Lanesboro EDA Board Meeting
Regular Meeting Agenda
Thursday, February 5, 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 Tacke will be participating remotely via Zoom December 2025 - March 2026
Member Albrecht-Benson will be participating remotely via Zoom.

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, January 8, 2026
b. Minutes of the L.E.A.N. Sub-Committee, December 11, 2025
c. January 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. The Scoop
Motion_____ Second_____

Continued Business
A. Bluff Country Business Academy
B. REV Workshops

New Business
A. 2025 EDA Annual Report
B. Sparrow Valley Tax Abatement
Motion_____ Second_____

Next Meeting: Thursday, March 5, 2026, at 10:45 a.m.

Adjourn Regular Meeting

Lanesboro Economic Development Authority
Regular Meeting Minutes
Thursday, January 8, 2026 – 10:45 a.m.
City Council Meeting Room

Present Members:
☒ Mindy Albrecht-Benson ☒ Michael Boho ☒ Tom Pursell ☒ Linda Tacke (remote) ☒ Kathryn Wade
Staff:
☒ Mitchell Walbridge ☐ Darla Taylor ☒ Michelle Marotzke
Guests: Sarah Peterson (remote), Joe Goetzke, Brooke Pfeffer (remote)

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

A. **Agenda Approval**: Director Marotzke requested two additions to the New Business section of the agenda: add item D to consider sharing the cost of the Visitor260 Report with the Lanesboro Area Chamber of Commerce and item E to consider the EDA's annual contribution of $750 to the Lanesboro Area Chamber of Commerce. Member Benson entered a motion to approve the agenda with that addition; Member Boho seconded the motion. Roll Call was taken with four ayes and zero nos.
B. **Public Comments**:
C. **Consent Agenda:**
   a. Minutes of the Regular Meeting, December 4, 2025
   b. Minutes of the L.E.A.N. Sub-Committee, October 23, 2025
   c. December Financials

   Member Albrecht-Benson entered a motion to approve the Consent Agenda; Member Boho seconded the motion. Motion carried with all in favor.
D. **EDA By-Laws Review and Member Terms:** Marotzke shared information about the current EDA By-laws and stated that Administrator Walbridge plans to update policies in the coming year. There are some deviations with officers in the By-Laws and what has been done in the past. Staff proposes continuing with past practice. A motion was made by Member Albrecht-Benson to approve the following slate of officers for the 2026 EDA Board:

a. Board Chairperson: Kathryn Wade
b. Board Vice-Chairperson: Tom Pursell
c. Appointment of City Clerk/Treasurer as Treasurer
d. Appiontment of EDA Director as Secretary

Member Tacke seconded the motion. Roll Call was taken with four ayes and zero nos.

Department Reports

A. EDA Director Report:
   a. Director Marotzke shared highlights of her report, including:
      i. The Paid Leave Outreach grant was not awarded, and staff is comfortable with that decision. They will share resources with business owners as needed.
      ii. A grant application was submitted to the MN Department of Commerce as a follow-up of the CERTs Seed Grant. There was additional conversation about how bicyclists are charging their e-bikes now and what future opportunities might be, including cost of installation and location. There is interest in pursuing a potential e-bike charging station project, and Chamber Director Joe Goetzke shared his thoughts in support of this. Member Tacke also supported looking into opportunities.
      iii. Marotzke shared that the City of Preston was awarded the grant from SMIF to create Bluff Country Business Academy. The anticipated start date is March 9th and Rochester Technical and Community College will provide the primary instructors. Marotzke will coordinate two of the sessions and include local resources.

iv. Marotzke will present to the Economic Development Association of Minnesota at its Winter Conference on January 22nd. She will share a copy of the presentation in the February meeting packet.

B. **City Council/City Administration:** City Administrator Mitchell Walbridge provided an update to the EDA Board including:
   a. Reviewed Amendments to City Fee Schedule and Public Utility Fee Schedule.
   b. Read the City Council's Statement of Position on the Rural Health Innovation Initiative, including the complimentary documentary project. The City has declined to serve as a fiscal agency for the project and stated that the Mayor's use of her title in communications and promotional materials does not represent an official position or endorsement by the City Council or the City of Lanesboro. Prior use of the City logo on project materials was unauthorized and has been removed.
   c. The Minnesota Trout Unlimited Root River Habitat Improvement Project is moving forward. This will improve the fish habitat, restore floodplain access, and restore native vegetation. A public informational meeting will be held on January 21st at 6:00 p.m. at City Hall.
   d. The Lanesboro Public Library is hosting local author Nicole Howard and her son, Mason, who wrote and illustrated "The Ice Cream Adventure". The event, including an ice cream social, is on Saturday, February 28th and the collection is available for purchase.
   e. Provided a TH250 Project update:
      i. Zoning changes and an updated overlay area to accommodate construction and property needs along Ashburn Street have been created.
      ii. Property owners are getting their early notice letters for property acquisition.
      iii. The following meetings are scheduled:
         1. Informational meeting is 2/18/26 from 4:30-6:00 p.m.
         2. Municipal Consent Public Hearing is 2/18/26 at 6:00 p.m.
         3. At the conclusion of the public hearing, the City Council will consider a Municipal Consent Resolution on 2/18/26.
      iv. We will be pursuing the Public Facilities Authority funding including a low interest loan and WIF grant funding. There will be a lot of work done to keep Lanesboro visible for the next bonding bill at the State level.

C. **Chamber of Commerce:** Executive Director Joe Goetzke provided an update to the board.
   - The Visitor's Guide production is in the final stages.
   - The Chamber's annual meeting is on February 11th at 5:00 p.m. at Cedar Valley Resort.
   - The Rochester Economic Summit is on February 3rd. Marotzke will attend with Goetzke.
   - Granny's Liquor has a ribbon cutting this afternoon for new owner Stephen Rogers.
   - LoveBirds in Lanesboro is the next signature event for the community and is being planned now.
   - The Visitor's Guide contribution helps with matching funds for a grant through Dairyland Power.

D. **School Board:** School board member Sarah Peterson provided an update.
   - The Hiawatha Valley Education District (HVED) recently opened their new location in the Winona mall. This is a centralized option for students with special needs, including autism and high-level emotional behaviors.
   - The district is always looking for bus drivers.
   - The next school board meeting is January 14th at 7:00 p.m. in the Forum.

Revolving Loan Fund

A. **Available Funds:** No change from the last meeting.

B. **Loans in Repayment:** Administrator Walbridge shared that the Driftless Trading Post loan had a payment of $1,000 to catch up on four months but have not made their January 2026 payment. There is one other loan that has not made their January payment (Paxton), and Marotzke has reached out via email to the borrower with a reminder.

C. **Pending Applications:** There are no new applications pending.

Continued Business

A. **Holiday Storefront Decorating Contest Recap:** Marotzke thanked the judges for taking time in the freezing cold. The winners were Lanesboro Arts (Best Theme Execution), Root Rod Co. (Most Creative Display), Amish Experience (Most Festive Display), and Driftless Treasures (Best Holiday Display). Red Ribbons were given to the other participants: Merchants Bank, Junipers, High Court Pub, and Granny's Liquor. We look forward to doing this again in 2026!

B. **L.E.A.N. By-law Update**: Marotzke shared the updated By-laws for the L.E.A.N. Sub-committee. The updated document was approved at its December 11, 2025, meeting. Marotzke recommended approval with two edits that clarify there will be no more than 7 voting members to the Sub-committee. Member Benson entered a motion to approve the L.E.A.N. Sub-committee by-laws with the proposed edit; Chair Wade seconded the motion. Roll Call was taken with four ayes and zero nos.

C. **Bluff Country Business Academy**: Marotzke reviewed the SMIF grant and provided an update on activities being completed for the launch of this program. She noted that this project will be included in Continued Business until complete.

D. **REV Program**: Marotzke shared that Val Lockhart with Ignite MN will facilitate a workshop on January 28th from 9:00 until 11:00 a.m. at Paddle on Coffee. This is the first in a series of workshops that have come out of the REV surveys. She has been working with Goetzke to develop workshops. This project will also stay on the Continued Business agenda until complete.

New Business

A. **Set 2026 Regular Meeting - Date, Time, Location:** Marotzke offered the recommendation to set an official meeting date, time and location for the EDA Board meeting. Member Albrecht-Benson asked if the time could be adjusted to the afternoon. After discussion, it was agreed to keep the meetings as the first Thursday of each month at 10:45 a.m. at City Council Chambers. Member Benson entered a motion to set the regular meeting date, time and location as discussed; Member Tacke seconded the motion. Roll Call was taken with four ayes and zero nos.

B. **L.E.A.N. Annual Appointment of Subcommittee Members and 2026 Officers:** The membership list of the L.E.A.N. Sub-committee and 2026 officers was presented for consideration. Members include:
   1. EDA Chairperson – *As determined at the January 8 EDA Board of Directors meeting*
   2. Joe Goetzke – *As Lanesboro Area Chamber of Commerce Executive Director*
   3. Kara Maloney – *As representative from Lanesboro's Arts Community*
   4. Mitchell Walbridge – *As city administrator*
   5. Michael Seiler – *As representative of the local business community*
   6. Lori Bakke – *As representative of the local business community*
   7. Allie Palmer – *As representative of the local business community*
   8. Steve Harris – *As ad-hoc member of the local business community*

Member Benson entered a motion to approve the agenda with that addition; Member Boho seconded the motion. Roll Call was taken with four ayes and zero nos.

C. **Letter of Support to Remove Housing District TIF Limits to Representative Greg Davids and Senator Jeremy Miller:** Marotzke presented a letter of support modeled after one that the Preston EDA approved. Member Tacke offered strong support for this letter and how important TIF can be in redevelopment projects, but income restrictions get in the way of these opportunities. Member Tacke entered a motion to approve the EDA's support of the letter; Member Albrecht-Benson seconded the motion. Roll Call was taken with four ayes and zero nos.

D. **Split cost of Visitor360 Report from Cobalt Community Research with Lanesboro Area Chamber of Commerce:** Marotzke shared that the cost of the report is $1,195, which would be shared 50/50 with the Chamber. Member Benson entered a motion to approve sharing that cost; Member Tacke seconded the motion. Roll Call was taken with four ayes and zero nos.

E. **EDA contribution to LACC for Visitor's Guide - $750:** Marotzke requested approval to contribute $750 toward the Lanesboro Area Chamber of Commerce Visitor's Guide. Member Benson entered a motion to approve this contribution; Member Boho seconded the motion. Roll Call was taken with four ayes and zero nos.

Next Meeting: Thursday, February 5, 2025, at 10:45 a.m. Members Albrecht-Benson and Tacke will join via Zoom.

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

Respectfully submitted,

Michelle Marotzke
City of Lanesboro
Economic Development Director

Approved 01/28/26

Lanesboro Entrepreneurial Action Network (LEAN)
Regular Meeting Minutes
Thursday, December 11, 2025 – 8:30 a.m.
Paddle on Coffee & Maker Emporium – 115 Parkway Avenue North

Members Present:
☒ Michael Seiler ☒ Joe Goetzke ☒ Kara Maloney ☒ Kathryn Wade ☒ Lori Bakke
☒ Allie Palmer (by telephone)

☒ EDA Director Michelle Marotzke ☒ City Administrator Mitchell Walbridge

Guests:
☒ Steve Harris

Call to Order
Chair Seiler called the meeting to order at 8:41 a.m.

A. **Agenda Approval:** Member Bakke entered a motion to approve the agenda; Member Wade seconded the motion. Motion carried with all in favor.

B. **Approval of Minutes:** Chair Goetzke entered a motion to approve the minutes of the October 23, 2025, meeting; Member Bakke seconded the motion. Motion carried with all in favor.

Continued Business

A. **REV Program**
   a. **Review REV Financials**
      i. EDA Director Marotzke provided an overview of the REV financials including the grant amount of $20,000 and expenditures to date of $5,906.76. The balance of $14,093.24 is available to use for meeting reimbursements and refreshments, presenter stipends and refreshments, and reimbursement for city staff time to manage the REV program. After significant discussion about potential workshop topics, Member Wade entered a motion to approve the budget as presented; Member Goetzke seconded the motion. Motion carried with all in favor. Marotzke and Goetzke will develop the final workshop schedule for Quarter 1 and Quarter 2 with the recommendations of financial scenario planning and small business brainstorming in mind.
   b. **Interview Schedule:** Ten surveys have now been completed and Marotzke has at least two more that would be helpful to complete. Member Bakke will reach out to a couple of business owners to encourage them to connect with Marotzke. There are some overarching themes, including Paid Leave and the Highway 250 project.
B. **Business Education Program**: Marotzke shared that the City of Preston has been awarded the SMIF Economic Development Grant. This is to provide an 8-week business development course ("Bluff Country Business Academy") for new and existing business owners in Preston and Lanesboro. The plan is to hold classes for 4 weeks in Preston and then 4 weeks in Lanesboro. She is meeting with Rochester Technical College's Customized Training Department on Friday to review the plan and contract for their instructors. Guest Harris recommended that the Root River Current be contacted to promote this project.
C. **L.E.AN. By-Laws and member update:** Marotzke presented the Bylaws for one more Subcommittee review and will present them to the EDA Board in January for final approval. Member Palmer asked

about Section 4.b.v.1 and the use of “should”. Administrator Walbridge recommended that it be revised to “may”, to read “No more than two **may** be from the downtown business district.” This will provide flexibility for times when more than two members are from the downtown business district. Member Goetzke entered a motion to approve the By-Laws with that change; Member Bakke seconded the motion. Motion carried with all in favor.

D. Marotzke shared that the Holiday Decorating Contest results should be in by the afternoon. Because of the extreme cold weather last week, the EDA Board completed judging on their own time.

New Business

A. **2026 REV Workshops:** Much of this was discussed in the REV Financial discussion. Some additional ideas were financial scenario planning (Scott Taylor), Small Business Brainstorming (Julie Kiehne), and 1:1 business coaching (Kathy Kastin). There was strong preference toward bringing in presenters who are either local to Lanesboro or who are well-versed in how small community businesses operate. Marotzke and Goetzke will keep that in mind as they put the workshops together.

B. **Elect 2026 Chair and Vice Chair for recommendation to EDA Board and City Council:** Member Maloney entered a motion to recommend Chair Seiler as the 2026 Chair of the L.E.A.N. Sub-committee; Member Goetzke seconded the motion. Motion carried with all in favor.

   Member Wade entered a motion to recommend Member Maloney as the 2026 Vice Chair of the L.E.AN. Sub-committee; Member Goetzke seconded the motion. Motion carried with all in favor.

C. **Set regular meeting date, time and location:** Member Bakke entered a motion that the regular meeting date for the L.E.A.N. Sub-committee will be on the fourth Thursday of each month at 8:30 a.m. at Paddle on Coffee in Lanesboro. Member Goetzke seconded the motion. Motion carried with all in favor.

The meeting was adjourned at 9:39 a.m.

Respectfully submitted,

Michelle Marotzke
EDA Director

CITY OF LANESBORO

EDA January 2026

Fund Abbrev	Fund	Dept	Account Descr		Current Period	January 2026 Amt	2026 YTD Amt	2026 YTD Budget	%YTD Budget	Act Status
Expenditure										
EDAOPER	250	46500	E 250-46500-100	Wages and Salaries	January 2026	$0.00	$0.00	$900.00	0.00%	Active
EDAOPER	250	46500	E 250-46500-122	FICA	January 2026	$0.00	$0.00	$76.85	0.00%	Active
EDAOPER	250	46500	E 250-46500-136	MN Paid Leave	January 2026	$0.00	$0.00	$3.96	0.00%	Active
EDAOPER	250	46500	E 250-46500-210	Operating Supplies	January 2026	$43.90	$43.90	$500.00	8.78%	Active
EDAOPER	250	46500	E 250-46500-300	Professional Srvs	January 2026	$0.00	$0.00	$27,126.93	0.00%	Active
EDAOPER	250	46500	E 250-46500-445	EDA Project	January 2026	$1,422.50	$1,422.50	$5,000.00	28.45%	Active
EDAOPER	250	46500	E 250-46500-500	Capital Outlay	January 2026	$0.00	$0.00	$0.00	0.00%	Active
Revenue										
EDAOPER	250	46500	R 250-46500-36200	Miscellaneous	January 2026	$0.00	$0.00	$0.00	0.00%	Active
EDAOPER	250	46500	R 250-46500-36210	Interest Earnings	January 2026	$0.00	$0.00	$0.00	0.00%	Active
EDAOPER	250	46500	R 250-46500-39203	Transfer from Other	January 2026	$0.00	$0.00	$0.00	0.00%	Active
EDAOPER	250	46600	R 250-46600-31000	General Property	January 2026	$252.21	$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		$0.00	0	$0.00	$0.00	$61.95	In Balance
313 - Sparrow Valley Properties Abt	$6,489.53		$0.00	0	$0.00	$0.00	$6,489.53	In Balance
620 - EDA Loan Funds Flexible	$1,030.80	$1,572.58	$0.00	0	$0.00	$0.00	$2,603.38	In Balance
625 - EDA USDA Loan Funds	$42,136.84	$3,787.84	$0.00	0	$0.00	$0.00	$45,924.68	In Balance
	$49,719.12	$5,360.42	$0.00	$0.00	$0.00	$0.00	$55,079.54	

Loan Balances as of 1/29/26

CLIENT	STATUS	BALANCE	Loan Maturity Date
Paxton	On-Time	$37,070.21	08/15/2032
Skelly	On-Time	$ 21,903.74	01/01/2031
Lind	Past Due 1/1/26	$ 9686.29	05/01/2030
Pfeffer	Past Due 1/1/26	$ 54,953.42	12/01/2032
Harvey	On-Time	$ 24,030.60	02/01/2030
Claras	On-Time	$ 12,641.37	06/01/2029
Palmer	On-Time	$ 17,892.96	09/01/2028
Shipton	On- Time	$ 23,508.85	05/01/2029
Erwin	In Collections	$ 1786.40	
Golf Club	On-Time	$38,465.39	10/1/2032
Claras 2025	On-Time	$29,616.98	12/20/2032

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www.lanesboro-mn.gov

To: Lanesboro Economic Development Authority Board
From: Michelle Marotzke, Economic Development Director
Date: February 5, 2026

Housing

- I am gathering information about potential collaborations in attracting developers and homeowners to Preston and Lanesboro.

U.S. EDA Grant Opportunity

- We did not receive the MPCA Small Communities Planning Grant. This was to assist with providing funding to pay for the Preliminary Engineering Report (PER) for floodproof efforts at the Lanesboro Power Plant, which is required to apply for US EDA funding.
- The LMC Grant Navigator application remains on hold until we determine who will be completing the Preliminary Engineering Report and what the cost of the project will be.

Revolving Loan Fund

- A request to approve a $20,000 loan for The Scoop will be presented at February's meeting.

LEAN and Rural Entrepreneurial Venture (REV) program

- Val Lockhart from IgniteMN led the January 29th AI and Marketing workshop in Lanesboro. It was well-attended with 16 people registered and a couple arriving the same day.
- There was robust discussion at the January L.E.A.N. Sub-Committee regarding workshop topics. We plan to get more on the schedule in the next month.
- Bluff Country Business Academy has had some great press with the Root River Current's article, and the ad in the Fillmore County Journal has triggered some inquiries. The Preston and Lanesboro Chambers have also shared information about the program. There are two completed applications and the people who inquired have been encouraged to apply.

Grant Opportunities

- The City of Preston's application to the MN Department of Commerce to develop a feasibility and cost study for installing solar powered e-bike charging stations in Preston and Lanesboro was awarded, and we are working through the Work Plan and contract.

Miscellaneous

- I attended the Economic Development Association of Minnesota (EDAM) Winter Conference on January 22nd and 23rd. The presentation is included in the agenda packet.

2026 Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cash on Hand	$ 5,000	$ 4,700	$ 4,400	$ 4,100	$ 11,791	$ 29,510	$ 34,447	$ 52,772	$ 70,997	$ 89,522	$ 97,716	$ 97,416	
Income													
Sales	$ -	$ -	$ -	$ 11,050	$ 22,098	$ 22,098	$ 22,098	$ 22,098	$ 22,098	$ 11,050	$ -	$ -	$ 132,590
Sales Tax	$ -	$ -	$ -	$ 1,423	$ 2,846	$ 2,846	$ 2,846	$ 2,846	$ 2,846	$ 1,423	$ -	$ -	$ 17,076
Square Services	$ -	$ -	$ -	$ 8,245	$ 16,490	$ 16,490	$ 16,490	$ 16,490	$ 16,490	$ 8,245	$ -	$ -	$ 98,940
Gross Income	$ 5,000	$ 4,700	$ 4,400	$ 24,818	$ 53,225	$ 70,944	$ 75,881	$ 94,206	$ 112,431	$ 110,240	$ 97,716	$ 97,416	$ 214,454
Cost of Goods Sold													
Cost of goods sold													
Supplies & materials - COGS	$ -	$ -	$ -	$ 5,440	$ 10,881	$ 10,881	$ 10,881	$ 10,881	$ 10,881	$ 5,440	$ -	$ -	$ 65,285
Total for Cost of goods sold	$ -	$ -	$ -	$ 5,440	$ 10,881	$ 10,881	$ 10,881	$ 10,881	$ 10,881	$ 5,440	$ -	$ -	$ 65,285
Total for Cost of Goods Sold	$ -	$ -	$ -	$ 5,440	$ 10,881	$ 10,881	$ 10,881	$ 10,881	$ 10,881	$ 5,440	$ -	$ -	$ 65,285
Gross Profit	$ 5,000	$ 4,700	$ 4,400	$ 19,378	$ 42,344	$ 60,063	$ 65,000	$ 83,325	$ 101,550	$ 104,800	$ 97,716	$ 97,416	$ 149,169
Expense													
Advertising & Marketing	$ -	$ -	$ -	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ -	$ -	$ -	$ 300
Auto Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Bank Charges & Fees	$ -	$ -	$ -	$ 15	$ 39	$ 39	$ 39	$ 39	$ 39	$ 15	$ -	$ -	$ 225
Charitable Donation	$ -	$ -	$ -	$ 100	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100
Insurance	$ -	$ -	$ -	$ 317	$ 633	$ 633	$ 633	$ 633	$ 633	$ 318	$ -	$ -	$ 3,800
Interest Paid	$ -	$ -	$ -	$ -	$ -	$ 8,676	$ -	$ -	$ -	$ -	$ -	$ 8,556	$ 17,231
Legal & Professional services	$ -	$ -	$ -	$ 125	$ 250	$ 250	$ 250	$ 250	$ 250	$ 125	$ -	$ -	$ 1,500
Meals & Entertainment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office Supplies & Software	$ -	$ -	$ -	$ 67	$ 134	$ 133	$ 133	$ 133	$ 133	$ 67	$ -	$ -	$ 800
Other Business Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payroll Expenses													
Payroll Expenses	$ -	$ -	$ -	$ 45	$ 97	$ 97	$ 97	$ 97	$ 97	$ 45	$ -	$ -	$ 575
Payroll Tax	$ -	$ -	$ -	$ 1,006	$ 2,014	$ 2,014	$ 2,014	$ 2,014	$ 2,014	$ 1,006	$ -	$ -	$ 12,082
Salaries and Wages	$ -	$ -	$ -	$ 3,700	$ 7,400	$ 7,400	$ 7,400	$ 7,400	$ 7,400	$ 3,700	$ -	$ -	$ 44,400
Total for Payroll expenses	$ -	$ -	$ -	$ 4,751	$ 9,511	$ 9,511	$ 9,511	$ 9,511	$ 9,511	$ 4,751	$ -	$ -	$ 57,057
Property Tax	$ -	$ -	$ -	$ -	$ 1,200	$ -	$ -	$ -	$ -	$ 1,200	$ -	$ -	$ 2,400
Repairs & Maintenance	$ -	$ -	$ -	$ 208	$ 417	$ 417	$ 417	$ 417	$ 417	$ 208	$ -	$ -	$ 2,501
Square Fees	$ -	$ -	$ -	$ 23	$ 46	$ 46	$ 46	$ 46	$ 46	$ 23	$ -	$ -	$ 276
Taxes & Licenses													
MN Department of Health License	$ -	$ -	$ -	$ 450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 450
Sidewalk license fee	$ -	$ -	$ -	$ 25	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25
Food Service License	$ -	$ -	$ -	$ 350	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 350
Total for Taxes & Licenses	$ -	$ -	$ -	$ 825	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 825
US Postal Service PO Box Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ 100
Utilities	$ 300	$ 300	$ 300	$ 400	$ 600	$ 1,095	$ 1,195	$ 1,295	$ 995	$ 400	$ 300	$ 300	$ 7,480
Workers Comp Insurance	$ -	$ -	$ -	$ 729	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 729
Lanesboro Chamber Annual Dues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ 100
Total Expense	$ 300	$ 300	$ 300	$ 7,587	$ 12,834	$ 20,804	$ 12,228	$ 12,328	$ 12,028	$ 7,084	$ 300	$ 9,056	$ 95,424
Net Operating Income	$ 4,700	$ 4,400	$ 4,100	$ 11,791	$ 29,510	$ 39,259	$ 52,772	$ 70,997	$ 89,522	$ 97,716	$ 97,416	$ 88,360	$ 53,745
Principal Payments													
BANK	$ -	$ -	$ -	$ -	$ -	$ 2,901	$ -	$ -	$ -	$ -	$ -	$ 3,002	$ 5,903
EDA 1	$ -	$ -	$ -	$ -	$ -	$ 1,912	$ -	$ -	$ -	$ -	$ -	$ 1,931	$ 3,842
Total Cash Paid Out	$ 300	$ 300	$ 300	$ 7,587	$ 12,834	$ 25,616	$ 12,228	$ 12,328	$ 12,028	$ 7,084	$ 300	$ 13,989	$ 9,745
Cash Position	$ 4,700	$ 4,400	$ 4,100	$ 11,791	$ 29,510	$ 34,447	$ 52,772	$ 70,997	$ 89,522	$ 97,716	$ 97,416	$ 83,427	$ 43,999
Total Payments	$ -	$ -	$ -	$ -	$ -	$ 13,488	$ -	$ -	$ -	$ -	$ -	$ 13,489	$ 13,489

2027 Projections	85%												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cash on Hand	$ 83,427	$ 83,127	$ 82,827	$ 82,527	$ 87,185	$ 98,859	$ 97,769	$ 110,068	$ 122,267	$ 134,766	$ 139,911	$ 139,611	
Income													
Sales	$ -	$ -	$ -	$ 9,626	$ 19,253	$ 19,253	$ 19,253	$ 19,253	$ 19,253	$ 9,626	$ -	$ -	$ 115,519
Sales Tax	$ -	$ -	$ -	$ 1,220	$ 2,437	$ 2,437	$ 2,437	$ 2,437	$ 2,437	$ 1,220	$ -	$ -	$ 14,624
Square Services	$ -	$ -	$ -	$ 7,183	$ 14,367	$ 14,367	$ 14,367	$ 14,367	$ 14,367	$ 7,183	$ -	$ -	$ 86,200
Gross Income	$ 83,427	$ 83,127	$ 82,827	$ 100,557	$ 123,242	$ 134,916	$ 133,826	$ 146,125	$ 158,324	$ 152,795	$ 139,911	$ 139,611	$ 187,095
Cost of Goods Sold													
Cost of goods sold													
Supplies & materials - COGS	$ -	$ -	$ -	$ 5,546	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 5,546	$ -	$ -	$ 66,592
Total for Cost of goods sold	$ -	$ -	$ -	$ 5,546	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 5,546	$ -	$ -	$ 66,592
Total for Cost of Goods Sold	$ -	$ -	$ -	$ 5,546	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 5,546	$ -	$ -	$ 66,592
Gross Profit	$ 83,427	$ 83,127	$ 82,827	$ 95,011	$ 112,142	$ 123,816	$ 122,726	$ 135,025	$ 147,224	$ 147,249	$ 139,911	$ 139,611	$ 120,503
Expense													
Advertising & Marketing	$ -	$ -	$ -	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ -	$ -	$ -	$ 300
Auto Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Bank Charges & Fees	$ -	$ -	$ -	$ 15	$ 39	$ 39	$ 39	$ 39	$ 39	$ 15	$ -	$ -	$ 225
Charitable Donation	$ -	$ -	$ -	$ 100	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100
Insurance	$ -	$ -	$ -	$ 322	$ 640	$ 640	$ 640	$ 640	$ 640	$ 322	$ -	$ -	$ 3,844
Interest Paid	$ -	$ -	$ -	$ -	$ -	$ 8,432	$ -	$ -	$ -	$ -	$ -	$ 8,304	$ 16,736
Legal & Professional services	$ -	$ -	$ -	$ 125	$ 250	$ 250	$ 250	$ 250	$ 250	$ 125	$ -	$ -	$ 1,500
Meals & Entertainment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office Supplies & Software	$ -	$ -	$ -	$ 50	$ 100	$ 100	$ 100	$ 100	$ 100	$ 50	$ -	$ -	$ 600
Other Business Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payroll Expenses													
Payroll Expenses	$ -	$ -	$ -	$ 50	$ 100	$ 100	$ 100	$ 100	$ 100	$ 50	$ -	$ -	$ 600
Payroll Tax	$ -	$ -	$ -	$ 1,145	$ 2,287	$ 2,287	$ 2,287	$ 2,287	$ 2,287	$ 1,145	$ -	$ -	$ 13,725
Salaries and Wages	$ -	$ -	$ -	$ 3,813	$ 7,625	$ 7,625	$ 7,625	$ 7,625	$ 7,625	$ 3,813	$ -	$ -	$ 45,751
Total for Payroll expenses	$ -	$ -	$ -	$ 5,008	$ 10,012	$ 10,012	$ 10,012	$ 10,012	$ 10,012	$ 5,008	$ -	$ -	$ 60,076
Property Tax	$ -	$ -	$ -	$ -	$ 1,225	$ -	$ -	$ -	$ -	$ 1,225	$ -	$ -	$ 2,450
Repairs & Maintenance	$ -	$ -	$ -	$ 183	$ 367	$ 367	$ 367	$ 367	$ 367	$ 183	$ -	$ -	$ 2,201
Square Fees	$ -	$ -	$ -	$ 25	$ 48	$ 48	$ 48	$ 48	$ 48	$ 25	$ -	$ -	$ 290
Taxes & Licenses													
MN Department of Health License	$ -	$ -	$ -	$ 450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 450
Sidewalk license fee	$ -	$ -	$ -	$ 25	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25
Food Service License	$ -	$ -	$ -	$ 350	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 350
Total for Taxes & Licenses	$ -	$ -	$ -	$ 825	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 825
US Postal Service PO Box Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ 100
Utilities	$ 300	$ 300	$ 300	$ 400	$ 600	$ 1,100	$ 1,200	$ 1,300	$ 1,000	$ 410	$ 300	$ 300	$ 7,510
Workers Comp Insurance	$ -	$ -	$ -	$ 748	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 748
Lanesboro Chamber Annual Dues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ 100
Total Expense	$ 300	$ 300	$ 300	$ 7,826	$ 13,283	$ 20,990	$ 12,658	$ 12,758	$ 12,458	$ 7,338	$ 300	$ 8,804	$ 97,605
Net Operating Income	$ 83,127	$ 82,827	$ 82,527	$ 87,185	$ 98,859	$ 102,826	$ 110,068	$ 122,267	$ 134,766	$ 139,911	$ 139,611	$ 130,807	$ 22,899
Principal Payments													
BANK	$ -	$ -	$ -	$ -	$ -	$ 3,107	$ -	$ -	$ -	$ -	$ -	$ 3,215	$ 6,322
EDA 1	$ -	$ -	$ -	$ -	$ -	$ 1,950	$ -	$ -	$ -	$ -	$ -	$ 1,970	$ 3,920
Total Cash Paid Out	$ 300	$ 300	$ 300	$ 7,826	$ 13,283	$ 26,047	$ 12,658	$ 12,758	$ 12,458	$ 7,338	$ 300	$ 13,989	$ 10,242
Cash Position	$ 83,127	$ 82,827	$ 82,527	$ 87,185	$ 98,859	$ 97,769	$ 110,068	$ 122,267	$ 134,766	$ 139,911	$ 139,611	$ 125,623	$ 110,262
Total Payments	$ -	$ -	$ -	$ -	$ -	$ 13,489	$ -	$ -	$ -	$ -	$ -	$ 13,489	$ 13,489

2028 Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cash on Hand	$ 125,623	$ 125,313	$ 125,003	$ 124,693	$ 134,588	$ 157,229	$ 167,131	$ 190,422	$ 213,613	$ 237,104	$ 247,717	$ 247,407	
Income													
Sales	$ -	$ -	$ -	$ 12,911	$ 25,822	$ 25,822	$ 25,822	$ 25,822	$ 25,822	$ 12,911	$ -	$ -	$ 154,932
Sales Tax	$ -	$ -	$ -	$ 1,641	$ 3,281	$ 3,281	$ 3,281	$ 3,281	$ 3,281	$ 1,641	$ -	$ -	$ 19,687
Square Services	$ -	$ -	$ -	$ 9,720	$ 19,437	$ 19,437	$ 19,437	$ 19,437	$ 19,437	$ 9,720	$ -	$ -	$ 116,625
Gross Income	$ 125,623	$ 125,313	$ 125,003	$ 148,965	$ 183,128	$ 205,769	$ 215,671	$ 238,962	$ 262,153	$ 261,376	$ 247,717	$ 247,407	$ 251,870
Cost of Goods Sold													
Cost of goods sold													
Supplies & materials - COGS	$ -	$ -	$ -	$ 6,103	$ 12,209	$ 12,209	$ 12,209	$ 12,209	$ 12,209	$ 6,103	$ -	$ -	$ 73,251
Total for Cost of goods sold	$ -	$ -	$ -	$ 6,103	$ 12,209	$ 12,209	$ 12,209	$ 12,209	$ 12,209	$ 6,103	$ -	$ -	$ 73,251
Total for Cost of Goods Sold	$ -	$ -	$ -	$ 6,103	$ 12,209	$ 12,209	$ 12,209	$ 12,209	$ 12,209	$ 6,103	$ -	$ -	$ 73,251
Gross Profit	$ 125,623	$ 125,313	$ 125,003	$ 142,862	$ 170,919	$ 193,560	$ 203,462	$ 226,753	$ 249,944	$ 255,273	$ 247,717	$ 247,407	$ 178,619
Expense													
Advertising & Marketing	$ -	$ -	$ -	$ 350	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 350
Auto Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Bank Charges & Fees	$ -	$ -	$ -	$ 20	$ 52	$ 52	$ 52	$ 52	$ 52	$ 20	$ -	$ -	$ 300
Charitable Donation	$ -	$ -	$ -	$ 50	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50
Insurance	$ -	$ -	$ -	$ 325	$ 650	$ 650	$ 650	$ 650	$ 650	$ 325	$ -	$ -	$ 3,900
Interest Paid	$ -	$ -	$ -	$ -	$ -	$ 8,173	$ -	$ -	$ -	$ -	$ -	$ 8,037	$ 16,211
Legal & Professional services	$ -	$ -	$ -	$ 125	$ 250	$ 250	$ 250	$ 250	$ 250	$ 125	$ -	$ -	$ 1,500
Meals & Entertainment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office Supplies & Software	$ -	$ -	$ -	$ 50	$ 100	$ 100	$ 100	$ 100	$ 100	$ 50	$ -	$ -	$ 600
Other Business Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payroll Expenses													
Payroll Expenses	$ -	$ -	$ -	$ 45	$ 97	$ 97	$ 97	$ 97	$ 97	$ 45	$ -	$ -	$ 575
Payroll Tax	$ -	$ -	$ -	$ 1,188	$ 2,375	$ 2,375	$ 2,375	$ 2,375	$ 2,375	$ 1,188	$ -	$ -	$ 14,251
Salaries and Wages	$ -	$ -	$ -	$ 3,958	$ 7,917	$ 7,917	$ 7,917	$ 7,917	$ 7,917	$ 3,958	$ -	$ -	$ 47,501
Total for Payroll expenses	$ -	$ -	$ -	$ 5,191	$ 10,389	$ 10,389	$ 10,389	$ 10,389	$ 10,389	$ 5,191	$ -	$ -	$ 62,327
Property Tax	$ -	$ -	$ -	$ -	$ 1,250	$ -	$ -	$ -	$ -	$ 1,250	$ -	$ -	$ 2,500
Repairs & Maintenance	$ -	$ -	$ -	$ 175	$ 390	$ 390	$ 390	$ 390	$ 390	$ 175	$ -	$ -	$ 2,300
Square Fees	$ -	$ -	$ -	$ 25	$ 50	$ 50	$ 50	$ 50	$ 50	$ 25	$ -	$ -	$ 300
Taxes & Licenses													
MN Department of Health License	$ -	$ -	$ -	$ 450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 450
Sidewalk license fee	$ -	$ -	$ -	$ 25	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25
Food Service License	$ -	$ -	$ -	$ 350	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 350
Total for Taxes & Licenses	$ -	$ -	$ -	$ 825	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 825
US Postal Service PO Box Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ 100
Utilities	$ 310	$ 310	$ 310	$ 410	$ 609	$ 1,109	$ 1,209	$ 1,309	$ 1,009	$ 420	$ 310	$ 310	$ 7,625
Workers Comp Insurance	$ -	$ -	$ -	$ 753	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 753
Lanesboro Chamber Annual Dues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ 100
Total Expense	$ 310	$ 310	$ 310	$ 8,274	$ 13,690	$ 21,113	$ 13,040	$ 13,140	$ 12,840	$ 7,556	$ 310	$ 8,547	$ 99,741
Net Operating Income	$ 125,313	$ 125,003	$ 124,693	$ 134,588	$ 157,229	$ 172,446	$ 190,422	$ 213,613	$ 237,104	$ 247,717	$ 247,407	$ 238,859	$ 78,878
Principal Payments													
BANK	$ -	$ -	$ -	$ -	$ -	$ 3,326	$ -	$ -	$ -	$ -	$ -	$ 3,442	$ 6,768
EDA 1	$ -	$ -	$ -	$ -	$ -	$ 1,989	$ -	$ -	$ -	$ -	$ -	$ 2,009	$ 3,998
Total Cash Paid Out	$ 310	$ 310	$ 310	$ 8,274	$ 13,690	$ 26,429	$ 13,040	$ 13,140	$ 12,840	$ 7,556	$ 310	$ 13,999	$ 10,766
Cash Position	$ 125,313	$ 125,003	$ 124,693	$ 134,588	$ 157,229	$ 167,131	$ 190,422	$ 213,613	$ 237,104	$ 247,717	$ 247,407	$ 233,408	$ 167,853
Total Payments	$ -	$ -	$ -	$ -	$ -	$ 13,489	$ -	$ -	$ -	$ -	$ -	$ 13,489	$ 13,489

Executive Summary

The Scoop is Lanesboro's premier ice cream shop, located at the very busy corner across from the bicycle/walking bridge in downtown Lanesboro, Minnesota. The business was purchased in late 2025 by 3 Peas in a Pod, an LLC owned by sisters Jeanette Kappers, Angie Strain, and Jackie Horsman. They are seeking a $20,000 loan from the Lanesboro EDA Revolving Loan Fund to support working capital needs including inventory, equipment replacement, and unexpected start-up costs. The business is seasonal, employing 15 part time staff between April 15 and October 15.

Financial analysis includes review of 2023 and 2024 tax returns from the previous owners, which demonstrates responsible management and steady growth. Projections indicate a 2026 Debt Service Coverage Ratio (DSCR) of 2.63, with a temporary dip in 2027 due to the anticipated downtown road construction project, followed by recovery in 2028.

The proposed $20,000 loan will be amortized over seven years at a 2.0% interest rate and be repaid biannually to coincide with the bank payments. Collateral will include a second mortgage filing for the shop at 100 Parkway Avenue N in Lanesboro and 15.10 acres of farmland near Chatfield (owned by Jeanette and her spouse), as well as a blanket UCC filing on furniture and fixtures at the Lanesboro property.

As a popular business in Lanesboro, The Scoop will continue to contribute significantly to the vitality of downtown Lanesboro. This is evidenced during summer months, where people wait in a long line for their scoop of ice cream in a cone or dish. The RLF funding will assist the new owners as they assess the needs of the business, including inventory, potential equipment replacement, and adding new product lines.

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

Background

The Scoop is owned by 3 Peas in a Pod, LLC, which is owned by sisters Jeanette Kappers of Chatfield, Angie Strain of Chatfield and Jackie Horsman of Wykoff. Jackie owns a marketing firm called Revo Media and has clients throughout Minnesota. She has owned this business since 2012. Jeanette and her husband own Kappers Big Red Barn in Chatfield and have done this for over 20 years. The Market in Lanesboro sells their milk. Angie is employed full time by Mayo Clinic in the Purchasing department.

The store is open during Lanesboro's "high season", specifically April 15 through October 15 and sells Bridgeman's ice cream and Abdallah chocolates (and possibly another Minnesota brand). The business employs up to 15 part-time staff (including a maintenance person) in the summer at an average hourly wage of $13.50. The number of staff fluctuates

and may seem high because scheduling is done based on availability (requiring more people to fill all shifts). They currently have 11 staff members who plan to come back for the 2026 season. Jeanette plans to be at the shop 30-40 hours per week. Jackie will be there on a part-time basis based on her schedule and is managing the marketing and public relations activities at no charge. Angie will have limited availability at the shop, but will be handling the financial activities, including payroll, inventory purchasing, and accounts payable.

Jackie contacted the Lanesboro EDA in mid-summer to discuss the idea of purchasing the business and was given several resources for business development, including the Small Business Development Center (SBDC) for assistance with business planning and financial projections. She followed up with those resources, and the LLC was registered with the Minnesota Secretary of State on December 9, 2025. The business purchase was finalized in late 2025.

Request/Need

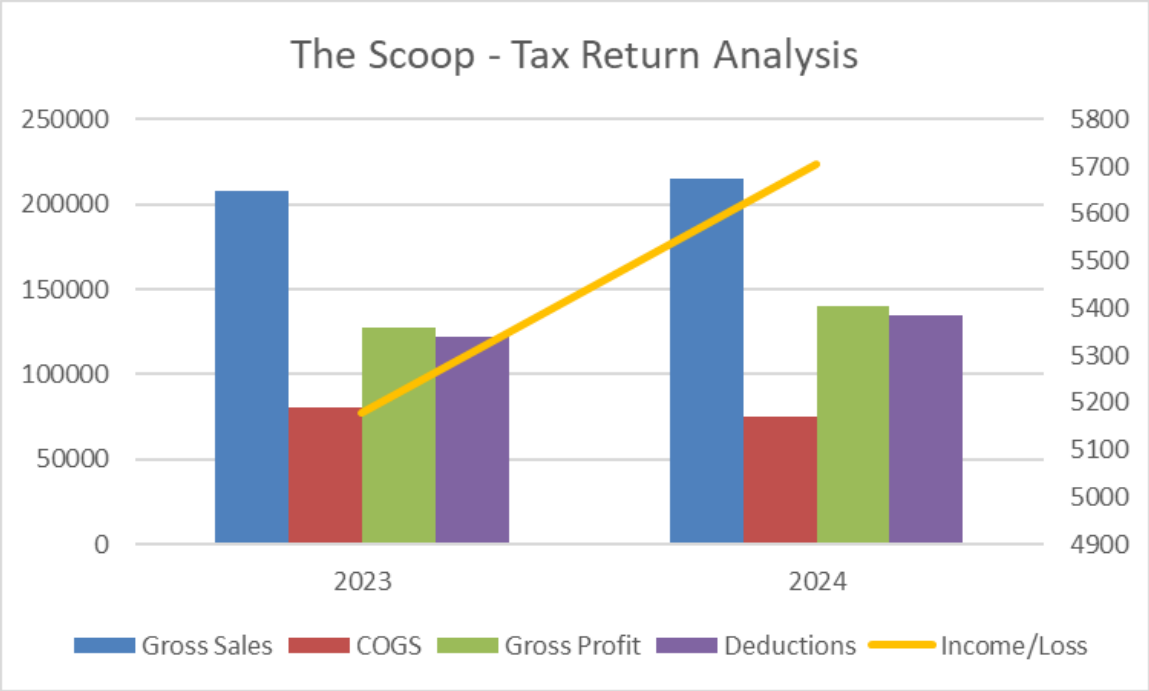
The applicant is requesting a loan of $20,000. The purpose of the funding request is to assist with working capital. Funding will be used to establish inventory for the 2026 season and replace equipment as needed. It will also assist with potential expansion of product lines (e.g., dairy-free options) and innovative product delivery (e.g., an ice cream truck or bicycle).

Credit and Capacity

The applicants are requesting $20,000 from the Lanesboro EDA RLF program. Current debt includes a primary loan with Merchants Bank of St. Charles. Each sister contributed $3,000 cash toward the earnest money, and when they received that back after the purchase, they put it aside to use for initial start-up costs (attorney fees, workers' compensation insurance, building insurance, etc.).

Three-year projections (2026-2028) were created and submitted by the applicant. They were reviewed and adjusted for the 2027 season by the Lanesboro EDA Director based on previous projects. The Debt Service Coverage Ratio (DSCR) is 2.63 for 2026. In 2027 and 2028, the projected DSCR is 1.47 (due to the road construction project) and 3.52 (road construction recovery), respectively. The 2027 projections are calculated based on decreased sales, which is a concern for all businesses in Downtown Lanesboro. Wages and costs for 2027 were left unchanged. The applicant has some innovative ideas for the 2027 season which could mitigate potential losses.

Tax returns for 2023 and 2024 were available from the previous owner and show modest year-over-year sales growth.



Collateral

The borrower will provide the EDA with a second mortgage on the business location (100 Parkway Avenue N, Lanesboro) and a second mortgage on 15.10 acres of farmland near Chatfield owned by Jeanette Kappers and her spouse. Appraisals on each property were completed by Merchants Bank in 2024. The global loan to value for the project at 54.5% and the EDA's Loan to Value is 4.1%. The collateral value is based on the real estate appraisal and estimated equipment, inventory, and fixtures.

Additional collateral will be held in the form of a blanket UCC-1 filing on furniture, fixtures and equipment, a Security Agreement (to be filed with the UCC-1), and signed personal guarantees from the applicants.

The property is in Lanesboro's Historical District but is not in a FEMA flood hazard zone.

Terms and Conditions

The loan request for $20,000 will be amortized over seven (7) years at a rate of 2.0%. Payments will be made biannually in June and December to coincide with the bank's loan payment schedule, 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
- Mortgage recording fee Lanesboro property - $46.00
- Mortgage registration tax Lanesboro property - $46.00
- Mortgage recording fee Chatfield property - $46.00
- Mortgage registration tax Chatfield property - $46.00
- UCC-1 filing fee - $20.00
- Security Agreement filing fee - $20.00
- Closing fee - $500.00

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

Impact on Community

The Scoop will continue to employ up to 15 part-time staff during Lanesboro's summer tourist season (based on past staffing to start). The business will be open seven days a week from 10 a.m. until 8 p.m. (possibly 9 p.m.) between April 15 and October 15.

If the project is not funded, the owners will find other funding options. However, the Lanesboro EDA RLF is designed to assist business owners with its low interest rate and flexible terms. It also shows the EDA's commitment to the local business community.

Staff Recommendation

EDA staff have thoroughly reviewed the financial history and projections as well as the title history for this project. The loan will be funded through the EDA's original RLF, and the closing will be facilitated by attorney Greg Schieber from Harmony as the city's attorney, Joe O'Koren, has assisted with the purchase of the property. Staff recommend approval of this loan with the terms and conditions outlined above and contingent upon approval from Lanesboro City Council.

EDA ANNUAL REPORT

Photo Credit: Explore Minnesota / Ryan Taylor

2025

Lanesboro
Economic Development Authority

ORGANIZATIONAL

- Created EDA partnership with the City of Preston and hired Economic Development Director.
- EDA assisted with updating the Economic Development section of the City's Comprehensive Plan
- Updated the EDA Work Plan

L.E.A.N. SUB-COMMITTEE AND REV PROGRAM

The Lanesboro Entrepreneurial Action Network sub-committee was reorganized with new Bylaws and is defined as a Business Retention and Expansion program. The primary focus remains the Rural Entrepreneurial Venture program, which was established through Southern Minnesota Initiative Foundation (SMIF) and is supported through a grant that was extended to June 30, 2026. The purpose of REV is business support through surveys and workshops.

BUSINESS DEVELOPMENT

Received SMIF Economic Development Grant for Bluff Country Business Academy in 2026.

New businesses in 2025:
Root River Adventure Arcade
The Lanesboro Market

Business Transitions in 2025:
Granny's Liquor - Lori Bakke to Stephen Rogers

COMMUNITY

We have begun work on evaluating opportunities for flood proofing the Lanesboro Power Plant through various grants.

The TH 250 reconstruction project is included with the L.E.A.N. Sub-committee. The REV program may provide an opportunity to consider and implement strategic activities related to business owners' concerns about that project.

We continue to work on opportunities to bring housing developers to the community.

COORDINATING WITH CHAMBER OF COMMERCE

The Lanesboro EDA collaborated with the Preston EDA, Preston Area Chamber of Commerce and Lanesboro Area Chamber of Commerce to present an information session about the new Paid Leave program that affects nearly all Minnesota businesses.

REVOLVING LOAN FUND

- **The USDA Revolving Loan Fund (RLF) was granted an extension for full disbursement to June 30, 2026. Since then, three loans have been disbursed:**
  - **Root River Adventure Arcade**
  - **Lanesboro Golf Club**
  - **Clara's Eatery**
- **A loan is in process from the original USDA RLF program.**
- **The RLF program assists small business owners with gap financing and flexible terms and access to additional business development programs that help them with long-term success.**

Lanesboro Economic Development Authority

A Tale of Two Cities:

How Municipalities Can Collaborate in Economic Development

Thursday, January 22, 2026
Economic Development Association of Minnesota

1

Michelle Marotzke

- MBA and BAS, Southwest Minnesota State University
- AAS in Finance & Credit, Alexandria Technical College
- Business Ed coursework, Winona State University

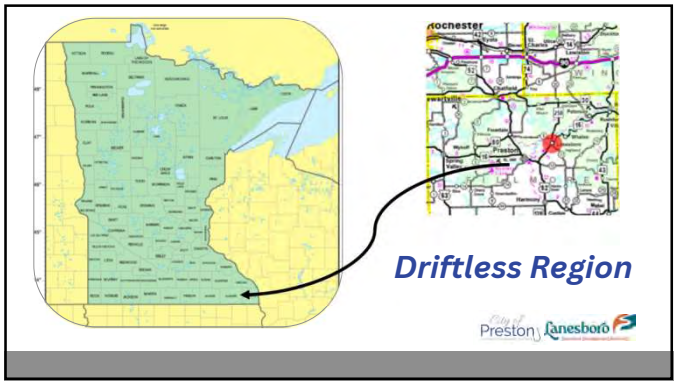
- **Economic Development Director, Preston and Lanesboro**
- Kandiyohi County Economic Development
- Mid-Minnesota Development Commission
- Willmar Municipal Utilities
- Supply Chain and Logistics, Finance, Telecommunications/Broadband, Legal

2

Agenda

- Preston and Lanesboro Background
- The Dickens Connection
- How Preston and Lanesboro do it
- How you can do it
- Final Thought and Q & A

3



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Community Comparisons

Preston:

- Fillmore County Seat
- Pop. 1,315*
- Industry-driven
- Minnesota's Trout Capital
- EDA Board: 7 members

Lanesboro:

- 8.2 miles east of Preston
- Pop. 804*
- Tourism-driven
- Minnesota's B&B Capital
- EDA Board: 5 members

*Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Preston Lanesboro

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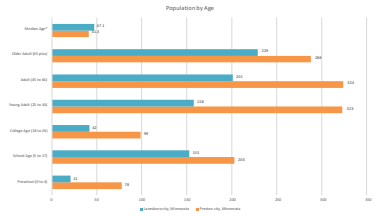
Community Comparisons



Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

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Community Similarities

Location

Housing

Agriculture

Child Care

Infrastructure

8

Community Similarities

Root River

- Brings in over 90,000 annual users to the river and trail
- High quality trout fishing, canoeing, and kayaking
- Provides hydro power in Lanesboro
- Creates FEMA flood zone/plain requirements

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Partnership History

- Police Services
- Emergency Services
- Economic Development

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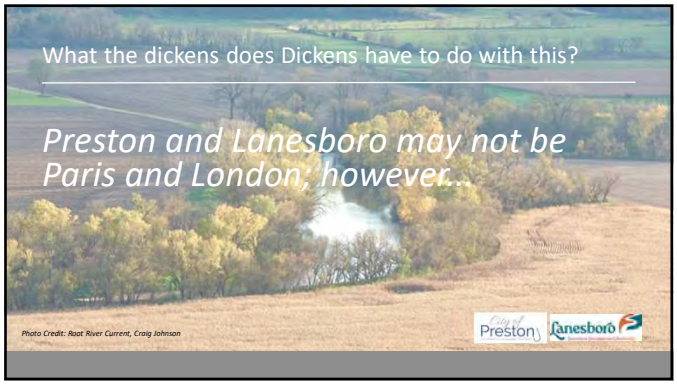

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...the themes carry over

- Inequality is a Driver of Instability
- Importance of Social Infrastructure
- Public Trust and Institutional Legitimacy
- Consequences of Ignoring Community Voices
- The Power of Resiliency and Rebuilding
- Human Centered Development

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Inequality is a Driver of Instability

Communities suffer when prosperity does not reach all residents or businesses.

Municipal partnerships can:

Create stability in leadership

Increase community confidence

Increase Brain Gain over Brain Drain

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Importance of Social Infrastructure

Without social infrastructure, communities lose productivity, stability and growth potential.

Municipal partnerships can create new ideas about:

Housing

Transportation

Child Care Access

Business Education & Training

Community Health

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Public Trust and Institutional Legitimacy

When trust is absent, projects stall, partnerships fail, and residents resist change.

Municipal partnerships can show:

- Transparent planning
- Community engagement
- Fair decision-making
- Predictable regulatory environments

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Consequences of Ignoring Community Voices

When residents are excluded, even well-intended development can face opposition or produce inequitable outcomes.

Never forget the powerful impact of:

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The Power of Resilience and Rebuilding

Collective trauma can either destroy communities or make them even stronger than before.

Trauma? What trauma?

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The Power of Resilience and Rebuilding

Resilience planning today parallels the novel's theme of renewal after collective trauma.

Municipalities need to be:

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Human-Centered Development

Development succeeds when people - not just projects - are centered

Community residents and business owners want:

- Quality of life
- A vibrant work force with dignity and fair wages
- Transparent community planning with clear policies
- Public servants who are invested in the community

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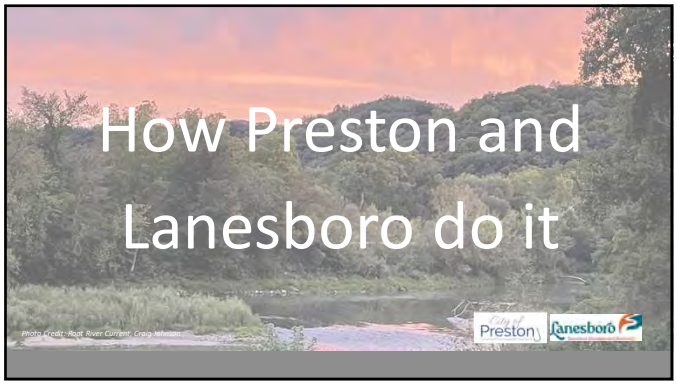

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Benefits of the Preston-Lanesboro EDA partnership

Shared programming

- Paid Leave Outreach
- Bluff Country Business Academy
- Housing/Childcare/RLF programs

Shared resources

- Streamlined communication to Federal and State agencies and representatives

Stronger grant proposals

- Collaboration scores well on grant applications

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Practical ways for the partnership to work

- Holistically evaluate business and community needs
- Share partner information through one source
- Align programs to meet the needs of both communities with minimal duplication
- Consider the audience when deciding whether to work jointly or independently

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COOPERTITION

"Nothing that we do, is done in vain. I believe, with all my soul, that we shall see triumph."

Photo Credit: Root River Current, John Torgrimson

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PRIORITIES

"A day wasted on others is not a day wasted on one's self."

Photo Credit: Root River Current, Craig Johnson

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How can you do it?

Municipalities must be:

- Open to new ideas
- Creative in partnerships
- Collaborative yet competitive
- Realistic about the needs and goals of each partner

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Final Thought and Q & A

Sponsored by:

- Southern Minnesota Initiative Foundation
- F & M Bank Preston
- Merchants Bank Lanesboro
- Preston EDA
- Lanesboro EDA

In partnership with:

- Rochester Community and Technical College, Customized Training and Education Department
- Local Business Experts

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Check us out!

#GetHookedOnPreston

Trout Days

May 23, 2025

#CityofLanesboro

Buffalo Bill Days

July 31-August 2, 2026

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