted that they stated that none of the logos called to them. Charlie noted that having the backstory is important and having the orange ball as the sun was also disliked.

Tina noted maybe the buildings could come off altogether. Jessica said they could do options without the buildings. John said they would put together a new option without the buildings. Karen liked having the options of what different versions will look like for the different applications. Josh noted removing the farm scene. John noted that the commercial buildings were meant to be generic.

There was consensus to keep the script text. Karen asked if the N,Y, and A could be just slightly bigger. Perry noted that the text needs to be bigger. Perry reiterated that the Marketing Committee is recommending use this as the base logo versus starting from scratch. Jessica noted that everything needs to be consistent for use of logos – website, signs, banners. Charlie noted that City vehicles will need to say “City of” as part of the logo.

Jessica said they will make those examples to have for review at the next meeting. Charlie asked if it can be a mock-up for a City vehicle. Josh asked for examples on letterhead and business cards. Current colors for EDC logo are red, blue and gold. Karen asked if City would have any information on the current logo for the water tower related to the colors. Jessica stated she will check on it. Karen noted that City park signs are navy blue. Orange Ball will develop options for review at the next meeting.

Next meeting – February 8th, 5:30 p.m. and EDC will be invited.

Adjournment – The meeting adjourned at 7:42 p.m.



DATE: February 8, 2017

MEMO TO: Norwood Young America Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item V. A. Branding and Marketing

Background:

A Joint Meeting was held on January 25th with the EDC and the Marketing Committee. Orange Ball Creative presented the background of the logo development. The minutes for the meeting are included in this packet for reference.

The consensus of the group was to move forward with Option C of Round 6 with options developed by Orange Ball Creative. Another joint meeting was held prior to this EDC meeting. An overview will be provided.

Project Scope and Timeline Per Proposal:

- Phase 1: Brand Discovery 3-4 week (August/September) - Complete
- Phase 2: Logo Development 3-4 weeks (September/October) – In Process
- Phase 2: Tagline Development 3-4 weeks (October/November) – In Process
- Phase 2: Style Guide (November/early December) – In Process

Action:

If there is consensus on the logo, a recommendation to the City Council is needed.



DATE: February 8, 2017

MEMO TO: Norwood Young America Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item V. B. No Interest Loan Program

Background:

Based on the discussion at the January EDC meeting, staff prepared the attached draft policy for a no/low interest loan program. The working title of the program is the Facade Improvement Program. Highlights of the policy include:

- Limited to exterior improvements
- No or low interest loan depending on the amount
- Limited to owners, buyers, or tenants with property owner as a co-signer
- Properties in C-2 General Commercial, C-3 Downtown District, and B-1 Business Industrial Districts are eligible
- Examples of eligible expenses
- Renovations that are due to the lack of maintenance by the current owner are not eligible
- The applicant needs to have 50% match
- Loans from \$1,000 to \$5,000 there is no interest
- Loans from \$5,001 to \$10,000 there is low interest
- Term of all loans is 3 years
- Projects need to be completed within 6 months
- The applicant is reimbursed after showing paid invoices

Action:

The EDC is asked to provide input on these items:

1. Should the improvements be limited to exterior improvements or should interior improvements, such as upgrades needed to meet ADA requirements, be allowed?
2. Should tenants be allowed to apply as long as the property owner agrees to co-sign the loan and the building is used for collateral?
3. Should all commercial properties be included or only the downtown districts?
4. Should any other exterior improvements be included?
5. Should applicants be reimbursed after making payments or should the EDC make payments directly to the vendor?

The EDC indicated that once more details of the programs were determined, another survey will be sent out to the business community to get feedback. Once those survey results are received, the feedback will be provided in order to finalize the policy and present to the City Council for approval.

Façade Improvement Program Policy

Purpose

The City of Norwood Young America Façade Improvement Program provides financial support through no interest and low interest loans to commercial property owners and business owners. The purpose of the Program is to support the revitalization of commercial buildings by stimulating private investment in high-quality improvements that enhance the appearance of building and properties and eliminate blight.

The Economic Development Commission for the City of Norwood Young America, using its housing and redevelopment authority, created the Façade Improvement Program in order to eliminate or prevent blight.

The City reserves the right to approve or reject projects on a case-by-case basis, taking into consideration established policies, project criteria, and the demand of City services in relation to the projects potential benefits. Meeting policy criteria does not guarantee the award of business assistance to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

The City may deviate from this policy for projects that supersede the objectives identified herein.

Program Eligibility

The Façade Improvement Program provides a one-time no interest or low interest loan for eligible improvements. Eligible applicants are owners of commercial properties or purchasers of properties that have a contract for purchase of an eligible property that they will be renovating upon closing of the property. Tenants will only be considered for funding if the application is signed by the property owner and the property owner agrees to be a co-signer to the loan.

The intent of the Façade Improvement Program is to focus on those buildings and properties that need improvement due to age, a desire to improve the overall impression of the property, and increase the value of buildings. Commercial buildings in the C-2 General Commercial, C-3 Downtown District, and B-1 Business Industrial Districts are eligible for the Program.

Eligible Expenses

For the purposes of this Program, eligible expenditures shall include expenses related solely to those exterior improvements that are eligible for the Program. Expenditures excluded are those related to interior improvements; ordinary repair and maintenance; improvements required as the result of a code violation; or other expenses deemed ineligible by the City.

- Improvements visible from the street, including exterior building improvements, signage, lighting, and landscaping. Examples include, but are not limited to:
 - Exterior painting
 - Surface treatment (i.e. siding or stucco replacement/repair)
 - Decorative awnings
 - Window and/or door replacements or entrance modifications

- Storefront replacements or enhancements
 - Outdoor patios and decks
 - Exterior wall lighting
 - Replacement of roofs
 - Restoration of architectural features (i.e. tuckpointing, repair of corbels)
 - Landscaping – when part of a larger project and cannot exceed more than 10% of the total project cost
- Improvements or repairs that are required as a result of a violation or citation are not eligible for funding through the Façade Improvement Program.
 - Improvements will be considered as part of a total project. For instance, if the applicant proposed to replace windows, the City may require that sills also be repaired or replaced if in need of such work.
 - Site furnishings, non-permanent structures or improvements, or movable equipment shall not be eligible for funding through the Façade Improvement Program.
 - Any renovations that are solely the result of ordinary repair and maintenance are not eligible for funding through the Façade Improvement Program. *Ordinary repair and maintenance is defined as “any work, the purpose and effect of which is to correct or prevent any deterioration or decay, or damage to, a structure, site or any part thereof and to restore the structure or site as nearly practicable, to its condition prior to such deterioration, decay, or damage using materials that are of a design, color, and outer appearance as close as practicable to the original”.* Roof will be considered under extenuating circumstances.

Exclusions to this clause may be made when a new owner purchases a structure and is renovating the structure and the deterioration has not been caused by the new owner or any affiliate or agent.

Funding

The following requirements shall apply to any funding requests:

- The Program provides a one-time loan for eligible expenses. These improvements must be visible from the exterior and meet the eligible expense requirements.
- The City may fund up to a maximum of 50% eligible project’s cost. Loans may range from \$1,000 to \$10,000. For loans of \$1,000 to \$5,000, there shall not be any interest required as part of the funding. For loans of \$5,001 to \$10,000, there shall be a low interest of 1% below the current prime rate or 2%, whichever is less.
- The term of the loan shall not exceed three (3) years.
- If the benefitting property is sold within the period of the loan, the loan must be repaid in full.
- The applicant has six (6) months from the award date of the loan to complete the project and request payment of loan funds. All loan funds will be paid to an applicant upon receipt of evidence of paid invoices for the project along with a release of any and all mechanics or contractors liens.
- The applicant must maintain the property during the repayment period. Failure to do so may cause the loan to become payable in full.
- The building will be listed as collateral for the loan.

Application Process

The following application process shall apply to all applicants:

- Applications must be submitted by the property owner(s) or the building tenant in conjunction with the owner(s). The application shall become the property of the City and is subject to Minnesota Statutes, Chapter 13 (Government Data Practices Statute).
- The applicant must verify whether or not a building permit is required for the proposed project. If required, a building permit must be obtained prior to issuance of funds.
- Property taxes shall be current prior to issuance of funds.
- Loan recipients are required to seek at least two (2) bids or proposals for all projects. It is preferred that the contractor with the lowest bid will be chosen unless other factors are presented to the City.
- Funds for this program are limited and will be awarded to qualifying applicants on a first-come, first-serve basis.
- City staff shall review the application materials and make a preliminary recommendation regarding the completeness of the application and whether the application meets the criteria outlined in this policy.
- An application shall not be submitted to the City Council for approval unless recommended for approval by the Economic Development Commission.

Reporting Requirements

Loans less than \$75,000 are not subject to reporting under Regulating Local and State Business Subsidies, Minnesota Statute 116J.994.



DATE: February 8, 2017

MEMO TO: Norwood Young America Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item VI. A. Shovel Ready Designation

Background:

One of the goals for 2017 is to obtain Shovel Ready Designation for lots in the Tacoma West Industrial Park. Please find attached the Fact Sheet and Application Flow Chart for the process. The application fee for the Minnesota Certified Shovel-Ready Site program is \$3,250. Funds have been included for this in the 2017 Budget. The fee covers the cost of initial review, onsite inspection, final certification, marketing and annual maintenance of the Shovel-Ready program. This does not include consultant time for completion and submission of the application.

There are two Sessions available for submission. Eight to ten applications are accepted per each session:

Session I

- Application deadline: April 30.
- Field visit the first or second week of June by Moran, Stahl, and Boyer
- Certification issued early July

Tacoma Park West Industrial Park would be the first Shovel Ready Designated Site in Carver County.

Action:

A MOTION is in order to authorize staff to begin the application for submittal for the Session I deadline.

Minnesota's Shovel Ready Program

READY TO ROLL

**Get ready to dig in and attract new business and industry with ease —
with a streamlined process to promote your city's economic development.**

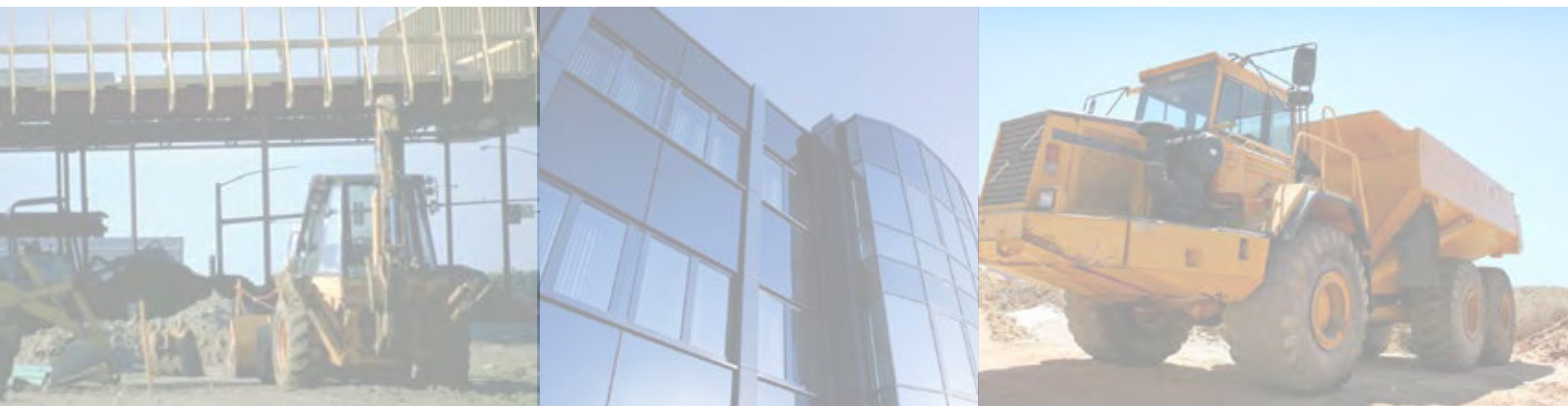


Check out the new Shovel Ready Site Certification Program at mn.gov/deed/shovelready.

The certification program makes the site-selection process easier, faster and more predictable for companies that are looking to grow in Minnesota. Certified shovel-ready status is fast becoming a standard for sites that are marketed around the country.

Minnesota's Certified Shovel Ready sites will be marketed at national conferences, trade shows and on the MnPRO.com Web site, the state's site-selection database.

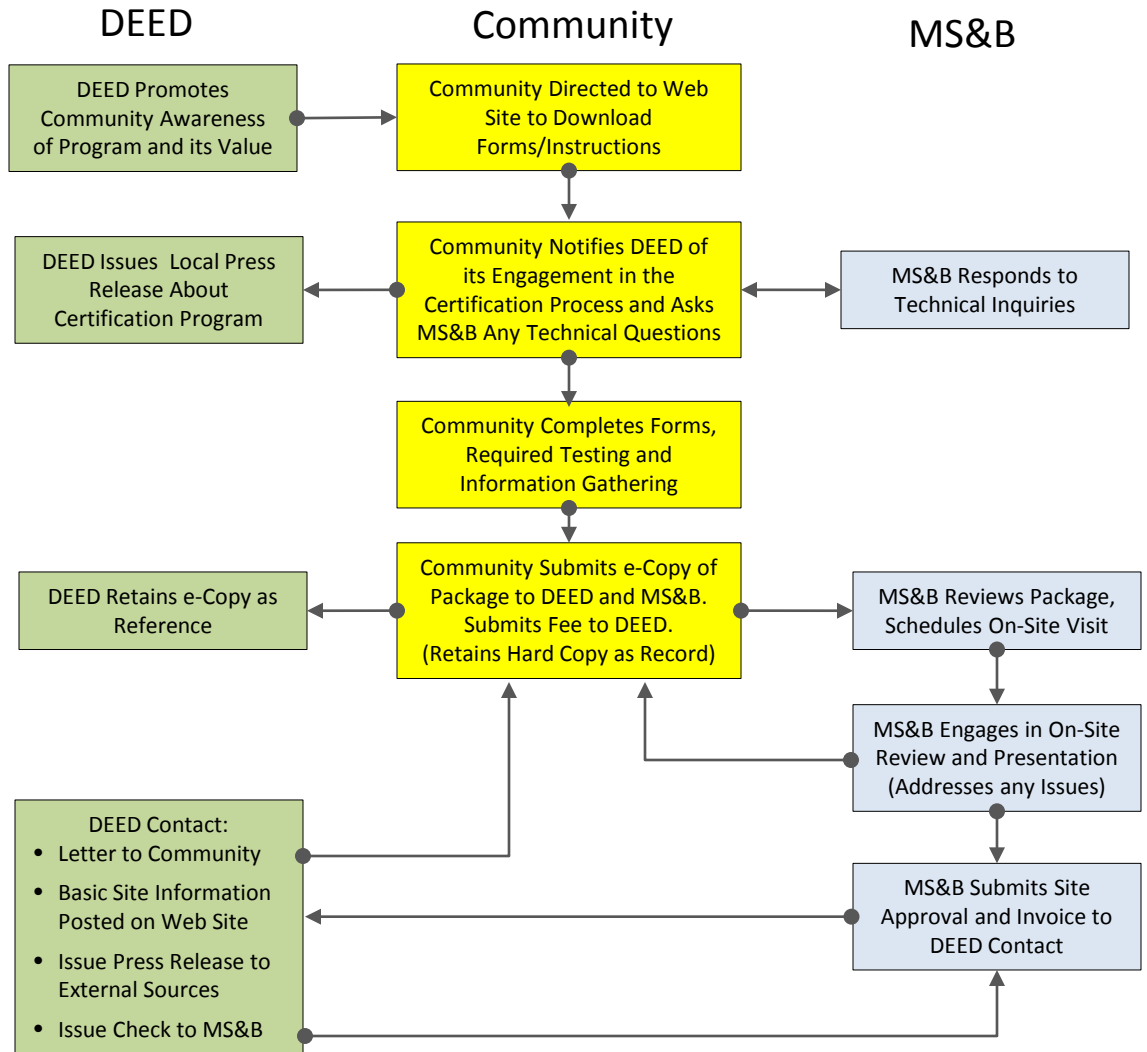
John Rhodes, national site-location consultant with Moran, Stahl & Boyer, will assist communities with the certification process. Applications may be submitted at any time. The application fee for shovel-ready certification is \$3,250 and covers the initial review, onsite inspection, final certification and marketing.



**For more information on
Minnesota's Shovel Ready Site Certification Program, contact:**

Kevin Kelleher
Business Specialist
Department of Employment and Economic Development
507-453-2926 toll free 888-438-5627
E-mail: kevin.kelleher@state.mn.us

John Rhodes
Senior Principal
Moran, Stahl & Boyer
941-755-0074
E-mail: john.rhodes@msbconsulting.com





DATE: February 8, 2017

MEMO TO: NYA Economic Development Commission

FROM: Holly Kreft, Economic Development Consultant

RE: Agenda item VII. Project Updates

Following are project updates from the past month:

1. **Florist Shop** – The prospective business is working to lease space at 210 Railroad Street. Karen Hallquist also offered to talk with the owner on her perspective of a previous floral/gift shop owner. They hoped to be open in the next couple of months.
2. **Plumbing and Heating Company** - We are working with the owner of a plumbing and heating company currently located in another community. They are interested in Lot 10 of Tacoma West Industrial Park and are currently completing their due diligence.
3. **Salon** - I contacted the property owner at 112 North Union Street (former Camelot Coffee) about listing his property and he has signed a lease with a new salon owner. He passed along my contact information and I will share more information once I have it.
4. **Snap Fitness** - Snap Fitness has purchased the current single family home adjacent to Dairy Queen. They plan to demo the building and build a new building. We will be working with them on the site plan and have also shared with them the Open to Business gap financing information.
5. **Acoustical Services Inc.** - They are relocating from Chaska and will be subleasing space from Wick's Cabinets. They are in the process of putting together the necessary equipment for the relocating and plan to open this summer.
6. **Lionshead Tire and Wheel** - We are coordinating with them to host a ribbon cutting in the coming months.

2017 Economic Development Commission Goals

	A	B	C	D
1	Marketing Goals	Deadline	Assigned To	Notes
2	Planning for updates to gateway signs			
3	Investigate banners on streetlights and over streets			
4	Update City billboard with new logo			
5	Continue to update EDC page on City website			
6	Continue to post on EDC Facebook page			
7	Continue Quarterly newsletters			
8	Work the newspaper to develop Business Spotlights		McPadden	
9				
10	Industrial Development Goals	Deadline	Assigned To	Notes
11	Pursue Shovel Ready Designation for Tacoma West	April 30		
12	Participate in Carver County Real Estate Expo	October		
13	Participate in MnCAR Expo	November		
14	Promote the available sites in Tacoma West			
15	Host Manufacturer's Week	October		
16	Remain in contact with existing manufacturers			
17				
18	Commercial Development Goals	Deadline	Assigned To	Notes
19	Host National Small Business Week event	May 3		
20	Conduct ribbon cuttings and ground breakings			
21	Investigate the feasibility of a No Interest Loan program			
22	Promote the EDC loan program and Open to Business			
23	Investigate the feasibility of applying for Carver County CDA grant			
24	Actively promote commercial sites and work with owner/realtors			
25	Respond to business leads in a timely manner			
26				
27	Collaboration Goals	Deadline	Assigned To	Notes
28	Support the Chamber of Commerce and events			
29	Coordinate at least one joint meeting with Council, EDC, Planning and Chamber Board			
30	Continue to work with CDA and Open to Business			