



**Blue Earth Economic Development Authority
Official Proceedings
Thursday, February 11, 2016 at 7:15 am
City Council Chambers, Blue Earth, MN**

Minutes:

- I. Secretary/Treasurer Rosenau called the meeting to order at the Blue Earth City Council Chambers
- II. Members Present: Bill Rosenau – Secretary/Treasurer, Rick Scholtes, John Huisman, Daryle Pomranke
Members Absent: Bill Eckles – President, Brooke Prestegard – Vice President, Kara Drake
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

There was a quorum.
- III. Introduction and welcome of new Board Member - Daryle Pomranke
 - Chair Rosenau introduced Daryle Pomranke and thanked him for agreeing to serve on the BE EDA.
- IV. Approval of Agenda
 - **Motion was made by Scholtes, seconded by Huisman to approve the agenda as presented. The motion was carried unanimously.**
- V. Approval of Minutes
 - Clawson suggested that the minutes from the January 8, 2016 meeting be amended to show the total grant amount approved at the January 8th, 2016 meeting for Breen's True Value in the amount of \$6,197.50
 - **Motion was made by Scholtes, seconded by Huisman to amend and approve and the minutes of the January 12, 2016 board meeting to include the total grant amount of \$6,197.50 for Breen's True Value. The motion was carried unanimously.**
- VI. Approval of Bills and Financials
 - Ibisch noted the EDA operating cash is at \$18,421.34. The anticipated tax levy for operating cash will not be included in the operating cash until payments are received in July and December and will be reflected at those times.
 - The operating cash for the Ag Center is \$58,654.36.
 - **Stand as approved.**
- VII. Correspondence, Loan/Grant Updates and Staff Updates
 - Correspondences
 - None
 - Existing Loan/Grant Updates
 - There are currently just two SCDP loans remaining and both are with Jack Heinitz whom continues to pay off.
 - Various businesses have had difficulties with paying on time and therefore the City is



adopting a new approach of contacting those business by phone to see if this process is more effective.

- Chamber of Commerce Update, Cindy Lyon
 - There is a dog with the pedigree name Jolly Green Giant coming down from the Twin Cities today for a photography opportunity.
 - The Phase 1 Environmental has been completed and Phase 2 Vapor testing is anticipated to begin on Monday, January 15, 2016 and will be conducted through Trileaf Environmental Firm. Trileaf will be performing vapor tests on the southeast and northwest corners of the property. The Chamber has filed a new addendum to their purchase agreement with current owners and hope to close before March 31st. Upon closing the Chamber will have Bolton & Menk survey property.
 - The Chamber has gained two new members bringing the total for 2015-2016 to 30 new members with a total of 160 members.
 - Lyon is having lunch with Representative Bob Gunther and will be discussing funding for the Giant Museum and Visitors Center.
- City Administrator Update, Tim Ibisch
 - The City Council will be having a public hearing on February 16, 2016 to discuss the sewer plant renovations. Ibisch will be meeting with Representative Bob Gunther to talk about access to Clean Water Fund as a possible funding option for this project.
 - The Street Committee met on February 10, 2016 and discussed the colored concrete options as well as aesthetics as it pertains to the Main Street Reconstruction Project.
 - The City was able to gain access to the 3 Sisters building to survey the structures and its contents. The City is working towards resolving the situation with the parties involved.
 - Ibisch and Clawson met with Mark Lawton, a structural engineer from LTN Engineering at Andy's Oriental building to determine if there is a shared wall with Oswald Brewing. Bidding for building demolition is expected to be completed by the end of February with an anticipated demolition to be completed in March.
 - The approved repaving project at the airport is anticipated to being in May with the expansion of the arrival and departure buildings to commence this fall.
- FCDC Update
 - Clawson met with George Chapple and Tanja Stading of South Central College Center for Business and Industry (CBI). CBI works with local business to help with customized employee training programs.
 - Clawson attended the South Central Workforce Council meeting on Wednesday, February 10, 2106 where they discussed working on matching up training and educational programs with career paths in the region.

VIII. New Business:

a. Approval of 2015 Annual Report

- The 2015 Blue Earth EDA Annual Report was compiled and presented per state law to the Blue Earth City Council by Moss and Clawson on February 1, 2016. Items presented in the report included accomplishments, notable activities and financials of the Golden Spike Business Park and Ag Center. The total project cash flow for the Golden Spike Business Part was -\$175,557.17. Ibisch noted that this number does not reflect the EDA Grant Reimbursement of approximately \$99,000 which was received in February which will bring the total to approximately (\$76,557.17). The negative cash flow is expected to be recouped as available lots are sold. The total cost of the project was \$3,580,637.83. **Motion was made by Scholtes, seconded by Huisman to approve the 2015 Annual**



Report as presented. The motion was carried unanimously.

- b. Construction Mitigation Loan
 - Ibisch supplied a map outlining the Main Street businesses between 3rd and 9th streets as those eligible for the Construction Mitigation Loan. The loan can be used to cover rent or mortgage and utility payments during the construction period. The loan carries an interest rate of 0% and is repayable over 5 years. Discussion was had to determine how far north and south the area should extend and it was determined that the area should be expanded to include Nicollet Street.
 - **Motion was made by Scholtes, seconded by Huisman to approve the Construction Mitigation Loan eligibility map to include expanding to Nicollet Street. The motion was carried unanimously.**
- c. Main Street Renewal Workshop – February 17th at 5:00 pm
 - FCDC is hosting the Main Street Renewal Workshop and will present the funding options available for those businesses affected by the Main Street reconstruction project. The deadline for removal of awnings with posts on the sidewalks is May 1, 2016.
- d. Minnesota EDA Handbook
 - Clawson noted that the Minnesota EDA Handbook was shared with the Board as a reference document

IX. Old Business:

- Ag Center Parking Lot Grant Update
 - Ibisch noted that included in the packet is a memorandum generated by David Frundt, City Attorney relating to the EDA's ability to issue bonds. It is not anticipated that bonding will be used for this project rather something to keep in mind for future projects.
 - Michelle Wigern of SWCD determined that the EDA does not carry a non-profit status and is not eligible to receive the grant and therefore Blue Earth Celebrations group will be the pass through recipient.
- Ag Center Tenant Update
 - Ibisch noted that the City has received signed leases from all of the tenants at the Ag Center which include 2% escalators. Currently there is interest in the available spaces to rent including the old Interfaith Caregivers and Farrow Custom Cabinetry spaces. The County has completed the reconfiguration of their leased space and plan on moving in sometime in March. The overall goal is to reduce costs and increase profitability at the Ag Center in 2016.
- Giant Museum & Visitors Center Update
 - None
- Workforce Housing Update
 - Clawson is looking to form an Ad Hoc Committee to address workforce housing issues over the next few months. He is looking for 4-5 volunteers to meet every other week over the course of the next few months. Some of the items that will be discussed are the market, price points and investments from both the public and private sectors. Lyon inquired about the possibility of pre-renting prior to construction. Clawson noted that a survey could be conducted to help gage the market.
- Golden Spike Business Park
 - With the final federal EDA Grant Reimbursement received the grant can now be closed out.
 - Clawson noted that there continues to be discussions on how to secure funds for the completion of County Road 103. The estimated cost for the project is \$260,000.



X. Other Business

- Clawson noted the March meeting has been moved to March 17, 2016.

XI. Adjournment

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

Next regular meeting is scheduled for March 17, 2016 at 7:15 am