



NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION

Wednesday, January 11, 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** – Carol Lagergren and Mike McPadden
- IV. **Election of Officers:** Chair, Vice Chair & Secretary
- V. **Approval of Minutes**
 - A. December 14, 2016 Finance Committee
 - B. December 14, 2016 Regular Session
- VI. **Unfinished Business**
 - A. Branding and Marketing Discussion
 - B. No Interest Loan Program
 - C. 2017 Goals & Strategic Plan
- VII. **New Business**
- VIII. **Project Updates**
- IX. **Miscellaneous Communications**
- X. **Upcoming Meetings**
 - A. EDC Regular Meeting Wednesday, February 8, 2017, 6:30 p.m.
- XI. **Adjournment**



DATE: January 11, 2017

MEMO TO: NYA Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item III. Oaths of Office

Background:

The City Council has re-appointed Mike McPadden to the Economic Development Commission. Mayor Carol Lagergren is appointed as the Council representative.

Action:

These Commissioners will be administered the Oath of Office at the January 11, 2017 meeting. Thank you to Mike for his continued dedication and service to the EDC! Welcome to new Mayor Lagergren!



DATE: January 11, 2017

MEMO TO: NYA Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item IV. Election of Officers

Background:

According to City Code Section 255.03 Organization, Meetings, Etc. A., “The [EDC] commission shall elect a chairperson from among its appointed members for a term of one year; and the commission may create and fill such other offices as it may determine.

A commission member shall act as secretary of the economic development commission.”

It appears that the EDC in the past has elected a Chairperson and a Vice Chair, with consulting staff serving as the secretary. Consulting staff can continue to prepare packets and minutes; however, if the EDC wishes to elect a secretary, in accordance with the Code, this Commissioner would sign documents required to be signed by the Secretary and serve in that capacity.

2016 Officers were as follows:

- Kyle Strickfaden, Chair.
- Julie Schmidt, Vice Chair.
- Sarah Molnau, Secretary

Action:

The EDC is asked to elect officers for 2017. This may include a Chairperson, Vice Chairperson and Secretary.

**NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION
FINANCE COMMITTEE MEETING**

**Minutes from the Meeting on Wednesday, December 14, 2016 at 6:00 p.m.
Oak Grove City Center – Large Conference Room
310 Elm Street West
Norwood Young America, MN**

I. Call to Order

The meeting was called to order at 6:00 p.m.

EDC Finance committee members in attendance were: Kyle Strickfaden, Bruce Mathwig and City Administrator Steve Helget. Also in attendance were Economic Development Consultants Jo Foust and Holly Kreft of MDG, LLC. and Lee Hall of MCCD.

Lee Hall presented a loan for the EDC's consideration. The request is for \$10,000 participation in a \$100,000 loan package. There is bank commitment for \$50,000. The MCCD Board has approved up to \$50,000. The MCCD has an agreement with the city to allow the City to participate, if the EDC wishes to. The EDC's participation, with \$10,000, is not required for the deal to proceed.

The applicant is Tim Conyard of Cedar Direct Minnesota, LLC, who will be locating at 717 Faxon Road in 18,000 square feet of leased space. The company is a manufacturer and wholesaler of refinished woods. Tim has a background in the industry and equity into the project.

Hall provided an overview of the financing package, proposed collateral and sources and uses of funds. There will be four employees plus Tim initially. Funds would be used for a finishing machine, board toaster and other tools. The loan would be at 6.5% for a 60 month term. The MCCD and EDC would have a second position on all business assets. Cash flow projections were provided. A personal guarantee is being provided. The credit score is good. Mathwig inquired if the EDC could have a first position on the forklift, with a second position on the remainder of equipment.

Terms of the loan are proposed to be the same at the bank, MCCD and EDC.

Moved by Strickfaden, seconded by Mathwig. to recommend to the EDC to approve a loan for \$10,000 at 6.5% for a 60 month term to Cedar Direct Minnesota LLC for equipment, with a second position on the collateral, with a request for a first position on the forklift. Motion approved 3-0.

IX. Adjourn

The finance committee adjourned at 6:34 pm .

Respectfully submitted,

Jo Foust, Economic Development Consultant
MDG, LLC.

NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION

Minutes from the Meeting on Wednesday, December 14, 2016 at 6:30 p.m.
Oak Grove City Center – Large Conference Room
310 Elm Street West
Norwood Young America, MN

I. Call to Order

Chair Strickfaden called the meeting to order at 6:33 p.m.

EDC members in attendance were: Charlie Storms, Kyle Strickfaden, Bruce Mathwig, Julie Schmidt, and Kaarin Foede, Chamber of Commerce liaison.

Absent: Mike McPadden, Tina Diedrick, and Sarah Molnau.

Staff attending were: City Administrator Steve Helget, current Economic Development Coordinator Jo Foust, and future Economic Development Coordinator Holly J. Kreft.

II. Consideration of the Agenda

A motion was made by Schmidt, seconded by Storms to approve the agenda as amended.

III. Approval of Minutes

A motion was made by Storms seconded by Mathwig to approve the November 2, 2016 EDC Meeting Minutes as presented. Motion carried 5-0.

IV. New Business

A. Loan Request.

The Finance Committee met prior to the EDC meeting and recommended approval of the loan request from Cedar Direct Minnesota LLC for \$10,000, with the addition of requesting a first lien position on the forklift equipment. Lee Hall from Metropolitan Consortium of Community Developers (MCCD) presented loan request from Cedar Direct Minnesota LLC. Cedar Direct has rented space in former NYA Corp. building. Cedar Direct processes cedar to give it barn wood look. The loan request is combined financing from Citizens State Bank, MCCD, and City for total request of \$100,000. The Finance Committee reviewed the loan originator report. Chair Strickfaden provided an overview of the discussion at Finance Committee. Tim Conyard, the owner, had a former business (Architectural Coatings) close due to a building fire in Shakopee. Mr. Conyard was previously in business for 12 years and indicated he has a base of contractors. Commissioner Mathwig asked about processing of the barn wood. Mr. Lee indicated there are no chemicals, but uses staining, varnishing, and a mechanical process. Administrator Helget stated the City has about \$130,000 available in the loan program. Mr. Hall stated that the MCCD loan payment is made to MCCD and then MCCD cuts a check to City for their portion on monthly basis. City will request to be in first lien position with forklift equipment.

A motion was made by Mathwig seconded by Storms to approve loan request to Cedar Direct Minnesota LLC for \$10,000 at 6.5% for a 60-month term, per recommendation of Finance Committee. Motion carried 5-0.

V. Unfinished Business

A. Marketing and Branding Recommendation

Schmidt commented on the orange ball on each logo and questioned what it was reflecting. Commissioner McPadden was unable to attend the meeting, but provided comments to Administrator Helget. Commissioner McPadden indicated he liked darker blue and questioned if entrance signs will be the same as logos on City trucks.

The EDC discussed the tag lines. Mayor Diedrick had previously suggested contacting the City of Elko-New Market since they are also a combined community and recently went through a branding process. Coordinator Foust indicated their process cost about \$23,000. The consensus of the EDC was to continue working towards a logo that better reflected Norwood Young America and stood out versus more generic. The EDC discussed the possibility of having other groups such as the Chamber, school, etc. also review the draft logos. Coordinator Foust will send out logos created by a staff member and contact the Marketing Committee that another meeting will be held in 2017.

B. No Interest Loan Program

Action on this topic was tabled until January due to lack of quorum. Chair Strickfaden may present at second Council meeting in January.

C. 2016 Annual Report

Commissioners reviewed the 2016 Annual Report of EDC activities, which will be presented to the City Council. No action was required.

D. 2017 Goals and Strategic Plan

Coordinator Foust reviewed the draft 2017 Goals and Strategic Plan included in the packet which was also included in the November packet. The five categories include 2017 Marketing Campaign, Industrial Development, Business Retention and Expansion, Commercial Development, and Collaboration.

Administrator Helget recommended under the Marketing category to change “develop” to “continue” for quarterly newsletters. Coordinator Foust asked if the Committee preferred to continue to mail to just businesses or send to entire city. Administrator Helget indicated that the city newsletter is only biannual.

Commissioner Schmidt recommended removing the 20th Anniversary items since they will be underway in early 2017.

Administrator Helget stated there was \$18,000 in the 2017 budget for marketing. He stated that the EDC has discussed using \$3,500 of these funds for DEED Shovel Ready Designation. He stated the remainder would be available for marketing. Chair Strickfaden asked about cost of gateway signs. Administrator Helget said that is undetermined as to cost, location, type, so that may be a 2018 budget item. Chair Strickfaden asked if signs will come out of EDC budget or general city budget. Administrator Helget said it depends on the other marketing costs and clarified that the EDC budget is part of the overall City budget. Commissioner Mathwig questioned if the DEED Shovel Ready Designation is a one-time fee. Administrator Helget stated it was. Administrator Helget also clarified that the MnCar and Expos expenses are separate budget items.

Chair Strickfaden indicated he was concerned with the budget given the potential update to the City logo and costs associated with marketing materials.

A motion was made by Storms seconded by Schmidt to approve 2017 Goals as amended. Motion carried 5-0.

E. 4th Quarter EDC Newsletter.

Commissioner Schmidt noted some typographical errors. The newsletter will be updated and distributed.

VI. Project Updates

None given.

VII. Miscellaneous Communications

Mathwig asked about an article in newspaper regarding an outdoor storage issue.

VIII. Upcoming Meetings

The next regular EDC meeting will be January 11, 2017 at 6:30 p.m.

IX. Adjourn

A motion was made by Mathwig seconded by Storms to adjourn the meeting at 7:11 p.m. Motion carried 5-0.

Respectfully submitted,

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



DATE: January 11, 2017

MEMO TO: Norwood Young America Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item VI. A. Branding and Marketing

Background:

The EDC reviewed draft logos at their December meeting. As noted in the minutes, the consensus of the group was that there was not a clear preference on the on logos presented to date. The group discussed that the logo appeared to be somewhat generic and did not strongly represent Norwood Young America.

Ms. Foust contacted Orange Ball to relay the discussion at the EDC meeting. John Gamades of Orange Ball suggested a joint meeting with the EDC and Marketing Committee to review the draft logos and discuss ideas for improvement.

Dates available for Orange Ball include January 18th and 25th. The 25th would be a standard Marketing Committee date if members of the EDC are available. All members will be notified via email once a date is verified.

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 (two options)
- Phase 2: Style Guide (November/early December) – In Process

Action:

To determine if a January 25th meeting with the Marketing Committee is possible. If not, other dates will be discussed.



DATE: January 11, 2017

MEMO TO: Norwood Young America Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

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

Background:

The EDC didn't not have time at the December meeting to discuss the No Interest Loan Program.

One of the goals of the Economic Development Commission for 2016 was to investigate the feasibility and interest in a No Interest Loan Program to assist building owners/occupants with building improvements. The Commission requested the business community be contacted for input on the components of the possible financial incentive and the intended use.

A survey was posted on SurveyMonkey at <https://www.surveymonkey.com/r/NYALoanSurvey> . The Chamber of Commerce emailed their membership in November and early December requesting business input. The City also mailed a copy of the survey to businesses early December. To date, December 8, 2016, seven responses have been received. The survey is open until December 12, 2016; therefore, any updated results will be provided at the meeting.

Enclosed is a copy of the survey responses received so far. To summarize:

- Five of the seven respondents (71.43%) are located in the highway commercial district. Only one (14.29%) is located in a downtown area. One was not in a business district.
- Three of the seven (42.86%) indicated they have current plans for building or site improvements.
- Three of the respondents noted that if the EDC offered an incentive, such as a NO interest Loan, they would utilize the program.
- Three of the respondents noted that if the EDC offered an incentive program, such as a NO interest loan, they would consider improvement that they do not currently have planned.
- At least three respondents expressed an interest in using various No Interest Loan Program options, all requiring a 1:1 match (i.e. \$5000 maximum with 3-5 year term, \$10,000 maximum for a 5 year term, or a low interest loan program (2-3% interest) for projects over \$10,000.
- Three respondents noted the City should limit funding to exterior improvements only, while four respondents recommended including both interior and exterior improvements as eligible expenses.

- Four respondents (57.14%) recommended downtown design standards be developed and required to be eligible for funding; one (14.29%) noted this should not be required and two (28.57%) were uncertain.
- All seven respondents felt the central business districts and highway commercial business districts should be eligible for the program, versus limiting the program to the downtowns/central business districts.
- No other suggestions were provided for the development of a financial incentive program for building improvements.

Action:

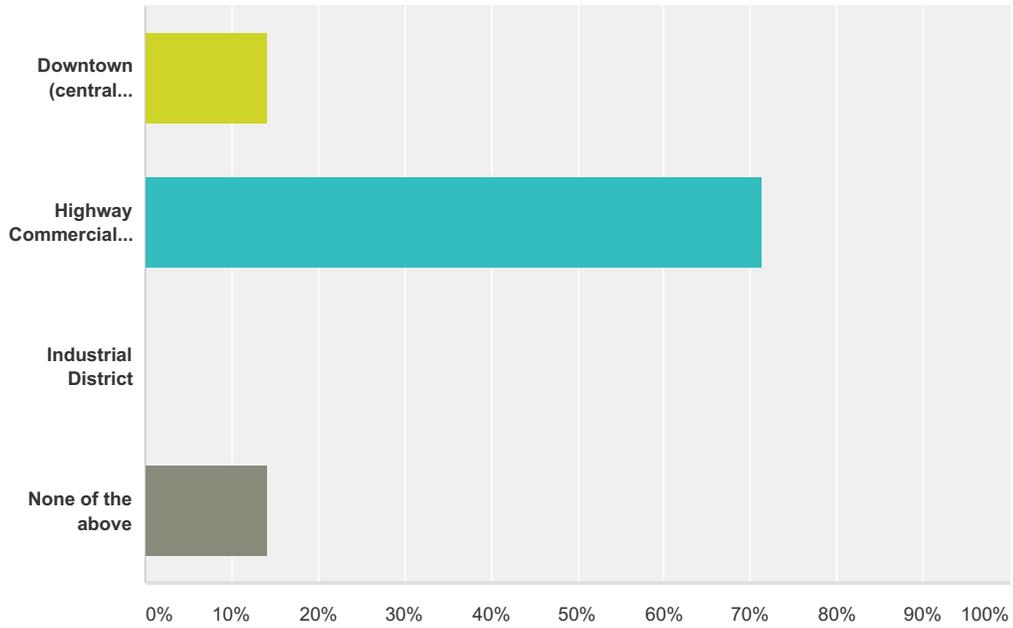
The EDC is asked to provide input on the development of a No Interest Loan Program for 2017.

Items to address include:

- Dollar amount to set aside for the program
- Minimum and maximum No Interest Loan amounts (i.e. minimum \$1,000, maximum \$5,000)
- Business Districts which are eligible for funding (i.e. central business districts and highway commercial?)
- Eligible Improvements (i.e. exterior only or exterior and interior improvements which help meet new building, electric and plumbing codes).
- Desire to develop Design Guidelines that need to be met for eligibility.
- Any other criteria.

Q1 Do you own or lease a building in one of the following?

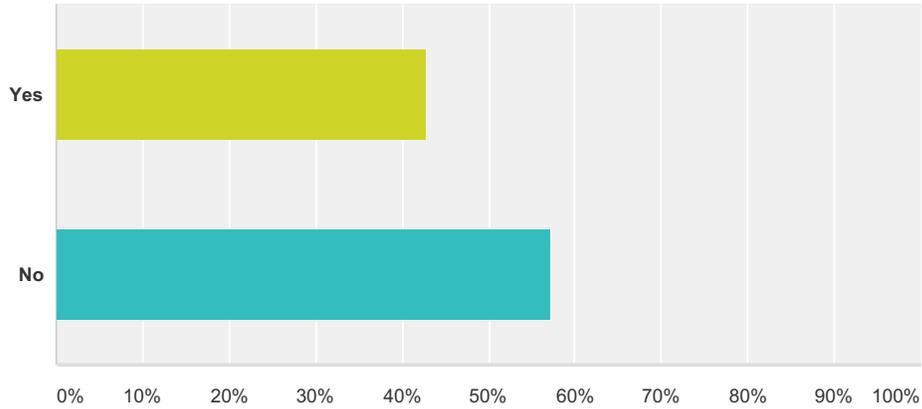
Answered: 7 Skipped: 0



Answer Choices	Responses
Downtown (central business district)	14.29% 1
Highway Commercial District	71.43% 5
Industrial District	0.00% 0
None of the above	14.29% 1
Total	7

Q2 Do you have current plans for building or site improvements such as replacement of windows, doors, awnings, re-roofing, parking lot improvements, etc.?

Answered: 7 Skipped: 0

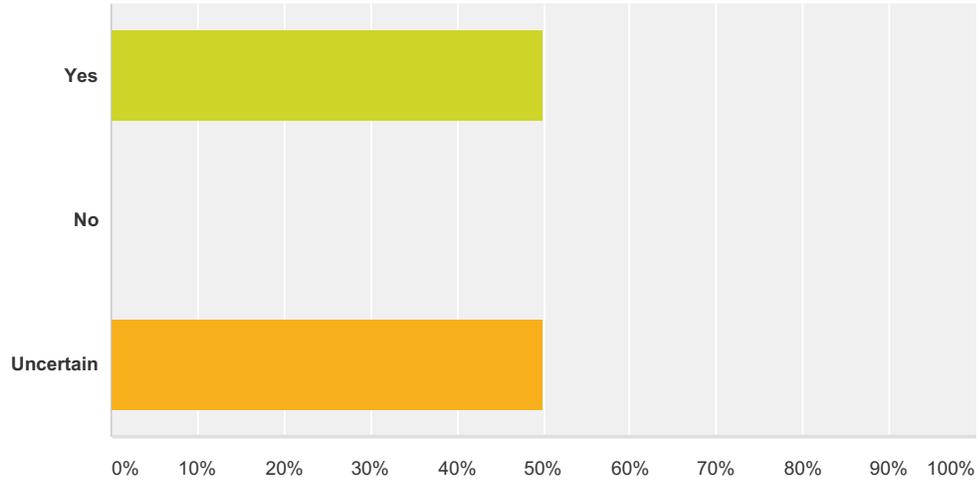


Answer Choices	Responses
Yes	42.86% 3
No	57.14% 4
Total	7

#	If yes, please describe proposed improvement and estimated cost.	Date
1	Windows upstairs. 25 to 30 thousand	12/7/2016 9:38 PM
2	new windows \$7000 and new parking lot \$10,000	11/29/2016 8:45 AM
3	on-going siding, parking & landscape... need to address roof soon. Would like new signage.	11/24/2016 4:13 PM

Q3 If the Economic Development Commission offered an incentive program, such as a NO Interest Loan, would you utilize it for building improvements you have planned at this time?

Answered: 6 Skipped: 1

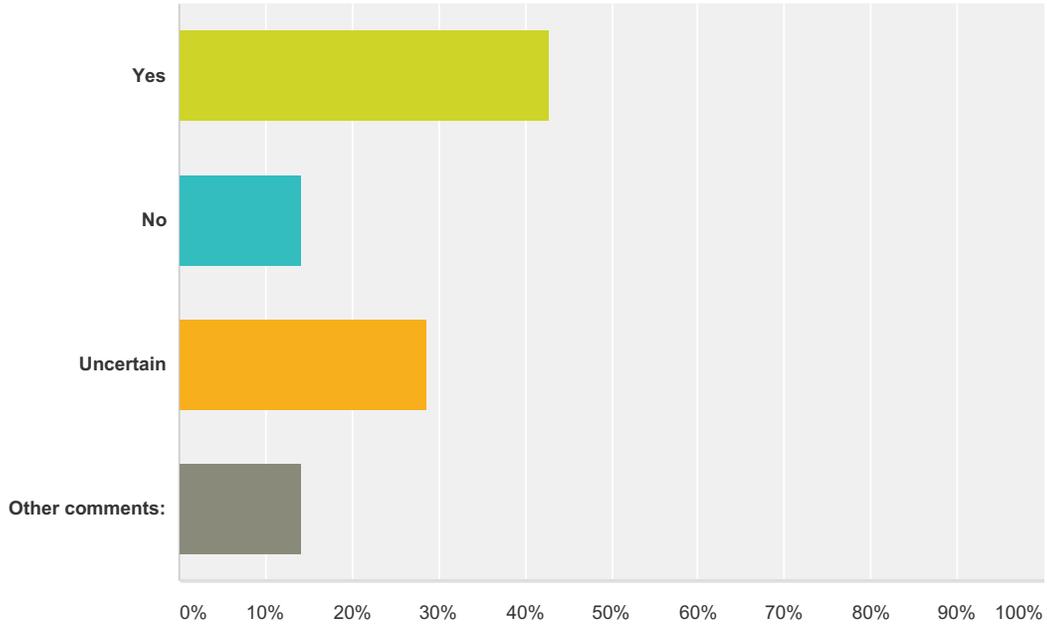


Answer Choices	Responses	Count
Yes	50.00%	3
No	0.00%	0
Uncertain	50.00%	3
Total		6

#	Other (please specify)	Date
1	Depends on cash flow I'm a new business	12/7/2016 9:38 PM
2	Even a loan that varied at a rate at or below prime would be nice.	11/24/2016 4:13 PM

Q4 If the EDC offered an incentive program, such as a NO Interest Loan, would you consider an improvement to your building or site that you do not have planned at this time?

Answered: 7 Skipped: 0

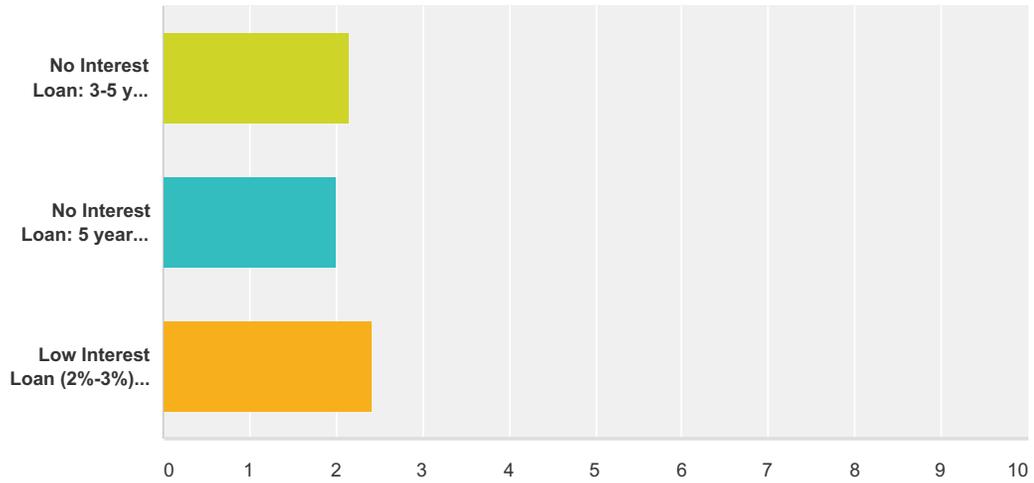


Answer Choices	Responses
Yes	42.86% 3
No	14.29% 1
Uncertain	28.57% 2
Other comments:	14.29% 1
Total	7

#	Other comments:	Date
1	More can be done when over-all cost is less.	11/24/2016 4:13 PM

Q5 Please rank the desirability of the following potential funding programs:

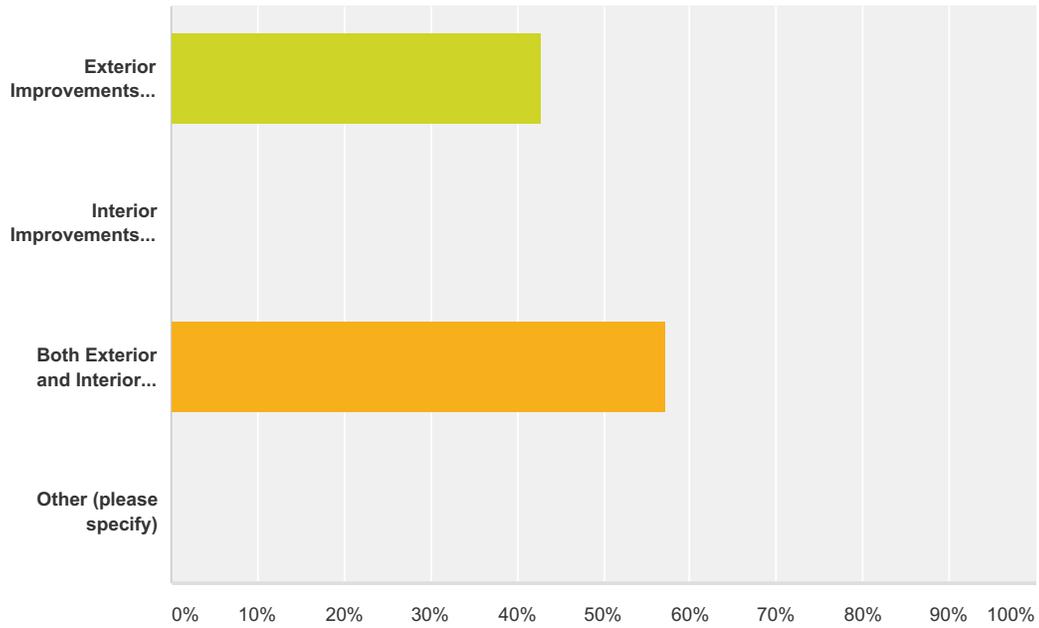
Answered: 7 Skipped: 0



	I would not use this program	I may have an interest in this program	I am very interested in this type of financial program	Uncertain at this time	Total	Weighted Average
No Interest Loan: 3-5 year term, \$5,000 maximum, matching requirement 1:1	28.57% 2	42.86% 3	14.29% 1	14.29% 1	7	2.14
No Interest Loan: 5 year term, \$10,000 maximum, matching requirement 1:1	28.57% 2	42.86% 3	28.57% 2	0.00% 0	7	2.00
Low Interest Loan (2%-3%) for projects over \$10,000 with a percent forgiven for each year the business remains active in the building and community.	0.00% 0	57.14% 4	42.86% 3	0.00% 0	7	2.43

Q6 Should the City provide funding for:

Answered: 7 Skipped: 0

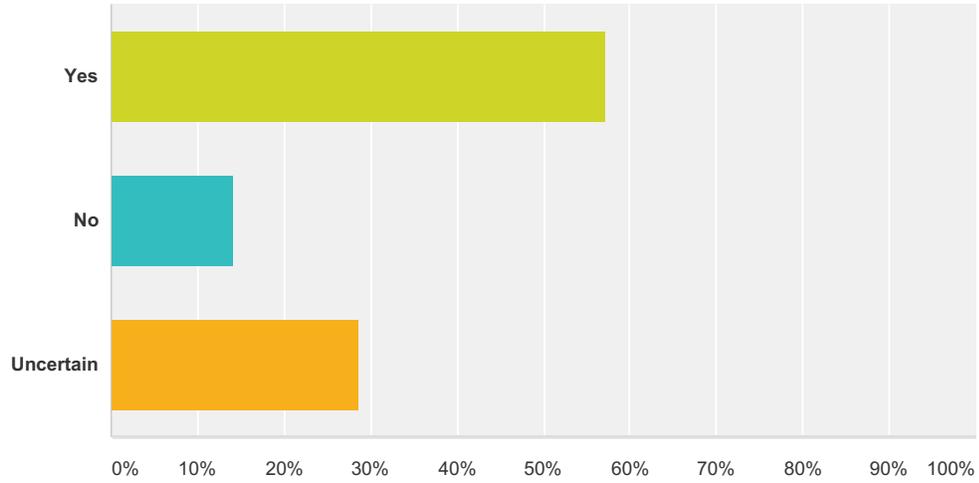


Answer Choices	Responses
Exterior Improvements only, such as facade, awnings, windows and doors and re-roofing.	42.86% 3
Interior Improvements which bring the building into building code compliance (i.e. handicap accessibility, electric or plumbing code, etc.)	0.00% 0
Both Exterior and Interior Improvements	57.14% 4
Other (please specify)	0.00% 0
Total	7

#	Other (please specify)	Date
	There are no responses.	

Q7 Should the City develop Design Standards for downtown commercial buildings, and require these to be met to be eligible for funding ?

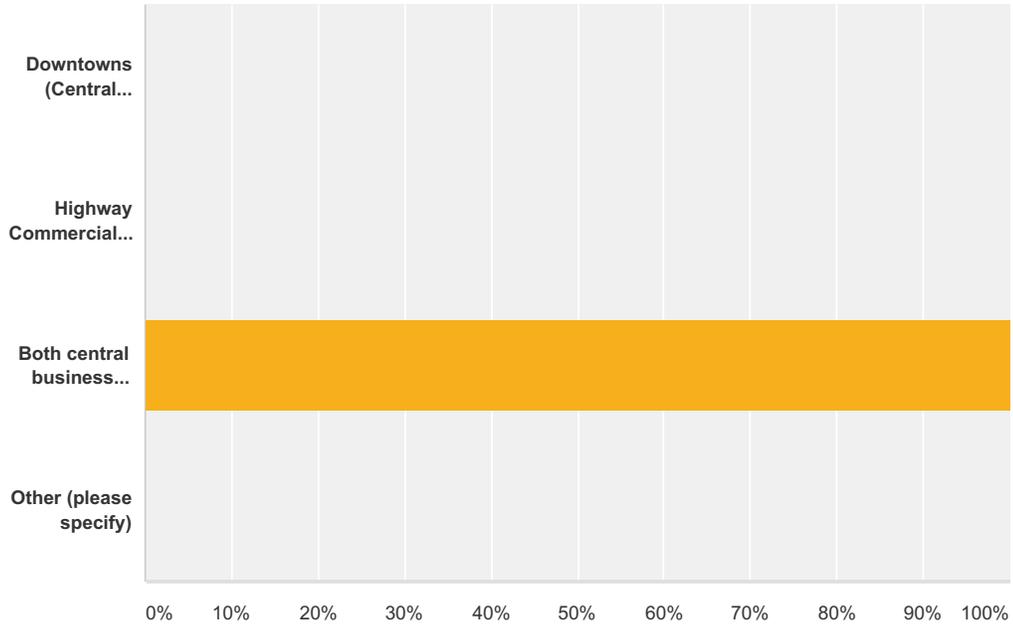
Answered: 7 Skipped: 0



Answer Choices	Responses	
Yes	57.14%	4
No	14.29%	1
Uncertain	28.57%	2
Total		7

Q8 What areas or business districts should be included for eligibility of the funding program?

Answered: 7 Skipped: 0



Answer Choices	Responses
Downtowns (Central Business Districts) only	0.00% 0
Highway Commercial Districts only	0.00% 0
Both central business districts and highway commercial districts	100.00% 7
Other (please specify)	0.00% 0
Total	7

#	Other (please specify)	Date
	There are no responses.	

Q9 What other options or items would you like the EDC to consider when developing a financial incentive program for building improvements?

Answered: 0 Skipped: 7

#	Responses	Date
	There are no responses.	



DATE: January 11, 2017

MEMO TO: NYA Economic Development Commission

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda item VI. C. 2017 Goals

Background:

At the December meeting, the EDC reviewed the draft goals for 2017 and provided updates. Those updates are shown below.

2017 EDC GOALS

- Implement a 2017 Marketing Campaign
 - Update the gateway signs
 - Investigate adding banners over the streets to advertise community events and banners for businesses on the streetlights
 - Update the City billboard to incorporate the new logo, tagline, etc.
 - Continue to update and develop the Economic Development Page on the city website
 - Continue to post Economic Development activities on the EDC Facebook Page
 - Continue Quarterly Newsletters highlighting Economic Development activities and business events
 - Work with the newspaper to develop Business Spotlights or newspaper articles highlighting local business successes or unique facts

- Industrial Development
 - Pursue the Shovel ready site designation (estimated cost \$3,000) for Tacoma West Industrial Park
 - Participate in the Carver County Real Estate Expo (if continued) in October.
 - Participate in the MnCAR Expo in November (Estimated cost \$2,000 with new marketing information)
 - Promote the available sites in Tacoma West Industrial Park through the website, MnCAR, etc.
 - Host a Manufacturer's Week event in October (possible tours of Waconia Manufacturing and Vickerman or businesses in the 212 Business Center).
 - Remain in contact with and assist existing manufacturers with any expansion needs.

- Commercial Development
 - Host a “National Small Business Week” event the 1st week of May. (Note: speaker John McHugh with Kwik Trip has been secured as a speaker for a breakfast tentatively scheduled for Wed. May 3rd, 2017 with a focus on Customer Service).
 - Conduct ribbon cuttings and ground breakings to welcome new businesses to the City.
 - Investigate the feasibility of a No Interest Loan program to assist existing and new businesses with façade and/or interior building improvements.
 - Promote the EDC loan program and business resources available through Carver Co. Open for Business.
 - Investigate the feasibility of applying for Carver County CDA grant funds to assist with commercial development.
 - Actively promote available commercial sites and work with owners/Realtors of sites.
 - Respond to business leads and provide assistance in a timely manner.

- Collaboration
 - Support the Chamber of Commerce and its events such as Small Business Saturday, Shop Local Campaign, etc.
 - Coordinate at least one joint meeting of the City Council, EDC, Planning Commission and Chamber Board to ensure open communication on projects and goals.
 - Continue to work with the Carver County CDA, Open for Business, Chamber of Commerce and other economic development agencies.

Action: The EDC approved the amended goals at the December meeting so the next step is to present the 2017 Goals to the City Council.

Norwood Young America – Business Updates, January, 2017

1. Cedar Direct, Tim Conyard – The company provides: Bevel, Shingles, Barnwood - On grade and Character grade C. [612-237-6392](tel:612-237-6392). Email: tc@cedardirectmn.com EDC recommended approval of a loan request at the December meeting. Lee Hall conducted the loan closing in late December. A ribbon cutting will be held in the coming months.
2. Children of Tomorrow Daycare - A ribbon cutting was held on Monday, December 19th. They officially opened on January 3rd.
3. Florist Shop. – A prospective business contacted the City regarding opening a florist shop. The list of available properties was provided along with an offer to provide detailed demographic analysis via Demographics Now. A follow-up will be sent later this month.