

**Lanesboro EDA Board Meeting
Regular Meeting Agenda
Thursday, May 7, 2026 at 10:45 a.m.
Lanesboro Community Center Meeting Room**

*Zoom is provided as a way to offer more accessibility to council and committee meetings.

However, due to potential technical issues, full functionality is not guaranteed*

<https://us02web.zoom.us/j/86520735787?pwd=JXstbaqvFba7e7oVff6veB0dzUhhwO.1>

Meeting ID: 865 2073 5787 Passcode: 219643

Member Boho will be participating remotely via zoom for this meeting.*

Call to Order/Roll Call

Members: ___ Tom Pursell ___ Linda Tacke ___ Mindy Albrecht-Benson
 ___ Kathryn Wade ___ Michael Boho
Staff: ___ Darla Taylor ___ Mitchell Walbridge ___ Michelle Marotzke

A. Agenda Approval

Motion _____ **Second** _____

B. Public Comments

C. Consent Agenda

- a. Minutes of the Regular Meeting, April 2, 2026
- b. Minutes of the L.E.A.N. Sub-Committee, March 26, 2026
- c. April EDA Financials

Motion _____ **Second** _____

Department Reports

- A. EDA Director Report
- B. City Council/City Administration
- C. Chamber of Commerce
- D. School Board

Revolving Loan Fund

- A. Available Funds
- B. Loans in repayment
- C. Pending applications
 - a. Bluffscape Amish Tours

Motion _____ **Second** _____

Continued Business

- A. Business Promotion Group Proposal
Motion _____ **Second** _____
- B. Bluff Country Business Academy Update
- C. SMIF Rural Entrepreneurial Venture Program Update
- D. Fillmore County Rural Child Care Innovation Program Update

New Business

- A. Empowering Small Minnesota Cities program application
- B. Professional Development and Training – EDAM Conference
Motion _____ **Second** _____
- C. Discuss June meeting

Next Meeting: Thursday, June 4, 2026, at 10:45 a.m.

Adjourn Regular Meeting

Lanesboro Economic Development Authority
Regular Meeting Minutes
Thursday, April 2, 2026 – 10:45 a.m.
City Council Meeting Chambers

Present Members:

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

Staff:

Mitchell Walbridge Darla Taylor Michelle Marotzke

Guests: Michael Seiler, Allie Palmer, Kara Malone, Lori Bakke (remote)

Call to Order: Member Wade called the regular meeting to order at 10:47 a.m.

- A. **Agenda Approval:** Member Albrecht-Benson entered a motion to approve the agenda; Member Pursell 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. Revised Minutes of the Regular Meeting, February 5, 2026
 - b. Minutes of the Regular Meeting, March 5, 2026
 - c. Minutes of the L.E.A.N. Sub-Committee, January 28, 2026
 - d. Minutes of the L.E.A.N. Sub-Committee, February 23, 2026
 - e. March EDA Financials

Member Albrecht-Benson entered a motion to approve the agenda; Member Pursell seconded the motion. Director Marotzke indicated that the Revised Minutes of the Regular Meeting, February 5, 2026, was to correct the date on the minutes. 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, which was not included in the packet, including:
 - i. The Preliminary Engineering Report bid for floodproofing the power plant was awarded to Bolton & Menk. This is expected to lead into a project application with the U.S. Economic Development Administration.
 - ii. There have been good workshops with the REV program, which is housed under the L.E.A.N. sub-committee. Another workshop specific to the Highway 250 project is scheduled for April 16th.
 - iii. Staff is working with the University of Minnesota – Extension and a graduate student to provide assistance with a short-term project related to the Highway 250 project.
 - iv. Bluff Country Business Academy is going well with 14 participants. Graduation is scheduled for April 27th.

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

- a. The April 6th Council agenda includes:
 - i. Annual Audit review and findings
 - ii. Closed session for action against Sparrow Valley Properties

- iii. Consideration of an amendment for the Partnership Agreement with MnDOT. The amendment is related to payments between the property owners and MnDOT, removing the city from that process.

- C. **Chamber of Commerce:** Executive Director Joe Goetzke shared an updated about Chamber activities.
 - a. The John McGivern's Main Street episode featuring Lanesboro is available, and the watch party was a success.
 - b. The Chicago Sun Times reached out to talk about options for cyclists in the region. Chicago is a good market for Lanesboro to be connected to.
 - c. The Visitors Guides are in and the map will be shipped soon.
 - d. Digital advertising is being expanded and new software will help with tracking visitor data.
 - e. The Chamber's April Fools Day post was very well received.
- D. **School Board:** School board member Sarah Peterson was not available for an update.

Revolving Loan Fund

- A. **Available Funds:** The original USDA fund has approximately \$32,000 to lend, and there is a potential application. The second USDA fund has \$15,900 to disburse, and an application is in process. Following up on Member Albrecht-Benson's question about how much comes in each month, there is between \$3,300 and \$5,000 each month.
- B. **Loans in Repayment:** Presented in the financials.
- C. **Pending Applications:** None at this time.

Continued Business

- A. **Bluff Country Business Academy Update:** Marotzke shared information in the Director's report.
- B. **SMIF Rural Entrepreneurial Venture Program Update:** Marotzke shared information in the Director's report.

New Business

- A. **MN Department of Commerce Energy Efficiency Planning Grant Application:** Marotzke reviewed the City of Preston's award of a grant from the Minnesota Department of Commerce to develop a feasibility study for solar-powered e-bike charging stations. Marotzke and Administrator Walbridge are developing an application for the current round (due on April 14) that will help evaluate city-owned buildings for energy-efficiency projects.
- B. **Business Promotion Group Proposal:** Kara Maloney, Allie Palmer, and Michael Seiler were invited to share information about the Business Promotion Group's request from the EDA. They are looking at the long-term needs for the work that this volunteer group has been doing for many years. The economic value of the events that come out of the group was acknowledged by the EDA Board. After discussion regarding structure, payment and employment details, the EDA Board asked the group to develop a comprehensive plan for the position they want to hire. Maloney talked about the Main Street program, which Marotzke is familiar with. Marotzke will gather information about that program. Marotzke and Walbridge will review the budget and bring a recommendation to the May EDA Board meeting. There is potential for this position to take on more community events such as Legion Lights and Art in the Park. Administrator Walbridge requested that follow-up items include a job description, pay schedule, and an evaluation plan for the person contracted for this position. Member Albrecht-Benson entered a motion to table discussion and revisit at the May meeting; motion seconded by Member Pursell. Roll call was taken with four ayes and zero nays; Motion carried.
- C. **Fillmore County Rural Child Care Innovation Program:** Marotzke reminded everyone about the Child Care Provider Appreciation Event on May 7, 2026, and the Town Hall on July 28, 2026.

Next Meeting: Thursday, May 7, 2025, at 10:45 a.m.

Member Albrecht Benson entered a motion to adjourn; Chair Pursell seconded the motion. Roll call was taken with four ayes and zero nays; Motion carried.

Chair Wade adjourned the meeting at 11:44 a.m.

Respectfully submitted,

Michelle Marotzke
City of Lanesboro
Economic Development Director

**Lanesboro Entrepreneurial Action Network (LEAN)
Regular Meeting Minutes
March 26, 2026 – 8:30 a.m.
Lanesboro City Council Chambers**

Members Present:

- Michael Seiler Joe Goetzke Kara Maloney Kathryn Wade Allie Palmer
 Lori Bakke Steve Harris (*ad hoc, remote*) Ambrin Olson (*ad hoc*)
 EDA Director Michelle Marotzke City Administrator Mitchell Walbridge

Call to Order

Chair Seiler called the meeting to order at 8:38 a.m. Member Harris joined remotely.

- A. Agenda Approval:** Administrator Walbridge entered a motion to approve the agenda; Member Wade seconded the motion. Roll call was taken with seven ayes and zero nos.
- B. Approval of Minutes:** Chair Seiler entered a motion to approve the minutes of the February 23, 2026, meeting; Member Bakke seconded the motion. Roll call was taken with seven ayes and zero nos.

Continued Business

A. REV Program

- a. **REV Financials:** Director Marotzke provided reimbursement forms and shared an update of the REV Financials. There is approximately \$9,450 available with \$4,700 committed to workshop costs.
- b. **Workshops:** There were eight people at Michael Seiler's AI/SEO workshop on March 18th. It was a great session. Scott Taylor's stress budgeting workshop is on March 31st; flyers are available. Marotzke is checking with the University of Minnesota – Extension for a conflict management training session.

B. Business Education Program

- a. Marotzke provided an update – there are 14 participants, with many from Lanesboro.

C. TH250:

- a. **City Update:** Administrator Walbridge shared that all of the appraisals for the temporary and permanent easements have been approved. Letters have gone out to property owners. The agreement with MnDOT for easements is in the amendment process, which will take some of the cash burden off the city. This will help preserve the city's cash reserves. The City Council approved the final design of the project, which covers the structure and roadway mapping. Bids will start to go out for subsurface and utility work, which will require further City Council approval. This will start to shape the final cost estimates and solidify the final budget. There are several funding sources being explored, including Congressional Directed Funding Requests. It is expected that Smith, Klobuchar, and Finstad will support the requests. The sales tax bill is moving forward, and we are still hoping for a bonding bill at the state level.

Chair Seiler asked how many properties are involved in acquisition. Administrator Walbridge said there are around 99 properties, which is why the city has so much work in the background and worked with an attorney to complete the task.

Member Goetzke asked about the financial request. Administrator Walbridge shared that the State request is \$5.1 million, and the Federal request is \$3.8 million. Federal requires us to have

20% invested. If the project were to be less than expected, we would use the State funding first and then what is needed of the Federal funding.

Member Bakke asked about signage and where that fits in. Administrator Walbridge said that MnDOT provides some staffing assistance, but the city is responsible for facilitation of that portion. He clarified what was able to be financed (light poles, for example) and what cannot (trash cans, flowerpots). Member Bakke asked who determines the cost of beautification. Ultimately, that is the city's responsibility and will have to be budgeted. This should be known by January 1. Member Bakke asked if there was a benefit to anyone going to the Capitol and talking directly to legislators about this funding. Administrator Walbridge shared that he checks every morning what committees are hearing which bills that day, and if something comes up that a testimonial makes sense, he will reach out to the appropriate people.

Marotzke shared information about the Highway 250 Advisory Group, which is what the L.E.A.N. sub-committee could operate as an advisory capacity. She will put more information together to lay out how this could look. Administrator Walbridge shared additional thoughts about the talent in this group to bring information together from the business and residential communities. Topics will be formalized at the April meeting. Ideas include fundraising, community buy-in and activating local voices. Member Palmer's role was clarified to be the point person with the business community and looped into communications with project teams on behalf of this group. She would be another set of ears and an advocate to ensure the goals of L.E.A.N. are communicated. Member Harris shared his thoughts on clear and positive communication from the beginning. Talking points will be important to work off. Marotzke asked if the group would like to hear from Lana with Hillbilly Design in Pelican Rapids. Lana was a key business owner for their road project

- D. Business Promotion Group Discussion:** This has been added to the EDA agenda. Marotzke asked for a couple of clarifications including the request (\$6,000) and who will oversee the program. Member Palmer shared that it would be a contractor. Member Goetzke is talking with the Chamber Board about this as well. Administrator Walbridge presented the concern about using public funds for something like this, so we need to make sure it is allowable.

Member Maloney discussed the Main Street program and how it could benefit Lanesboro.

New Business

- A. Next Meeting Date:** The next meeting is scheduled for April 23, 2026, at Paddle On Coffee & Makers Emporium.

Motion made by Administrator Walbridge to adjourn the meeting at 09:41 a.m. Motion seconded by Member Palmer.

Respectfully submitted,

Michelle Marotzke
EDA Director

CITY OF LANESBORO
EDA April 2026

Fund Abbrev	Fund	Dept	Account Descr	Current Period	April 2026 Amt	2026 YTD Amt	2026 YTD Budget	%YTD Act Budget Status
Expenditure								
EDAOPER	250	46500	E 250-46500-100 Wages and Salaries	April 2026	\$0.00	\$0.00	\$900.00	0.00% Active
EDAOPER	250	46500	E 250-46500-122 FICA	April 2026	\$0.00	\$0.00	\$76.85	0.00% Active
EDAOPER	250	46500	E 250-46500-136 MN Paid Leave	April 2026	\$0.00	\$0.00	\$3.96	0.00% Active
EDAOPER	250	46500	E 250-46500-210 Operating Supplies	April 2026	\$0.00	\$58.28	\$500.00	11.66% Active
EDAOPER	250	46500	E 250-46500-300 Professional Svcs	April 2026	\$0.00	\$6,824.23	\$27,126.93	25.16% Active
EDAOPER	250	46500	E 250-46500-445 EDA Project	April 2026	\$1,217.28	\$7,042.91	\$5,000.00	140.86% Active
EDAOPER	250	46500	E 250-46500-500 Capital Outlay	April 2026	\$0.00	\$0.00	\$0.00	0.00% Active
Revenue								
EDAOPER	250	46500	R 250-46500-36200 Miscellaneous	April 2026	\$75.00	\$150.00	\$0.00	0.00% Active
EDAOPER	250	46500	R 250-46500-36210 Interest Earnings	April 2026	\$0.00	\$33.08	\$0.00	0.00% Active
EDAOPER	250	46500	R 250-46500-39203 Transfer from Other	April 2026	\$0.00	\$0.00	\$0.00	0.00% Active
EDAOPER	250	46600	R 250-46600-31000 General Property	April 2026	\$0.00	\$252.21	\$33,607.74	0.75% Active

Fund	2026 Begin Balance	Receipts	Disbursements	Transfers	Journal Entries	Payroll JEs	Balance
10104 - F&M Bank EDA							
250 - EDA OPERATING	\$61.95	\$33.08		0	\$0.00	\$0.00	\$95.03
313 - Sparrow Valley Properties Abt	\$6,489.53			0	\$0.00	\$0.00	\$6,489.53
620 - EDA Loan Funds Flexible	\$1,030.80	\$5,492.13	(\$1,315.10)	0	\$0.00	\$0.00	\$5,207.83
625 - EDA USDA Loan Funds	\$42,136.84	\$12,388.49	(\$20,000.00)	0	\$0.00	\$0.00	\$34,525.33
	\$49,719.12	\$17,913.70	(\$21,315.10)	\$0.00	\$0.00	\$0.00	\$46,317.72

CLIENT	STATUS	Monthly Payment	BALANCE	Loan Maturity Date
Root River Adventure Arcade	On-Time	\$510.70	\$35,710.46	08/15/2032
Hotel Lanesboro	On-Time	\$383.02	\$ 20,507.34	01/01/2031
Driftless Trading Post	On-Time	\$191.51	\$ 8996.52	05/01/2030
Sparrow Valley Properties, LLC	Past Due 1/1/26	\$773.73	\$ 54,953.42	12/01/2032
Harvey High Court, LLC	On-Time	\$510.70	\$ 22,623.76	02/01/2030
Clara's Eatery	On-Time	\$319.19	\$ 11,444.19	06/01/2029
Paddle On Coffee	On-Time	\$574.53	\$ 16,256.02	09/01/2028
Junipers	On-Time	\$638.37	\$ 21,094.34	05/01/2029
The Scoop	On-Time	\$1529.87	\$20,000	12/01/2032
Golf Club	On-Time	\$1534.61	\$37,086.75	10/1/2032
Clara's Eatery	On-Time	\$383.02	\$28,606.07	12/01/2032

Loan Balances as of 4/28/26

To: Lanesboro Economic Development Authority Board
From: Michelle Marotzke, Economic Development Director
Date: May 7, 2025

Housing

- SE Minnesota Together has submitted an application to the Empowering Small Minnesota Communities program for assistance with a multi-city housing project. They asked for interested communities, so I put Lanesboro and Preston on their list.
- We are working developing a housing survey for older adults. The survey will help guide us in determining the best way to approach attracting developers, new residents, and current residents who are interested in downsizing or move-over housing.

Revolving Loan Fund

- I have worked closely with Eric and Shayla Gehrke, who now own Bluffscape Amish Tours, to complete a loan proposal. The funds will be disbursed from the second USDA program and provide working capital as they start their ownership of the business.

LEAN and Rural Entrepreneurial Venture (REV) program

- Workshops
 - Twelve people attended the Highway 250 Strategic Planning workshop, and six people took advantage of the 1:1 consulting opportunity. A coaching program is being developed to connect people to all the resources we have brought in through the workshops.
- A University of Minnesota Extension graduate research student completed a summary of conversations that I had with nine communities who have undergone a MnDOT highway reconstruction project and their strategies for their business districts. The report is included in the agenda packet. This is also included in the Empowering Small Minnesota Cities application for assistance with developing a connection plan for the Highway 250 project.
- Administrator Walbridge and I are working on developing framework for a Highway 250 Advisory Group that will guide the L.E.AN. sub-committee in their work on this project.
- Bluff Country Business Academy had 14 graduates at its celebration on April 27th. There was a great group of attendees including instructors, sponsors, and family members of the graduates. Benya Kraus, President and CEO of SMIF, was our Keynote speaker and shared wonderful insights for small business owners. We will be working on finding funding for a second session in the fall of 2026 or spring 2027.

Miscellaneous

- I attended the 2026 Connecting One Minnesota Broadband Summit on April 29th and was the moderator for a panel titled Broadband Workforce Development: Partnerships, Pathways, and Minnesota Made Solutions. This was an opportunity to represent Preston and Lanesboro at a state level and connect with people doing non-infrastructure broadband work (workforce development, education, etc.).
- I will participate in the river tour on May 5th for the trail extension from Preston to Historic Forestville. This project was submitted to the Empowering Small Minnesota Cities program and is a collaborative effort between Lanesboro, Preston and Harmony.

Executive Summary

Bluffscape Amish Tours is a mobile tour company based in Lanesboro, Minnesota. The owners, Eric and Shayla Gehrke are seeking a \$22,000 loan from the Lanesboro EDA Revolving Loan Fund to support working capital needs following the purchase of the business in early 2026.

Owned and operated by Eric and Shayla, Bluffscape Amish Tours has been a cornerstone of Lanesboro's Amish tours for decades. Through partnerships with local Amish families, they offer two daily tours six days per week (they are closed every Sunday as Amish customs do not allow work on Sunday).

Financial analysis demonstrates a viable operation with the potential to increase sales by extending the tour season outside of Lanesboro's "high season" of June through August. Further, the anticipated 2027 construction project is expected to have a minimal effect on this business as they can adjust their pickup and drop off locations quickly. They are also considering options to pick riders up in multiple locations at the height of the construction season.

The proposed \$22,000 loan will be amortized over seven years at a 2.0% interest rate, with their two buses as collateral (through perfected titles) and personal guarantees from the applicants.

Bluffscape Amish Tours contributes significantly to the vitality of downtown Lanesboro and the region. Without this funding, the business may face operational reductions that could impact local employment and the community's economic vibrancy.

EDA staff recommend approval of this loan request, subject to the outlined terms and Lanesboro City Council approval.

Background

Bluffscape Amish Tours, LLC is a long-time business in Lanesboro, Minnesota. It was founded by Gerry (unknown last name) and operated as Flaby's Amish Tour. In 2007, Dave and Joan Ruen purchased the business and rebranded the business name to Bluffscape Amish Tours. In 2021, Jeff Sanders purchased the business and operated it until the time of his passing in 2025. In 2025, the applicants ran the business for the cost of expenses and were able to purchase the business from Jeff's estate in March 2026.

The business is organized as an LLC under the name Bluffscape Amish Tours, LLC and the Minnesota Secretary of State filing was updated to Shayla on February 26, 2025. The change was made ahead of the purchase to ensure business continued as planned. In

2025, the business served over 1,600 people and the borrowers (Shayla and Eric) plan to serve 2,000 people in 2026.

The business operates six days per week, Monday-Saturday. The route includes stops at five to six Amish farms and retail shops between Lanesboro, Preston, Canton and Harmony. An additional stop is made at Lenora Stone Church, a historical site established in 1856. Bus drivers are considered contract employees as they have flexibility in the way they manage each tour. The drivers are given the dates and times of tours and the stops to make but determine their route and the content they share during the tour.

Request/Need

The applicant is requesting a loan of \$23,000. The purpose of the funding request is to assist with working capital. The business, which includes two Ford E-350 vans that accommodate 11 and 14 passengers each, was purchased in March 2026 for \$20,000 by the applicants using personal cash reserves. The funds will be used to assist with replacing tires, fixing AC in one van, and general start-up expenses (payroll, marketing, etc.).

Credit and Capacity

The Lanesboro EDA is the only lender for this loan. The favorable terms of the EDA loan program help with the business's cash flow.

Monthly revenue in 2025 was \$36,000 and expenses were \$31,000, as reported by the applicant. There was \$10,490 in Owner's Equity for the year. Financials from the previous owner are unreliable per the applicant and have not been considered in the projections. Three-year projections have been created for this project and are conservative, considering just one tour per day, six days per week, for 2026 and 2027. This model allows for fluctuation on busy days (Thursday-Saturday are generally busier than Monday-Wednesday). In 2028, we adjusted June through August to two tours per day, six days per week, and did not factor in a price increase. The potential is to run two buses six days per week, with two tours per day. If the applicant can scale to that on a consistent basis, the anticipated actual revenue is much higher than projected. Net Operating Income is negative in February and March of 2027 but recovers and is not projected to be negative again.

The Debt Service Coverage Ratio (DSCR) is 12.69 for 2026. In 2027 and 2028, the projected DSCR is 8.51 and 19.48, respectively. The business will be less impacted by the 2027 road

construction in Lanesboro because they are more mobile and can designate alternate pickup routes more easily. The DSCR is higher than normal; however, the business has very little overhead as they do not have a store front. We included \$200 per month in parking although they may be able to find less expensive parking, especially during the busy season when the buses are moving more frequently.

The applicant has completed a personal financial statement and provided business tax returns as required. The applicants have self-reported credit scores of [REDACTED] for Shayla and [REDACTED] for Eric. Shayla's score is related to credit card debt that they are working through. They currently owe [REDACTED] on credit cards and [REDACTED] on Shayla's car. Their personal financial statement shows [REDACTED] in assets and [REDACTED] in liabilities for a net worth of [REDACTED]. They do not have a mortgage on their primary residence. Eric has employment income of approximately [REDACTED], and Shayla manages the business, which has not provided steady income yet.

Collateral

The applicant can provide collateral in the form of perfected titles on the 2017 Ford E-350 passenger van and the 2005 Ford E-350 passenger van, along with a signed personal guarantee. The estimated value of each is \$20,000 and \$4,500 respectively. This creates a loan to value ratio of 89.8%.

Terms and Conditions

The loan request for \$22,000 will be amortized over seven (7) years at a rate of 2.0%. Payments will be made monthly, and the loan can be paid in full at any time without penalty.

Recording and closing fees for the EDA loan include*:

- Application fee - \$100.00
- Auto Title Perfection fee x 2 - TBD
- Closing fee - \$500.00

These fees will be paid by the borrower at the time of closing. *Subject to change.

Impact to Community

The business currently has four drivers/tour guides, who are all contracted. This helps them keep payroll costs low and allows for individual personalization of tours based on the

driver/tour guide's knowledge and relationships with Amish families. The business may be able to add two more drivers as it grows and offers tours in the shoulder seasons.

A market study shows two other Amish tour companies in the SE region, Amish Tours of Harmony and Amish Tours by R&M. With over 220,000 visitors to the Lanesboro area each year, the tours are a highlight for visitors and seats fill fast during the summer season. The applicant has worked with a consultant to evaluate new plans for marketing, including online booking. This is expected to attract younger people who prefer to make reservations online. They will also increase their online presence with a refreshed website. Shayla is a graduate of the Bluff Country Business Academy and has received several business resources to ensure that she has access to information for growing the business.

If the project is not funded, the business may need to reduce its hours or make other changes that reduce or end its regular operations. This could result in job loss and eventual loss of a long-standing community amenity.

Staff Recommendation

Based on feedback from the RLF Loan Committee, projections were created with a 5-year repayment term and show that there is capacity for the project to service the debt over 5 years rather than 7. Cash flow is negative in February 2027-May 2027 but recovers in June 2027 and is not projected to be negative again. The Debt Service Coverage Ratio in 2026 is 10.17, in 2027 it is 6.82 and in 2028 it is 15.61.

EDA staff have thoroughly reviewed the financial history and projections. Staff recommend approval of this loan at either a 5-year or 7-year term and contingent upon approval from Lanesboro City Council.

	2026	2027	2028
Total Revenue	\$ 47,988	\$ 60,888	\$ 88,752
Total Expense	\$ 26,786	\$ 32,538	\$ 23,339
Net Income	<u>\$ 21,202</u>	<u>\$ 28,350</u>	<u>\$ 65,413</u>
Add back Interest	\$ 192	\$ 326	\$ 248
Cash Available to Service Debt	<u>\$ 21,394</u>	<u>\$ 28,677</u>	<u>\$ 65,662</u>
Debt Service			
Loan Interest	\$ 192	\$ 326	\$ 248
Principal Payments			
EDA NEW	<u>\$ 1,911</u>	<u>\$ 3,880</u>	<u>\$ 3,959</u>
Total Debt Service	<u>\$ 2,103</u>	<u>\$ 4,207</u>	<u>\$ 4,207</u>
Debt Service Ratio	10.17	6.82	15.61
		Road Construction	Recovery

EDA 1	\$ 22,000	2.00%	7 years
Cash	<u>\$ 20,000</u>		
Total Project	<u>\$ 42,000</u>		
Need	\$ 22,000		
Appraised Value	\$0		
Busses	\$ 24,500		
Total Collateral	\$ 24,500		
LTV	89.8%		

Double-check		
\$192.04	\$326.33	\$248.02

\$ -	\$ -	\$ -
\$0	\$0	\$0

Collateral EDA	
2005 Ford E350SD 1FDWE35L65HA77332	\$ 4,500
2017 Ford E350 1FDEE3FS7HDC21046	\$ 20,000
Total	<u>\$ 24,500</u>

	2026	2027	2028
Total Revenue	\$ 47,988	\$ 60,888	\$ 88,752
Total Expense	\$ 26,808	\$ 32,595	\$ 23,414
Net Income	<u>\$ 21,180</u>	<u>\$ 28,293</u>	<u>\$ 65,339</u>
Add back Interest	\$ 214	\$ 383	\$ 323
Cash Available to Service Debt	<u>\$ 21,394</u>	<u>\$ 28,677</u>	<u>\$ 65,662</u>
Debt Service			
Loan Interest	\$ 214	\$ 383	\$ 323
Principal Payments			
EDA NEW	\$ 1,471	\$ 2,987	\$ 3,048
Total Debt Service	<u>\$ 1,685</u>	<u>\$ 3,371</u>	<u>\$ 3,371</u>
Debt Service Ratio	12.69	8.51 Road Construction	19.48 Recovery

Double-check		
\$213.87	\$383.28	\$323.00

\$ -	\$ -	\$ -
\$0	\$0	\$0

EDA 1	\$ 22,000	2.00%	7 years
Cash	\$ 20,000		
Total Project	<u>\$ 42,000</u>		
Need	\$ 22,000		
Appraised Value	\$0		
Busses	\$ 24,500		
Total Collateral	\$ 24,500		
LTV	89.8%		

Collateral EDA	
2005 Ford E350SD 1FDWE35L65HA77332	\$ 4,500
2017 Ford E350 1FDEE3FS7HDC21046	\$ 20,000
Total	<u>\$ 24,500</u>

Main Street Program Information

I met with Susie Lang, the economic development director and Main Street coordinator for the city of Olivia, Minnesota on Friday, April 10th. Susie has been in this role for a few years and is very knowledgeable about the program. Olivia has a population of about 2,400 people and is the county seat for Renville County in West Central Minnesota. It is best known for being the Corn Capitol.

Susie shared the program options, costs, benefits and challenges of being part of the Main Street Program. The program is led by Main Street America :: Home and Rethos provides assistance to Minnesota communities.

Cities have the option of becoming an Accredited, Affiliate or Associate member. Accredited is the highest level of involvement and Affiliate is the second highest level.

- The level of financial commitment to these levels is \$5,000 (starting in 2027). There may be options to step down as the community's program becomes more self-sufficient. If Rethos has a grant available, that could help offset the costs.
- To become a member at this level, you need to have an active board and work closely with the local EDA.
- There are monthly director's calls that include information sharing and topics such as advocacy, engagement, and resources.
- Members at this level are required to attend biannual conferences. The entry fee is paid, but not hotel, transportation, or food.
- There is a high level of reporting required. A CRM program was created (Maestro) to help with reporting and Rethos has paid the fee for Main Street communities in the past. Not sure if they will continue to pay for it, if it will be a stand alone cost or if it will be wrapped into the membership fee.

The Associate member comes at a lower cost and is an entry level, test the waters, membership. There is no reporting at this level.

The benefits of being a Main Street community are:

- Increased downtown awareness.
- The philosophy of Four Points is good for the downtown.
- Peers to share ideas and challenges with.

The challenges of being a Main Street community are:

- Cost – you need to have multiple sources of funding to pay the fee and conference costs.

- You must define the Main Street boundaries – need to be strategic in this.
- Activities for downtown events must be free to the public.
- They stress board diversity, which can be difficult in small, Midwest, communities.
- There is a lot of reporting, and it is very detailed. Software helps, but that may also have an additional cost.

Respectfully submitted,

Michelle Marotzke

Lanesboro EDA Director

ESMC Round 3 Community Strategies Application Form

Introduction (to preview this form [click here](#))

What is the approach that Community Strategies takes for awarded projects?

Our ESMC team has found that we can leverage the positive community impact of existing/future infrastructure projects by working in partnership with the community using a strategy called “design thinking”. Design thinking involves an in-depth exploration of the project’s community context that links the infrastructure project to the community’s existing aspirations, challenges, opportunities, and identity. This design thinking process for awarded communities will be led by a University of Minnesota team that deeply engages a core community project leadership team as well as a wide variety of additional local community members and regional and state resources throughout the project. The Community Strategies process will lead to the development of mature community plans that can inform stronger impact specific projects and guide longer term investments. Ideally, these efforts will help position communities to be competitive in seeking funding from state and federal sources.

Recommended action:

If you have not had a conversation with your ESMC team member, you are encouraged to [start with this first step form](#) and schedule a meeting. In order to have enough time to respond, this first step should be completed by April 15, 2026.

For your reference, please see the following links for more detailed information about the Empowering Small Minnesota Communities program:

- [About ESMC](#)
- For more detailed information about [Project Pathways](#) (Short Term Tasks, Specific Projects, Community Strategies)
- Details about the application process: [How to Apply](#).

Please complete this form to begin the review process for an Empowering Small Minnesota Communities (ESMC) Program application. Applications for Community Strategies Pathway are due **April 30, 2026**. Review and identification of finalists will be completed by **July 31, 2026**.

Organization

Primary contact first and last name: *

Michelle Marotzke

Primary contact phone number: *

507-467-3722

Primary Contact Email *

lanesboroeda@prestonmn.gov

Name of group, applicant, or organization applying for Community Strategies: *

City of Lanesboro

Type of organization *

- County
- City
- Township
- Special District
- Tribal Nation
- Nonprofit
- Community-Based Organization
- Other

Communities served *

Lanesboro, Minnesota

County and County seat *

Fillmore, Preston

MN Compass Data:

*

Use database to find the communities and copy in link for each

<https://www.mncompass.org/profiles/custom>

List communities and population *

Lanesboro, 724 (2020)

Tribal Nations, Reservations and Communities

*

The ESMC Team strongly recommends Tribal Nations, Reservations and Communities apply for this program.

Is the applicant community a federally recognized Tribal Nation or Community?

Yes

No

Community Interest in ESMC Community Strategies (Narrative)

Tell us about why your community is interested in the ESMC Community Strategies and not the * Specific Projects pathway. How can our work together support your community?

The City of Lanesboro is interested in the ESMC Community Strategies program to assist with development of long-term planning for how people move throughout the city during the planned 2027 reconstruction of Minnesota Trunk Highway 250 and in the future. We are interested in leveraging the disruption of a major construction project to provide strategic vision and change with how our community members and visitors connect with each other and the downtown community. We also want to transform our community's mobility through the community that is not limited by Highway 250 as the main thoroughfare.

The reconstruction project will replace underground utilities that have been in place for over 70 years (recent infrastructure was dated 1938). We are looking for assistance in developing multi-modal transportation options within the city, including bicycles, pedestrians, and motor vehicles. The design plan should also take into consideration the heavy truck traffic throughout the community (the Lanesboro Sales Barn is near downtown and Highway 250). Further, U.S. Highway 52 between Chatfield and Fountain will be under construction in 2027 and 2028 for a resurfacing project. The impact of these two highway projects will remain for years to come, and the Highway 250 project will impact how residents and visitors move throughout the community for the next 100 years.

The city is working with MnDOT for the reconstruction project. This highway is the primary access point for Lanesboro businesses, and nearly 50 businesses will be impacted by the project. The disruption of the reconstruction is causing city leadership to consider how people move around the community and what the best strategies are during the project and in the future. As a small city (pop. 724, Census 2020), Lanesboro lacks the staff capacity for developing and executing long-term strategic initiatives. The city's Comprehensive Plan was updated in 2025 and references safety and economic initiatives for the Highway 250 project. MnDOT and the engineering firm provide support, but it is limited in scope and based on the needs of the project rather than the needs of the community. Additional help from the ESMC program will help us create a longer-term vision for community success via new methods of connectivity long after the reconstruction project ends.

ESMC support would help the city ensure that the voices of residents, visitors, and business owners are considered for transportation needs during the 2027 reconstruction of Highway 250. This support would result in new connections and modes of connecting and traversing the city. With over 220,000 annual visitors to the community, it will also help give residents and tourists a sense of connection and investment in local assets and businesses for decades to come. As a highly visited tourism community, Lanesboro's annual economic activity exceeds \$10 million. The Highway 250 project has the potential to cause some businesses to close and the others to come to the brink of closing, which could have a catastrophic impact on the community for years to come. Community-informed planning and design will ensure that visitors and residents have access to the affected project area and that those strategies can be used as permanent routes.

Leadership in the city of Lanesboro has been working to think comprehensively and strategically to connect disparate infrastructure projects. For example, water and sewer replacement seem to have little to do with transportation and business success. However, they are critical infrastructure that need replacement and when that replacement happens, it causes disruption. Further, the ESMC program can help city leaders evaluate sustainability of environment, social and economic factors. Rather than wait for the disruption to be over and simply survive it, the city's leadership wants to learn how we can make long-term mobility

changes that benefit residents, visitors and business owners and have a positive impact on our natural environment. This could be new ways of planning for capturing stormwater or developing floodproof planning strategies. By tying this all together, we can create meaningful, long-term change for the people who live, work, and play in Lanesboro, and the cherished environmental assets.

2026 ESMC Focus Areas (Narrative)

This year, for projects that are selected for support, Community Strategies is prioritizing communities that have projects or timely needs in **one or more of the following focus areas** for selection in order to better position the community for funding and partnership opportunities: **Planned Infrastructure Projects, Water Issues, Environment-based Infrastructure Systems, and Future Re/development Projects**. Please fill out the narrative questions below to the best you can in an about 1-2 paragraph response (if applicable).

Planned City/County/State/Federal Infrastructure Projects

Major infrastructure projects that take place in small communities only rarely require significant funding and sustained planning that is needed to maximize their positive community impact even though these projects often influence the shape and function of communities for decades. Too often these projects happen “to” communities rather than “with” communities, thereby limiting the positive impacts they can bring. Community-informed planning and design can ensure these projects fit the needs and aspirations of the people and places they will impact, and help local communities strategize to make the most of these opportunities and minimize the negative impact of the build-out phase.

Will your community be impacted by planned City/County/State/Federal Infrastructure Projects in the next few years? *

- Yes
- No
- I'm not sure

If YES, please describe the funding source(s), project, timeline, community strategies, and opportunities below: Please include any previous work, funding, or collaborators in this effort.

Minnesota Trunk Highway 250 Reconstruction - primary funding comes from the Minnesota Department of Transportation and the City of Lanesboro. The cost of the project is estimated to be \$13.2 million; \$7.2 million of this is the city's responsibility. With only 724 residents, this project is a major financial commitment for the community. City staff have submitted a bonding request to the Minnesota State Legislature but have not been notified of an award. The project will begin in 2027 and may extend to 2028. This project will replace underground utilities (e.g., sewer, water and stormwater) that have been in place for 50-70 years, providing much-needed modernization and public health improvements. It will also redesign the downtown street and sidewalks, creating a safer crossing between the downtown pedestrian bridge and Highway 250.

Members of the Lanesboro Entrepreneurial Action Network (L.E.A.N.), a sub-committee of the Lanesboro Economic Development Authority, are expected to aid in communication, navigation and financial assistance for this project. The city has limited staff to provide dedicated support for approaching this strategically, ensuring that businesses, residents, and visitors are fully engaged in the planning process. Assistance from ESMC would greatly improve the outcome of this project.

The Lanesboro Arts Center also has support from the Humphrey School that will approach the disruption creatively by engaging with local artists. The artists will create projects that actively encourage and engage visitors to come to Lanesboro during the construction project. The project, Lanesboro Arts – Artists Collaborating on Community Challenges, was awarded \$49,750 to administer funds in ways that are intended to mitigate some of the negative impacts of the reconstruction of Minnesota Highway 250 between State Hwy 16 and the Root River Bridge (approx. 0.9 miles), which is scheduled to take place in the summer of 2027. This project is tactical and specific to the reconstruction project; it does not include comprehensive planning or future-oriented strategizing.

US Highway 52 between Fountain and Chatfield is another MnDOT project scheduled to begin in 2027. This project includes several initiatives, including resurfacing, replacing box culverts, and adding a bypass lane on Highway 40. This project will have a dramatic impact on travel to Lanesboro for people driving southbound on Highway 52 and will require additional consideration to the overall connection strategy.

Water Challenges

Minnesota's freshwater resources are central to our state's identity, public health, economy, recreation, and climate resilience. Many rural Minnesota communities face significant water challenges that involve: aging infrastructure, water quality, water management, latent water systems, water treatment, flooding, water supply, drought, etc. These challenges offer an opportunity to design resilient systems that enhance the community's public health, economy, and the environment while connecting them to existing assets and challenges for greater community benefits and resilience.

Is your community facing significant water challenges that involve aging infrastructure, water quality, water management, latent water systems, water treatment, flooding, water supply, drought, etc.? Please include any previous work, funding, or collaborators in this effort. *

- Yes
- No
- I'm not sure

If YES, please describe the water related challenges your community is experiencing below:

Lanesboro is affected by state-mandated lead service line replacement rules, which will be addressed during this project. Some of the infrastructure in Lanesboro is approaching 90 years old. Modernization of the infrastructure will provide safe utilities for several decades.

Lanesboro is located along the Root River and serves as a major tourism destination for water-based recreation, including kayaking, canoeing, tubing, and fishing. The river is especially well known for trout fishing, attracting anglers throughout much of the year. Its consistent temperature and gentle, meandering flow make it accessible and appealing to both residents and visitors.

The Lanesboro Dam is one of only six gravity arch dams in the United States (Hoover Dam is another). In addition to producing up to 10% of the city's electricity, it is a historical feature. The dam was built in 1868 for \$15,000 and underwent a \$4 million reconstruction in 2020. The city is currently working toward pursuing a U.S. Economic Development Authority grant to floodproof the power plant, located along the Root River near the dam.

Environment Based Infrastructure Systems

Minnesota's diverse landscapes offer strategic opportunities for improvement of ecological resilience, recreational assets, public health, access to nature, and economic development, and community vitality. By using design thinking the system-based strategies developed by Community Strategies can enhance and protect community's existing valuable and vulnerable environmental systems making them more useful and valuable community assets and positioning them to receive funding for the identified changes and enhancements.

Is your community seeking opportunities for improvement of ecological resilience, nature-based recreational assets, public health, and access to nature? Please include any previous work, funding, or collaborators in this effort. *

- Yes
- No
- I'm not sure

If YES, please describe the opportunities for improvement below:

Lanesboro, along with Preston and Harmony, is part of a three-community effort to connect the Root River Trail from Preston to Historic Forestville. This project has been in discussion for over 20 years, and significant progress has been made toward seeing it to fruition. The Fillmore County Board recently provided a resolution in support of this project. The work will enhance river quality by cleaning up overgrowth and ensuring native plants are in place. It will also extend the Preston Trail, a pedestrian/bike path that ends on the west side of the city, all the way to Historic Forestville and Forestville/Mystery Cave State Park.

Lanesboro is in the heart of Bluff Country in southeast Minnesota. There are over 700 miles of trout streams in southeastern Minnesota, and the trout habitat includes brown trout, brook trout, and rainbow trout and trout fishing is a draw for visitors, especially fly fishermen. The bluffs provide a backdrop of natural beauty while containing an abundance of wildlife. Wildlife includes common mammals such as chipmunks, deer, and badgers as well as not-so common (to Minnesota) reptiles such as the timber rattlesnake. According to the Minnesota Department of Natural Resources, there are 156 species in greatest conservation need, including 82 that are federally or state-listed endangered, threatened or have special concern. Additionally, many of the species are tied to cold-water streams, cliff and bluff habitats, and non-forested wetlands. These are features that visitors to Lanesboro enjoy discovering, as the terrain of bluff country is unlike any other in Minnesota.

During the Highway 250 project, we plan to leverage the natural beauty and unique topography to encourage tourism. Leaders in the city have chosen to embrace the disruptive project and create an opportunity for visitors and residents to see Lanesboro in a different way. This is expected to include new connectivity routes through town for pedestrians and bicyclists, which we hope support from ESMC with design/planning can directly influence.

Future Re/Development Strategies

Many small Minnesota communities are experiencing population growth or are seeking growth. Population changes create opportunities to strategically use existing buildings and physical assets, while also requiring community-shaped plans for new investments in physical amenities and structures. The Community Strategies pathway can assist communities working on re/development needs with efforts that build upon existing local systems, enhance community amenities and connectivity, and strengthen specific/neighborhoods/areas. Community Strategies creates useful tools for community use to move the projects forward.

Is your community seeking opportunities to enhance community amenities and ways residents connect (ex. transportation, roads, enhanced recreation assets, urban design and development) or looking at redevelopment? *

- Yes
- No
- I'm not sure

If YES, please describe the opportunities to enhance community amenities, connectivity, and re/development strategies below. Please include any previous work, funding, or collaborators in this effort.

Lanesboro's resident population is approximately 724 people (2020 Census Data). Tourism activity brings more than 220,000 people to the community each year. This can be a significant strain on utilities and services. The Highway 250 project will create safer ways for visitors and residents to connect between the trails and the community. For example, a planned multi-use bike/pedestrian path will be built along Parkway Avenue. Lanesboro Public School is located at the north end of Parkway Avenue with the business community at the south end, and the Root River runs along the west side of Highway 250.

At the center of the city is an intersection that has at least six points of contact between the trail, Highway 250, Highway 8 and Elmwood Street E. The Highway 250 project will redesign this area to create bump outs that increase pedestrian visibility and intersection safety.

The Highway 250 project will also create a new sidewalk along Ashburn Street, at the south end of the project area. This will enhance safety for pedestrians and bicyclists in the community. With the downtown and three walking bridges connecting visitors to the Root River, connectivity for pedestrians and bicyclists is a high priority.

Community Capacity and Readiness (Narrative)

Please answer these as best you can (approximately a paragraph or so).

Is there already a group of residents who are working together to move this idea(s) forward? *
Who is leading already? Who is helping? What is this group's capacity like?

Yes, the Lanesboro Entrepreneurial Action Network (L.E.A.N.) is a sub-committee of the Lanesboro Economic Development Authority. It is a 7-member committee with an additional two ad-hoc members. Members include business owners, community members, and a high school student representative. The Highway 250 project is a priority for this group.

The city of Lanesboro has limited capacity to manage communication, navigation, and fundraising strategies for this project. City staff have created the framework for a Highway 250 Advisory Group. This group will be led by the L.E.A.N. members and is expected to include input from community members and visitors.

Lanesboro Arts is a non-profit community-based art studio and education center. The organization is collaborating with MnDOT and the Humphrey School to develop an art and construction program titled Lanesboro Arts - Artists Collaborating on Community Challenges. The program will provide funding to artists who will create projects that are designed to bring people into Lanesboro during the construction period; it is not supplemental funding for the Highway 250 project budget.

Please give an example of where your community has been successful working together toward * a goal that was achieved. What was the project and when did it happen? What did collaboration look like? How were residents involved as leaders, contributors, etc.?

Lanesboro is an active Rural Entrepreneurial Venture community with the Southern Minnesota Initiative (SMIF). This program was designed to support small-town communities through entrepreneurial development. In 2025, the Lanesboro Entrepreneurial Action Network (L.E.A.N.), a sub-committee of the Lanesboro Economic Development Authority, completed a business survey with twelve local businesses. This took coordination and cooperation between the city, sub-committee members, and the local business community. Through this effort, one theme kept emerging: the 2027 Highway 250 project. As a result, and with the help of funding from SMIF, workshops were developed to help business owners learn how to navigate through this project. Workshop topics included marketing, SEO optimization, and stress budgeting. Another workshop dedicated to strategic planning was held on April 16, 2026, and offered one-on-one consultations to discuss specific pain points for participating businesses. A final workshop is planned for June 11, 2026, with the University of Minnesota – Extension facilitating a session around conflict management through a major community project. We are also planning to offer coaching sessions to connect business owners with the workshop presenters for additional assistance in planning for the construction project.

In addition to the workshops, the L.E.A.N. sub-committee is developing an Advisory Group that will work directly on the Highway 250 project. The Advisory Group will be responsible for three areas: Communications, Navigating and Access, and Fundraising. Each area will consist of 3-5 Lanesboro residents and business owners, who will develop strategies for the project. They will report to a liaison who will bring ideas and barriers to the city's EDA Director. The liaison will also be included in meetings with key partners, such as MnDOT and the project engineer (Bolton & Menk).

Finally, the city of Lanesboro had the privilege of working with ESMC to have a graduate student synthesize data that the EDA Director collected from cities throughout Minnesota who have been through a similar major road project. One of these conversations resulted in a business owner from Pelican Rapids joining our April meeting and sharing her experiences. MnDOT has also received a copy of our ESMC report. Our desire is to create a roadmap that can help communities embrace and navigate these major projects, rather than fear them.

Please describe how you engage diverse perspectives in community decision making, leadership, and project efforts. Diverse perspectives could include: Engaging historically underrepresented communities such as Native nations, people of color, immigrants, LGBTQ+, people with disabilities, women, geographically isolated communities, and people with low incomes, etc. *

Lanesboro is a highly rural community located approximately 30 miles southeast of Rochester. The community values and respects individuals with diverse beliefs and lifestyles. While its roots are in agriculture, Lanesboro has evolved into a destination for tourism and for individuals seeking a slower-paced, rural way of life.

Due to its small size and geographic location in Southeast Minnesota, comprehensive and up-to-date data can be difficult to obtain. Anecdotally, Lanesboro is a welcoming community for people of color, immigrants, LGBTQ+ individuals, and people with disabilities.

Current demographic estimates indicate the population is 80.1% White, 7.5% Hispanic, 5.5% Black, 3.9% Asian, and 3.0% identifying as other or two or more races. The median age is relatively balanced across cohorts, with the smallest share (2.2%) aged 85+ and the largest shares (6.7%) in the 15–19 and 40–44 age groups. The median household income is \$86,443—slightly below Minnesota’s \$87,556 but above the national median of \$83,592. Approximately 38% of residents hold a bachelor’s degree or higher. (2025 Cobalt Research Report)

Nearby Preston is home to a Minnesota State Veterans Home, a 54-bed skilled nursing facility that serves the region. Lanesboro also features one of the oldest American Legion buildings in the country. Originally constructed in 1870, it became Post #40 in 1946 and has served veterans for nearly 80 years. Upcoming construction will impact access to the Legion post, making reliable connectivity essential to maintain communication and support for the veterans it serves.

Bluffscape Amish Tours is a small business based in Lanesboro that offers guided visits to local Amish farms. Construction on Highway 250 will affect designated pickup locations for registered tour participants, creating logistical challenges for the business. These tours provide visitors and residents with the opportunity to experience a working Amish farm and purchase locally made goods.

Without reliable connectivity and coordinated access points, Bluffscape Amish Tours will face service limitations, which in turn reduces income opportunities for participating Amish farmers. The Amish community is a vital part of southeast Minnesota’s cultural identity and rural economy, yet it is often underserved by conventional service delivery systems.

Structural barriers within the Amish community—including limited digital connectivity, nonstandard communication norms, and misalignment with regulatory and institutional frameworks—contribute to reduced access to transportation, workforce development, healthcare, and economic development resources.

Please describe methods you have implemented to build capacity in your community for short and long term goals. (Methods implemented could include: community engagement, workshops, training, community surveys, partnerships, etc) *

Lanesboro has been a Rural Entrepreneurial Venture (REV) community through Southern Minnesota Initiative Foundation for several years. The REV program is managed through the Lanesboro Entrepreneurial Action Network (L.E.A.N.), which is a sub-committee of the city's Economic Development Authority. Activities have included completing a business survey, which identified needs for the business community. This has resulted in several workshops for business topics related to Highway 250 planning including marketing, stress budgeting, strategic planning, and coaching.

In 2025, the cities of Lanesboro and Preston collaborated to create a shared Economic Development Director position. This has created additional capacity for shared projects such as the Bluff Country Business Academy, which had 14 participants in its first cohort (primarily Lanesboro business owners).

The city recently partnered with ESMC for a short-term project related to the Highway 250 project. A graduate student synthesized data that the EDA director gathered from small communities throughout Minnesota that have been through a major MnDOT road construction project. The report from this project is included with this application.

Please list any of your existing partner communities. This could include communities connected by watershed district, economic development, tourism board, public health, neighboring community groups, etc. *

The city of Lanesboro is working with Minnesota Trout Unlimited and the Minnesota Department of Natural Resources for restoration of the river and riverbank along the Root River in Lanesboro. It will include waterway access, habitat improvement, and restoration of native vegetation. The Root River is a well-known trout river that attracts fishing enthusiasts from around the county. It is also a popular canoeing, kayaking and tubing river. Funding is coming from the Minnesota Legacy Fund, and the project will cost approximately \$750,000 to complete. Other funding may be found to improve handicapped accessibility. The project is unique in that it is public land being improved, rather than private land, and other projects do not have as much public activity or buildings near the project area.

Lanesboro collaborates with the nearby city of Preston (the county seat for Fillmore County) for several shared services including law enforcement, emergency medical services, fire, and economic development. This partnership has reduced costs to each community while increasing capacity for local services. Lanesboro is also part of a three-community collaboration with Preston and Harmony to extend the Root River Trail from Preston to Historic Forestville, a project also supported by ESMC.

Community Assets

The following questions ask about an expansive inventory of community assets - we do not expect any one community to have all or even most of these. This is to provide a general picture of assets within applicant community(ies) - having or not having any of these assets does not disqualify applicants from consideration. Please leave blank if none apply.

Community Identity

How has your community identified itself in the past? (One or two words or sentences) *

Example: My community used to be (a railroad center, Red Wing Pottery's home, an agricultural center, etc.)

Lanesboro used to be a railroad community.

Currently my community is... *

Examples (a tourist town, an arts community, a German town, etc.)

Lanesboro is an agriculture, tourism, and arts community.

Currently my community (welcomes immigrants, promotes ____, etc.) *

Lanesboro welcomes visitors and residents from around the world.

Civic Assets

Community Facilities *

- Schools
- Grade school
- Junior High School
- High School
- Post secondary school
- Post office
- Library
- Community Center
- Youth Center Senior Center
- Hotel, Motel, Vacation Rentals (Air BnB or similar)
- Restaurant(s)
- Medical Facility - Hospital
- Medical Facility - Clinic
- Civic Organization(s)
- Religious Organization(s)
- Childcare Services - Home-based
- Childcare Services - Center-based
- Empty or Underutilized Building(s)
- Empty or Underutilized Land (eg empty city lot(s), area prepared for development)
- Other

State or Regional Institutions *

- State regional office
- Treatment centers
- Prison
- Research center
- State agency division i.e, DNR Division, etc.

Nature & Recreation Assets *

- Lakes
- Rivers
- Natural areas
- Parks and Trails (local, regional, state)
- Ski Facilities
- Golf Course
- Other

Public Safety *

- Fire Dept.
- Local ambulance service
- Law Enforcement - City Police Dept
- Other

Previous Community Planning *

- Comprehensive Plan
- Active Living Plan
- Housing Plan
- Safe Routes to Schools (SRST) Plan
- Downtown Plan
- Water/ Sewer/ Flooding Management Plans
- Other

How have members of the community been engaged in the above plans, or more general planning processes? Please briefly describe. *

The Lanesboro Entrepreneurial Action Network (L.E.A.N.) is a sub-committee of the Lanesboro Economic Development Authority (EDA). It has nine members including the Chamber and Tourism director, two current business owners, one previous business owner, an arts representative, an EDA Board and City Council representative, a communications representative, a student representative and the city administrator. The EDA Director serves as the secretary and provides direction and execution for activities through the sub-committee. These members are involved in the planning for mitigation strategies for the Highway 250 project.

Infrastructure Assets and Projects

The following questions ask about different kinds of infrastructure which may be present in applicant community(ies). Please select all that apply and leave blank if none apply.

Education - What schools does the applicant community(ies) have at present? Please check all * that apply. (Having or not having the presence of a school does not disqualify a community from consideration.)

- K-6
- 7-12
- Post-secondary
- Other

Transportation (existing) *

- Interstate/state highway/county road/scenic byway/road transportation
- Transit system
- Trails: pedestrian, biking, snowmobile, ATV, horse
- Train service (passenger)
- Long distance bus service
- Rideshare/ TNC Service (Uber, Lyft, etc)
- Shared, informal transportation networks (eg Facebook groups)
- Airport
- Other

Transportation (proposed or in process) *

- Roads and bridges
- Sidewalk extensions/ improvements
- Pedestrian, biking, snowmobile, ATV trails
- Other

Water Projects *

- Water- proposed
- Water- in process
- Sewer- proposed
- Sewer- in process
- Stormwater - proposed
- Stormwater - in process
- Flood mitigation - proposed
- Flood mitigation - in process
- Other

Communications *

- Newspaper
- Local Radio station
- TV station
- Broadband
- Cellular Coverage
- Community website
- Community social media (eg active Facebook page(s))
- Other

Communications - Please add links to community websites and/or social media pages *

<https://lanesboro-mn.gov/>

<https://rootrivercurrent.org/>

<https://www.facebook.com/CityofLanesboroMN/>

<https://talk.dot.state.mn.us/hwy250-lanesboro>

Energy Systems *

- Cooperative utility
- Municipal utility
- Major energy utility
- Other

Energy Systems - Does applicant community have unmet energy infrastructure needs? Please briefly describe. *

Between 30% and 40% of Lanesboro's electric service is underground, leaving 60% to 70% above ground. It would benefit the city to move more of the electric service underground for the following reasons:

- Protection from weather (wind, rain and snow that can cause damage to above-ground lines)
- Reduced visibility (fewer cables in the line of sight for visitors and residents)
- Increased safety if electric is disrupted as lines are not at risk of falling down during extreme weather events

Lanesboro receives about 10% of its electric needs from the Lanesboro Dam, and the rest is provided through membership with UMMEG.

Adequate transmission is an evolving need that most communities are facing. While there are efforts to increase transmission throughout the United States, it is being met with resistance from landowners, and the cost can be prohibitive.

Housing Needs- Does applicant community have particular housing needs (for instance, workforce housing, low income housing, senior housing, building reuse, etc)? If so, please describe. *

The City of Lanesboro is a growing community, and a single-family development is planned by a private owner on the south side of town. City infrastructure includes extending a street into the development and building water, wastewater, and electric lines to the properties. A housing needs assessment or study has not been completed to best define the needs of the community. However, with the release of Rochester's recent housing study, it is a reasonable assumption that Lanesboro could be positively impacted through spillover effects.

Received Funding *

- Transportation
- Bonding
- Legacy funding: Arts and Cultural Heritage, Clean Water, Outdoor Heritage, Parks and Trails, Environment...
- Regional Sustainable Development Partnership (RSDP) Project
- Housing
- Other

In a sentence or two, please describe major projects funded and completed in the past five to ten years. *

The City of Lanesboro has completed several major projects over the past ten years including:

- Lanesboro dam restoration
- Wastewater Treatment Facility
- Water Plant
- Street & Utility Project: Kirkwood Street, Coffee Street W, Rochelle Avenue N, Beacon Street W
- Acquired and renovated new emergency services building
- Lanesboro Public School renovation project

Proposed or In-Progress Funding *

- Transportation
- Bonding
- Legacy funding: Arts and Cultural Heritage, Clean Water, Outdoor Heritage, Parks and Trails, Environment...
- Regional Sustainable Development Partnership (RSDP) Project
- Housing
- Other

In a sentence or two, please describe major projects currently proposed or in progress. *

The Minnesota Trunk Highway 250 reconstruction project is planned to begin in 2027 and may extend to 2028. This project will have a long-lasting impact on the Lanesboro community and how people connect throughout the city.

This form was created inside of University of Minnesota Twin Cities.

Google Forms

Small Community Mitigation Strategies for Major Roadway Construction

Introduction

In 2027 the City of Lanesboro will undergo major reconstruction of Highway 250, a Minnesota state highway that runs directly through the city's historic and scenic downtown. With interest in minimizing the construction's negative impacts to the local community, Michelle Marotzke, Lanesboro's economic development director, interviewed community leaders from nine other small Minnesota communities about their experience with similar major roadway construction. The purpose of this report is to synthesize the lessons learned from these discussions into three distinct themes to identify and inform actionable strategies that may help mitigate negative construction-related impacts in Lanesboro's upcoming highway reconstruction project.

Cities Interviewed

City	Population
Alexandria, MN	14,998
Elk River, MN	27,520
Grand Marais, MN	1,353
Henderson, MN	993
Isanti, MN	7,511
Le Roy, MN	979
Lindstrom, MN	4,957
North Branch, MN	12,159
Pelican Rapids, MN	2,568

City population data adapted from *PopFinder for Cities and Townships* from Minnesota State Demographic Center (2025).

Theme 1: Establish a Clear and Consistent Communication Strategy

Across nearly all communities, proactive and consistent communication was identified as a crucial factor in successfully navigating major road construction impacts. Lanesboro may benefit from appointing or contracting a dedicated liaison to ensure consistent outreach to the residential and business community.

Effective strategies observed:

- Designated a liaison directly between the community and the contractor (Pelican Rapids, Le Roy)
- Hired a liaison to go door to door to local businesses to provide routine updates (Lindstrom)
- Developed a coordination strategy on how to deal with negativity in-person and online (Isanti, North Branch, Elk River)
- Worked closely with the Chamber of Commerce for marketing – created seasonal themes and hashtags to continue the message that construction will be worth it (Elk River)



- Educated the community on why construction is important, highlighting safety and infrastructure improvements (Isanti, North Branch)
- Named the construction project the “ROAD Project” (Redesigning of Alexandria’s Downtown) (Alexandria)
- Branded project “The Facelift” and used rack cards and QR codes to provide informational updates (Grand Marais)

Theme 2: Prioritize Visibility and Signage

Many communities emphasized that confusion about business access posed a significant challenge during construction. Early planning for pedestrian routes and parking visibility may help reassure visitors that downtown businesses remain accessible and open.

Effective strategies observed:

- Put up signs for public parking, bringing in public works for ideas and involving the fire department/EMS to plan emergency routes (Isanti, North Branch)
- Contractor provided a boardwalk for the front of local businesses (Pelican Rapids)
- Showed stages of the project completion through social media – “some people loved to see the open street and all the infrastructure that was being replaced” (Pelican Rapids)
- The middle two city blocks of construction were left to the end, which helped with customer traffic (Le Roy)
- Local businesses created home delivery or local pickup options away from construction zones (Isanti, North Branch)
- Find alternate entrances and prepare for them to be used in advance of the construction (Lindstrom)

Theme 3: Involve Contractors as Part of the Community

Several communities reported improved morale and reduced tension when construction crews were intentionally welcomed as community members rather than viewed solely as disruptions. Gestures aimed at inclusion may help reduce friction and encourage contractors to visit local businesses.

Effective strategies observed:

- Regular meetings between public and contractors (Pelican Rapids)
- Wearing logo gear around town helps contractors know who you are; keep contractors notified of important events (funerals); put together a list of things for contractors to do in the area (Isanti, North Branch)
- One of the boutiques in town asked a construction worker to model clothing for them on their social media page, which was well received (Pelican Rapids)
- Held a hot dog feed for the construction workers – “When they’re happy, things go well.” (Grand Marais)

Conclusion

Across the nine communities interviewed, three consistent themes emerged as effective in mitigating negative construction-related impacts: establishing a clear and consistent communication strategy, prioritizing visibility and signage, and intentionally involving contractors as part of the community. As Lanesboro prepares for its major road reconstruction project next year, these strategies offer practical, actionable approaches that may help reduce disruption, maintain economic activity, and support community cohesion throughout the construction period.

Reference:

“PopFinder for Cities and Townships.” *Minnesota State Demographic Center*, July 2025,
<https://mn.gov/admin/demography/data-by-topic/population-data/our-estimates/pop-finder2.jsp>

Event Agenda

2026 EDAM Summer Conference

Wednesday, June 03, 2026

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|-------------------|-------------------|
| 4:00 PM - 7:00 PM | Registration |
| 5:00 PM - 7:00 PM | Welcome Reception |
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Thursday, June 04, 2026

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| 7:00 AM - 5:00 PM | Registration |
| 7:00 AM - 8:30 AM | Breakfast |
| 8:15 AM - 8:30 AM | Welcome Announcements
Speaker: Keith Dahl |
| 8:30 AM - 9:30 AM | Minnesota Sector Partnerships: A Practical Framework for Economic Developers to Align Workforce, Industry Demand, and Community Growth
Speakers: Jessica Miller, Kevion Ellis |
| 8:30 AM - 9:30 AM | Unlocking Opportunity: Strategic Partnerships in Small Communities
Speaker: Chad Adams |
| 9:30 AM - 9:45 AM | Break with Exhibitors |
| 9:45 AM - 10:45 AM | Ethics in Public Finance: Avoiding Pitfalls in Development Incentives
Speakers: Jason Aarsvold, Schane Rudlang |
| 9:45 AM - 10:45 AM | Hermantown Uptown: Growth by Design and Authentic Placemaking in a Small but Growing City
Speakers: Chad Ronchetti, Brit Erenler |
| 10:45 AM - 11:00 AM | Break with Exhibitors |
| 11:00 AM - 12:00 PM | Site Readiness: Strategies for Public & Private Owned Assets
Speakers: Nate Enger, Kristine Williams ; Moderator: Megan Livgard |
| 11:00 AM - 12:00 PM | Hatch Bloomington: \$100K Pitch Contest
Speakers: Barbara Wolff, Sean Lundy |
| 11:00 AM - 12:00 PM | 2 Hour Strategic Planning
Speaker: Dr. Dave Webb |
| 12:00 PM - 1:20 PM | Lunch |
| 1:20 PM - 1:30 PM | President's Award Presentation |
| 1:30 PM - 2:30 PM | Keynote * Communicating Across Generations
Speaker: Scott Nelson |
| 2:30 PM - 2:45 PM | Break with Exhibitors |

2:45 PM - 3:45 PM	Strategic Synergy: How DEED's Economic Development Aligns Resources to Drive Growth and Jobs Speakers: Catalina Valencia, Stephen Wolff, Meredith Udoibok
2:45 PM - 3:45 PM	Lingo in the Public Sector: TIF 102 Speaker: Jake Erneott
2:45 PM - 3:45 PM	Advancing Ecosystems Impact: ILT Academy and DAWN Speaker: Elissa Hansen
3:45 PM - 4:00 PM	Break with Exhibitors
4:00 PM - 5:00 PM	Community-Driven Entrepreneurship: A Case Study in Collaborative Impact Speakers: Jennifer Wainionpaa, Betsy Olivanti
4:00 PM - 5:00 PM	Thriving Rural Communities: A New Framework for Regional Economic Development Speakers: Karl Schuettler, Tony Serich
5:00 PM - 6:00 PM	Break on your own
6:00 PM - 8:30 PM	Networking Reception & Boat Cruise
8:30 PM - 10:30 PM	EDAM After-Hours

Friday, June 05, 2026

7:00 AM - 8:30 AM	Breakfast
7:30 AM - 12:00 PM	Registration
8:30 AM - 9:30 AM	Using DEED's Technology Tools Speaker: Natalie Siderius
8:30 AM - 9:30 AM	Design with Nature: Advancing Economic Development through Climate Resilience and Environmental Justice Speaker: Jay Womack
9:30 AM - 9:45 AM	Break with Exhibitors
9:45 AM - 10:45 AM	Leveraging DEED Resources to Support Community Entrepreneurship Speakers: Maddy LeClaire, Luther Flagstad
9:45 AM - 10:45 AM	Not Recruiting, BUILDING your own Workforce: Hutchinson's TigerPath Program Speaker: Miles Seppelt
10:45 AM - 11:00 AM	Break with Exhibitors
11:00 AM - 12:00 PM	DEED & Legislation Update
12:00 PM - 12:15 PM	Closing Announcements & Prize Drawing