



Blue Earth Economic Development Authority
Official Proceedings
Thursday, January 14, 2016 at 7:15 am
City Council Chambers, Blue Earth, MN

Minutes:

- I. President Eckles called the meeting to order at the Blue Earth City Council Chambers.
- II. Members Present: Bill Eckles – President, Brooke Prestegard, Bill Rosenau, Kara Drake, Rick Scholtes, John Huisman
City Staff: Tim Ibisch – City Administrator
Chamber Staff: Cindy Lyon – Executive Director
FCDC Staff: Tim Clawson – Executive Director, Beth Moss – Assistant Director
Also Present: Chuck Hunt, Faribault County Register

A quorum was present.
- III. Approval of Agenda
 - Stand approved as read.
- IV. Election of 2016 Officers
 - **Motion was made by Scholtes, seconded by Drake to approve the election of Prestegard as Vice President and Rosenau as Treasurer. The motion was carried unanimously.**
- V. Approval of Minutes
 - **Motion was made by Drake, seconded by Prestegard to approve the minutes of the December 10, 2015 board meeting as presented. The motion was carried unanimously.**
- VI. Approval of Bills
 - Ibisch noted that a \$99,000 final draw on the EDA Grant is pending from the Federal Government and once that is received the Golden Spike Business Park project will be closed out.
 - **Motion was made by Rosenau, seconded by Drake to approve the bills for December, 2015 as presented. The motion was carried unanimously.**
- VII. Correspondence, Budget Update and Staff Update.
 - Correspondences
 - None
 - Existing Loan Updates
 - Ibisch noted that they are sending out reminder letters pertaining to outstanding loan balances.
 - Budget Update
 - The Ag Center showed a revenue of approximately \$230,000 with a cash flow of \$39,030.74 for FY 2015. The City is anticipating an increased revenue with the County offices moving into the Ag Center in 2016.



- Ibisch noted that City money will be used for the demolition of Andy's Oriental which was acquired through a property swap with Andy in where he received a vacant lot adjacent to his residential property.
- Chamber of Commerce Update, Cindy Lyon
 - There were 28 new members in 2015 bringing the total Chamber member count to 154.
 - The Giant building fundraiser has raised approximately \$85,000 to date.
 - The purchase of the former Crazy Cow Creamery is pending contingent on the results from the Phase 1 Environmental Report being conducted by Trileaf Environmental Firm. Once the report is completed the findings will be provided to the Blue Earth Chamber for review.
 - The Blue Earth Chamber of Commerce Annual Meeting is Friday, January 15, 2016.
- City Administrator Update, Tim Ibisch
 - The City is looking to upgrade the sanitary sewer plant which would be an expensive project affecting the City of Blue Earth's future debt capacity.
 - The Main Street reconstruction project is on schedule with construction starting in June, 2016 with an anticipated completion date of November, 2016. FCDC will be hosting Funding Workshops highlighting funding available for those local businesses that will be affected by the reconstruction project.
- FCDC Update, Tim Clawson
 - FCDC will be hosting a Main Street Renewal Funding workshop on Wednesday, February 17th at 5 pm.
 - Checks have been disbursed for Oswald Brewery Façade Improvement Grant and Gartzke's Greenhouse for the \$2,000 forgivable portions of the Faribault County Commercial Rehabilitation Revolving Loan.
 - Clawson noted there were many community leaders engaged in the Blue Earth Area School Tech Open House in which he attended. He stated that 2/3 of the students believe that the jobs they will have in the future do not exist today.
 - Clawson noted that Daryle Pomranke from Winnebago Manufacturing was in attendance and is a potential new EDA board member.

VIII. New Business:

- Construction Mitigation Loan Eligibility Area Maps
 - Clawson noted the need for an eligibility area map to show eligible business affected by the Main Street reconstruction project. Staff will prepare a map for the EDA to approve at the next meeting so it can be presented at the upcoming Main Street Renewal Funding Workshop.
- Commercial Building Exterior Improvement Grant Application
 - Chris Gack, Farmers Insurance
 - Clawson presented a Commercial Building Exterior Improvement Grant application for Farmers Insurance for sidewalk and door stoop work, door replacement and exterior painting. Quotes from Milts, Smith Concrete and Overhead Door Company were included with the application.
 - **Motion made by Huisman, seconded by Drake to approve the Commercial Building Exterior Improvement Grant up to \$7,065. The motion was carried unanimously.**
 - Scott & Kay Nemanic, Breen's Super Value
 - Clawson presented a Commercial Building Exterior Improvement Grant for Breen's True Value for a new canopy and the removal of the old and the addition



of a side entrance door for entrance during the Main Street reconstruction project. Clawson noted that a sign had been purchased from a True Value that recently went out of business and typically pre-purchased items are not covered. However, because the sign was a small part of the overall project and an integral part of the overall awning project Clawson recommended that it be allowed as part of the overall project.

- **Motion was made by Scholtes, seconded by Rosenau to approve the Commercial Building Exterior Improvement Grant including the pre-purchased sign as long as documentation is provided. The motion was carried unanimously.**
- Ag Center Parking Lot – Grant Agreement
 - Ibisch informed the EDA Board that the Ag Center parking lot \$500,000 state grant was not approved.
 - Clawson reviewed the Financial Report from FC SWCD showing the following grant funds are still available for the project: Community Partners – City \$28,413.92, Community Partners – FCDC \$25,000, Section 319 program \$6,470.52 and Clean Water Partnership \$3,130.00 for a total grant amount of \$63,014.44.
 - Brown discussed the design layout included the packet relating to phase 1 noting the 90 degree pull ins, the 8 inverted islands and the removal of the permeable pavers from the project. The total estimated project cost for phase 1 is \$287,030.00
 - Phase 2 – Bio-retention pond the south side of the parking lot could be completed if grant money can be obtained in the future.
 - **Motion made by Scholtes, seconded by Drake to accept the Ag Center Parking lot design and recommend acceptance of design to the City Council contingent on SWCD funding and final contract. The motion carried unanimously.**
 - Clawson noted that a motion is needed to designate the EDA to sign the contracts required for this project.
 - **Motion made by Scholtes, seconded by Huisman to have EDA President Eckles sign contracts associated with this project. The motion was carried unanimously.**
- Loan Subordination
 - Kerry Ingredients is requesting that lenders subordinate to the proposed easement and this would then become part of the easement documentation and recorded. The EDA has a second position behind the bank on the easement area.
 - **Motion made by Huisman, seconded by Scholtes to approve the EDA loan subordination to the access easement. The motion carried unanimously.**

IX. Old Business:

- a. Golden Spike Business Park – Sign Update
 - No updates at this time
- b. Workforce Housing Update
 - Previous Workforce Housing phase 1 designs were included in the packet. Clawson is looking to form an Ad Hoc committee for this project and would welcome any interested EDA board members.
- c. Giant Museum & Visitors Center Update
 - Clawson noted that at the BE EDA meeting on December 10, 2015 the Board authorized a Revolving Loan for the purchase of the Crazy Cow Creamery. He noted that at that time there was no discussion in regards to the actual term and interest rates. He



suggested that the payments be deferred for the first year with terms between 10-15 years and an interest rate between 3-5%. Lyon noted that they are a non-profit organization and would recommend that they take that into consideration when making their decision.

- **Motion made by Scholtes, seconded by Huisman to approve the Revolving Loan Fund for the Blue Earth Chamber of Commerce for the Giant Museum & Visitors Centers at a 3% interest rate over 20 years. The motion was carried unanimously.**

d. Ag Center

- Ibisch noted that lease agreements have been sent out to tenants. Current tenant Deibel Laboratories would like to lease the back half of the kitchen. If they do lease, they would be willing to help with putting up a wall and the necessary ventilation requirements.

X. Other Business:

- None

XI. Adjournment

- **Motion made by Huisman, seconded by Scholtes to adjourn the meeting. The motion was carried unanimously.**

Next regular meeting scheduled for February 11, 2016 at 7:15 am