

Lanesboro Economic Development Authority
Regular Meeting Minutes
Thursday, February 5, 2026 – 10:45 a.m.
City Council Meeting Chambers

Present Members:

Mindy Albrecht-Benson (remote) Michael Boho Tom Pursell Linda Tacke (remote)
 Kathryn Wade

Staff:

Mitchell Walbridge Darla Taylor Michelle Marotzke

Guests: Jackie Horsman (remote), Angie Strain, Jeanette Kappers, Brooke Pfeffer, Joel Pfeffer, Joe Goetzke, Michael Seiler, Kara Maloney

Call to Order: Member Wade called the regular meeting to order at 10:45 a.m.

- A. **Agenda Approval:** Member Pursell entered a motion to approve the agenda; Member Tacke seconded the motion. Roll call was taken with four ayes and zero nays; Motion carried.
- B. **Public Comments:** No public comments were shared.
- C. **Consent Agenda:**
 - a. Minutes of the Regular Meeting, January 8, 2026
 - b. Minutes of the L.E.A.N. Sub-Committee, December 11, 2025
 - c. January Financials

Member Pursell entered a motion to approve the Consent Agenda; Member Wade seconded the motion. Roll call was taken with four ayes and zero nays; Motion carried.

Department Reports

A. EDA Director Report:

- a. Director Marotzke shared highlights of her report, including work toward a housing needs assessment and the power plant floodproofing project. She also shared that the City of Preston was awarded a grant from the Minnesota Department of Commerce to create a feasibility study to evaluate the need, locations, and cost for solar powered e-bike charging stations. Marotzke's presentation to EDAM is included in the packet and it was well received.

B. City Council/City Administration: City Administrator Mitchell Walbridge provided an update to the EDA Board including:

- a. City Council at its February 2 meeting adopted a resolution for approval of the Minnesota Trout Unlimited river restoration project. The timeline for this project is not yet clear due to permitting and the Request for Proposal timeline.
- b. The City Council is at the point in the Highway 250 project where they will evaluate the final design of the project and consider giving its municipal consent, which is a legal requirement for any state highway projects that go through municipal limits. The Public Open House is on February 18th from 4:30 p.m. to 6:00 p.m. with the Council holding a special meeting afterward, which will include a public hearing.
- c. The City Council passed a resolution in late January to submit a request to the State Legislature to authorize a half percent local option sales tax. Legislative approval is required in order to put that on a November ballot for voters to consider.
- d. The Lanesboro Library Board has hired a new director, Luke Wahl, and a new assistant librarian, Ruth Mikos. Both have backgrounds with youth and education and will be excellent additions.

They will both start around February 23rd. The director position is a full-time 0.8 FTE, and the assistant librarian position is part-time.

- e. The City's audit is next week, which will include preparing the EDAs fund balances.
- f. Member Tacked asked for additional information about the sales tax. Administrator Walbridge shared that the previous tax reached its \$800,000 revenue cap and was in place from 2012 to December 31, 2024. There must be a one-year grace period between the conclusion of a tax and implementation of a new one. The projects being submitted for the new one include offsetting costs with the Highway 250 projects and improvements to Sylvan Park.

C. Chamber of Commerce: Executive Director Joe Goetzke provided an update to the board.

- The Visitors Guides are now available and were shared with EDA Board members. 25,000 copies were printed (an increase over the 20,000 from 2025 which required a reprint for more). These are shared with other cities and organizations such as the Mall of America and Explore Minnesota visitor centers throughout the state. Sarah Peterson designed the guide and photos from Explore Minnesota. The pocket map will be created next and that is shared throughout the region.
- The Chamber has moved their membership software to a new company.
- McGivern's Main Street episode about Lanesboro will be released soon, and the Chamber is working on a watch party for that.
- The Chamber has been working with the Business Promotion Group to determine their future. It has been a committed group of volunteers, but they are reaching their capacity to be sustainable. Everything they do helps the community's economic development. There isn't a specific question right now, and Chair Wade encouraged the group to come back when they have some more information.

D. School Board: School board member Sarah Peterson was not available for an update.

Revolving Loan Fund

- A. **Available Funds:** The original fund will be at about \$20,000 after the new proposal is considered today. The second fund is about \$15,900 and needs to be disbursed by June 30, 2026.
- B. **Loans in Repayment:** Marotzke shared that the Driftless Trading Post, LLC and Sparrow Valley Property, LLC loans are past due to their January 2026 payments.
- C. **Pending Applications:** Marotzke presented a proposal for The Scoop. The Revolving Loan Fund Committee supports the project. It is \$20,000 at 2% for 7 years with biannual payments to coincide with their primary lender. Our collateral would be a second mortgage filing on the building in Lanesboro (the ice cream shop) and another property, along with a blanket UCC filing and security agreement. City Attorney O'Koren is working with the borrowers for the business purchase, so we will work with Attorney Greg Scheiber to prepare the loan documents. Motion made by Member Albrecht-Benson to approve the loan as presented; second by Member Pursell. Roll call was taken with four ayes and zero nays; Motion carried.

Continued Business

- A. **Bluff Country Business Academy:** Marotzke shared that there are 13 people registered for the program. Most registrants are from Preston and Lanesboro, which is the priority of the program. There is one person from Chatfield (working on a Lanesboro business), one from Rochester and one from Spring Valley. The application closes on February 9 and the first session is March 9. Member Albrecht-Benson asked what the max capacity was, and Marotzke shared it is 15.
- B. **REV Program:** Marotzke shared that 16 people registered and attended the first workshop, held the prior Thursday. She is working with Chamber Director Goetzke to create more workshops and find ways to connect these to the Highway 250 project.

New Business

- A. **2025 EDA Annual Report:** Marotzke shared highlights of the EDA's work in 2025.
- B. **Sparrow Valley Tax Abatement:** Administrator Walbridge informed the EDA Board that the City Council directed the City Attorney to send a 30-day Notice to Cure for violations that are events of default listed in the tax abatement and development agreement. The 30-day notice was mailed to the representatives of Sparrow Valley Properties on February 4, 2026. Administrator Walbridge is requesting acknowledgement of the City Council's action in this matter. Member Pursell asked for additional context. Administrator Walbridge shared the items leading to this action, including delinquent property taxes and utility payments, an order from an administrative law judge regarding building code violation, and failure to make timely loan payments. Member Albrecht-Benson asked if there was anything we could have seen as a red flag when this was created. Administrator Walbridge shared that the loan program in place at the time of the loan to Sparrow Valley Properties had changed and that the city previously had to be a pass-through, where now the city can lend directly through its own loan program. Member Wade entered a motion to acknowledge the Notice to Cure; Member Albrecht-Benson seconded the motion. Roll call was taken with four ayes and zero nays; Motion carried.

Next Meeting: Thursday, March 5, 2025, at 10:45 a.m.

Members Tacke will join via Zoom for the March meeting. Member Pursell entered a motion to adjourn; Member Albrecht Benson seconded the motion. Roll call was taken with four ayes and zero nays; Motion carried.

Member Wade adjourned the meeting at 11:18 a.m.

Respectfully submitted,

Michelle Marotzke
City of Lanesboro
Economic Development Director