



**Minutes of EDA Board Meeting
Thursday, September 13, 2012 7:00 a.m.**

I. Chair Rosenau called the meeting to order at 6:58 AM in Council Chambers of City Hall.

II. Members present:

Bill Rosenau, Denny Zitnak, Rob Hammond, Jr., Allen Aukes, and Kara Drake

Members absent: Bill Eckles.

Staff Present: Kathy Bailey, City Administrator.

Staff Absent: Curt LaMaack, Blue Earth Light and Water.

City Attorney absent: David Frundt.

Executive Official absent: Cindy Lyon, Chamber of Commerce.

Also present: Linsey Warmka and Ann Hanna, Faribault County Development Corporation.

III. A quorum was present.

IV. Approval of Minutes:

- The minutes of the August 9, 2012 meeting were reviewed:
ZITNAK MADE THE MOTION, SECOND BY DRAKE, TO APPROVE THE MINUTES OF THE AUGUST 9, 2012 BOARD MEETING AS PRESENTED. THE MOTION WAS APPROVED UNANIMOUSLY.
- The minutes of the August 24, 2012 special meeting were reviewed:
AUKES MADE THE MOTION, SECOND BY DRAKE, TO APPROVE THE MINUTES OF THE AUGUST 24, 2012 SPECIAL BOARD MEETING AS PRESENTED. THE MOTION WAS APPROVED UNANIMOUSLY.

V. Approval of Bills:

The bills were provided in the EDA packet for the board to review. Zitnak asked what business loan check #42022 to the Faribault County Recorder pertained to. Warmka will check and report back to the board. ZITNAK MADE THE MOTION, SECOND BY HAMMOND, TO APPROVE THE REGULAR BILLS AS PRESENTED SUBJECT TO REVIEW OF THE AFOREMENTIONED CHECK. THE MOTION WAS APPROVED UNANIMOUSLY.

VI. Correspondence, Budget Update and Staff Updates:

A. Correspondence:

- None.

B. Loan Update:

- Deibel Labs are late with payments again. The payment is due the 1st of each month. They usually pay closer to the 13th. There is no penalty clause for

being late on a payment. The board asked that they be watched but two weeks late is not worth taking any action. The board suggested working with them for a couple more months. As long as the payment is made it is okay.

- Coxworth – His loan deferment comes due in September. Warmka reported that Coxworth feels he will be able to start his payments again.

C. Budget Update:

- Nothing. Bailey reported everything is fine.

D. Chamber of Commerce Update:

- Executive Director Lyon was not in attendance but supplied a hand out of Chamber activities for board review.

E. City Administrator Update:

- Avalon Building – The Blue Earth City Council and Administrator Bailey are working on the demolition of the Avalon Building. A date has been set for the asbestos review. The keys will be obtained from the current owner on September 20, 2012. City Attorney Frundt has been working with the current owner's attorney. The building will need to be torn down. The demolition of the building is the EDA's responsibility and then the property will become marketable. A structural report was completed prior, which told the city it would cost over \$200,000 to restore the building and that amount did not include electrical, plumbing, or heating/air conditioning.

F. FCDC Update from Linsey Warmka:

- Warmka attended a Profit & Mastery Class. This class was to instruct business owners how to create profit. This was sponsored by the Small Business Development Center of which FCDC is a satellite office therefore Warmka was able to attend this \$800 course free of charge. The course was to teach how the profit and loss report is connected to the balance sheet.
- Tour of Manufacturers will be held on October 25th in Faribault County. With the tour taking place during the school year the Region will contact the local school to see if students might attend. EDI in Blue Earth and Wells Concrete in Wells will both be sponsoring open houses between noon and 7:00 PM on the 25th. Warmka invited the board to attend.
- Bailey shared that the American Concrete Association will be mentioning Wells Concrete and the Blue Earth Airport in an upcoming magazine article.
- Zitnak asked if the Chamber puts items in the *Connect Magazine*. Warmka replied that the magazine is a combination of both economic development and chambers.

VII. Old Business:

A. Industrial Park:

Warmka reported that Blue Earth Light & Water has committed \$100,000 to the Industrial Park project. Warmka is looking for what the grant proposal should look like and how many lots would the EDA want to include. She will do a financial feasibility study so she will have hard numbers for the grant. The board felt to propose three lots and those should be BEISCO and Lot 1 & Lot 2. A meeting with BEISCO will be set up. Warmka will need firmer engineering numbers. When all items are obtained a special meeting will be set up with the BE-EDA. The front three (3) lots that lay along Hwy 169 are in city limits. The remainder of property will need to be annexed and zoned. Warmka has a meeting set up next week with Blue Earth City Township. Bailey shared that annexation could be accomplished by

one of three ways: Mr. Manske (property owner) requesting annexation, the city can cause annexation, or the city can purchase the land and annex. The simple annexation process would take 6-8 weeks. After BEISCO meeting there will be a need to get good engineering figures. Warmka estimates this could cost \$1,500. DRAKE MADE THE MOTION, SECOND BY HAMMOND, TO AUTHORIZE THE EXPENSE OF ENGINEERING TO INCORPORATE BEISCO, LOT 1 & LOT 2 OF THE PROPOSED INDUSTRIAL PARK IF BEISCO AGREES TO SELL THEIR LOT. THE MOTION WAS APPROVED UNANIMOUSLY.

VIII. New Business:

A. 2013 Budget:

- Bailey and Warmka have reviewed the budget for 2013. The proposed budget column reflects changes in 2013.
- The Seneca payoff of \$100,000 that we will be receiving could be put into a demolition fund.
- Earlier this year discussion was made to pay off TIFF on Century Building. \$80,000 interest savings. Kerry is willing to purchase.
- Blue Earth Light & Water \$20,000 as they donate annually.
- Increase in legal fees budgeted amount.
- Difference of 2012 budget (\$74,833.00) to 2013 budget amount (\$78,417.92) of \$3,584.92 dollars for economic development from the City of Blue Earth.
- The EDA reviews this portion and it will be taken back to the City Council.

ZITNAK MADE THE MOTION, SECOND BY DRAKE, TO ACCEPT THIS PROPOSED BUDGET AND PRESENT IT TO THE CITY COUNCIL. THE MOTION WAS APPROVED UNANIMOUSLY.

IX. Other Business:

Zitnak inquired into the demolition of buildings.

- Is this entirely EDA expense? How is the EDA reimbursed? Bailey noted it is the EDA expense and that reimbursement would be with the sale of the building or lot.
- Who is responsible? Who takes care of a building when it becomes a hazard? The EDA has the authority to obtain state funds. Bailey informed the group that a bill has been passed but will not be funded until the next session. The City Administrator and City Attorney work together and then EDA gets involved. EDA should be reimbursed.

Zitnak feels there is a need for a definitive procedure in place.

X. Adjournment:

Prior to adjournment, there were additional comments:

- Wamka wanted to make the board aware of the Cash Balances portion of the meeting packet. This shows that the EDA has \$274,730.61 in cash. The board could dedicate a certain portion of this money to the Industrial Park Project. This would show financial feasibility and cooperation from the EDA. Bailey noted that repayment to a loan must go into the revolving loan fund but cash can go into cash. IE: Seneca \$100,000 can go anywhere, farm rent can go anywhere.
- Discussion was held whether or not a donation to SMIF would be beneficial as there hasn't been one since 2003. No decision was made.

- Drake wondered about the filling of Mr. Malecha's position on the board.
Hammond mentioned that there are some prospects.
- AT 8:10 AM, ZITNAK MADE THE MOTION, SECOND BY DRAKE, TO
ADJOURN THE MEETING. THE MOTION WAS APPROVED
UNANIMOUSLY.

Next meeting will be scheduled for October 11, 2012 at 7:00 AM.