



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
 - d. Adopt Agenda
2. Approve Minutes of June 1, 2021 Regular Economic Development Authority meeting
3. Business Items
 - A. Third Amendment to the Development Subsidy Agreement for BP Metals
 - B. First Amendment to the Development Subsidy Agreement for LTL LED LLC
 - C. Resolution 2021-XXX 2022 Crop Lease Award PID 16.090.0140
 - D. Resolution 2021-XXX 2022 Crop Lease Award PID 16.029.1400
4. Other Business / Updates / Communications
5. Adjournment

Economic Development Authority
Meeting Minutes
June 1, 2021

1. **Call to Order:** Mayor Johnson called the meeting to order at 9:19pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members present: Jeff Johnson, Steve Lundeen, Dan Collison, Jimmy Gordon, Paul Bergley, Luke Merrill, and Justin Nielson. Staff present: Community Development Director Sheila Sellman.
 - c. **Agenda Modifications:** None
 - d. **Adopt Agenda:** Motion by Lundeen, Second by Merrill, motion passed 7-0 to approve the agenda.
2. **Approve Minutes of the May 4, 2021 meeting and the May 18, 2021 Special Meeting:** Motion by Merrill, second by Lundeen to approve, motion passed 7-0.
3. Business Items
 - A. **Purchase Agreement with Coyote Creek Industries, LLC for the sale of EDA owned land legally described as Lot 1, Block 1, Isanti Centennial Complex 7th Rearrangement**
 - B. **Purchase agreement with Wolf River Industries, LLC for the sale of EDA owned land legally described as Lot 2, Block 1, Isanti Centennial Complex 7th Rearrangement**

Business items A and B were discussed together. The EDA has a purchase agreement to sell both of these properties to Wolf River Electric. They are financing their project with SBA loans and are required to put the land into different entities. The name change requires new purchase agreements, the terms of the agreements have not changed. Motion by Lundeen and second by Merrill to approve both development agreements. Motion passed 6-0, with Nielson abstaining.
4. **Other Business / Updates / Communications**
5. **Adjournment :** Motion by Bergley, second by Collison, motion passed to adjourn at 9:23pm.



Request for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: August 4, 2021

Subject: Third Amendment to Development Subsidy Agreement for BP Metals

Background:

In March 2020, the EDA entered into a Development Subsidy Agreement with BP Metals for development of an EDA Shovel Ready Site. The sale has been completed and the site plan has been approved for a manufacturing facility at 825 East Dual. Now that the site plan has been approved this agreement needs to be amended to match the development. There are minor changes to the escrow language and the remainder of the agreement is in place as originally approved and amended.

Recommendation:

Staff recommends approving the Amendment

Attachments:

- Amendment

CITY OF ISANTI

**THIRD AMENDMENT TO THE
DEVELOPMENT SUBSIDY AGREEMENT FOR
B.P. Metals, LLC**

This Amendment is by and between the City of Isanti, a Minnesota municipal corporation, and B. P. Metals, LLC, a Minnesota limited liability company (the Developer), and amends the Development and Subsidy Agreement dated March 4, 2020, as amended August 18, 2020.

Recitals

- A. Sections 4, 5, 6 and 7 of the original Agreement set forth terms relating to private improvements and certain financial guarantees.
- B. Due to the recently approved site plan an escrow for development inspections is required rather than the financial guarantee as outlined.

Agreement

In consideration of the mutual promises set forth below, and other good and valuable consideration the receipt of which is acknowledged, the parties agree as follows:

- 1. The above recitals are incorporated herein as if fully set forth.
- 2. The City accepts the site plan as approved per Resolution 2021-148.
- 3. Sections 4,5,6 and 7 of the Agreement are hereby modified by replacing those paragraphs with the following:

Developer shall, contemporaneously with execution of this Agreement, deposit with the City an escrow of \$5,000 to cover the cost of legal fees, engineering fees, administrative expenses and other costs related to the Development. Any funds remaining in the escrow account(s) after the completion of the Development shall be refunded to the Developer. In the event the escrow account balance is reduced to \$1,000 or less, the Developer shall post additional sums of money to replenish the account to a maximum of \$2,000 to cover projected City costs as determined by the City. The escrow account shall always have a balance of no less than \$1,000.00. The Developer shall be entitled, upon request, to an itemized statement of all costs and fees charged against the Developer's escrow account.

- 4. This amendment is effective _____ day of August 2021.
- 5. All other terms of the Development Agreement, as previously amended, not modified by this Second Amendment shall remain in effect as originally stated.

CITY OF ISANTI

By: _____
Jeff Johnson, Mayor

Attest:

Jaden Strand, City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF ISANTI)

This instrument was acknowledged before me on this ____ day of August, 2021, by Jeff Johnson and Jaden Strand as Mayor and City Clerk of the City of Isanti, respectively, on behalf of the City.

Notary Public

B. P. Metals LLC

Blake Pendzimas, Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me by Blake Pendzimas as Manager of
B. P. Metals, LLC, on behalf of that Minnesota limited liability company.

Notary Public



Request for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: August 4, 2021

Subject: First Amendment to Development Subsidy Agreement for LTL LED LLC

Background:

In December 2020, the EDA entered into a Development Subsidy Agreement with LTL LED LLC (Wolf River Electric) for development of an EDA Shovel Ready Site. The sale has been completed and the site plan has been approved for an Office Warehouse facility at 687 East Dual. Now that the site plan has been approved this agreement needs to be amended to match the development. There are minor changes to the escrow language and the remainder of the agreement is in place as originally approved and amended.

Recommendation:

Staff recommends approving the Amendment

Attachments:

- Amendment

CITY OF ISANTI

**FIRST AMENDMENT TO THE
DEVELOPMENT SUBSIDY AGREEMENT FOR
LTL LED LLC**

This Amendment is by and between the City of Isanti, a Minnesota municipal corporation, and LTL LED LLC, a Minnesota limited liability company (the Developer), and amends the Development and Subsidy Agreement dated December 15, 2020.

Recitals

- A. Sections 4, 5, 6 and 7 of the original Agreement set forth terms relating to private improvements and certain financial guarantees.
- B. Due to the recently approved site plan an escrow for development inspections is required rather than the financial guarantee as outlined.

Agreement

In consideration of the mutual promises set forth below, and other good and valuable consideration the receipt of which is acknowledged, the parties agree as follows:

- 1. The above recitals are incorporated herein as if fully set forth.
- 2. The City accepts the site plan as approved per Resolution 2021-___
- 3. Sections 4,5,6 and 7 of the Agreement are hereby modified by replacing those paragraphs with the following:

Developer shall, contemporaneously with execution of this Agreement, deposit with the City an escrow of \$5,000 to cover the cost of legal fees, engineering fees, administrative expenses and other costs related to the Development. Any funds remaining in the escrow account(s) after the completion of the Development shall be refunded to the Developer. In the event the escrow account balance is reduced to \$1,000 or less, the Developer shall post additional sums of money to replenish the account to a maximum of \$2,000 to cover projected City costs as determined by the City. The escrow account shall always have a balance of no less than \$1,000.00. The Developer shall be entitled, upon request, to an itemized statement of all costs and fees charged against the Developer's escrow account.

- 4. This amendment is effective ____ day of August 2021.
- 5. All other terms of the Development Agreement, as previously amended, not modified by this Second Amendment shall remain in effect as originally stated.

CITY OF ISANTI

By: _____
Jeff Johnson, Mayor

Attest:

Jaden Strand, City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF ISANTI)

This instrument was acknowledged before me on this ____ day of August, 2021, by Jeff Johnson and Jaden Strand as Mayor and City Clerk of the City of Isanti, respectively, on behalf of the City.

Notary Public

LTL LED LLC

Justin Nielson

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me by Justin Nielson, LTL LED, LLC, on behalf of that Minnesota limited liability company.

Notary Public

MEMO



To: Economic Development Authority

From: Will Bucheger, Economic Development Intern

Date: August 4, 2021

Subject: Consider Resolutions 2021-XX Awarding Quote for the Lease of EDA Owned Crop Land PID 16.029.1400

Background:

On June 8, 2021 Staff advertised for crop lease quotes for crop year 2022 for EDA owned land. City Staff opened the quotes at 11 AM on July 15, 2021 and read them aloud. The quotes were as follows:

Parcel B – 4.00 acres “more or less”
Craig Bjorklund, Bjorklund Farms \$140.00/year

This is same amount Mr. Bjorklund paid in his lease to the land in 2014 and 2017. Staff is in the process of obtaining an updated appraisal for this parcel. Mr. Bjorklund’s quote is valuing the land at \$35.00 per acre. The lease agreement will have a clause about selling the land.

Based on the quotes received staff recommends the following awards:

Parcel B – 4.00 acres “more or less”
Craig Bjorklund, Bjorklund Farms \$140.00/year

Requested Action:

Staff recommends adoption of the attached resolutions and staff to execute the lease.

Attachments:

- Resolution 2021-XX

**CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2021-XX**

**RESOLUTION AWARDING QUOTE FOR THE LEASE OF CITY OF ISANTI EDA OWNED
CROP LAND**

WHEREAS, the City of Isanti Economic Development Authority (the “EDA”) has determined that certain property currently owned by the City of Isanti EDA will not be needed in the near future for the intended public use; and

WHEREAS, the EDA has identified the property to be leased/rented for crop production on the map attached Exhibit B as Parcel B for 4.00 acres, further described as: all of Tax ID 16.029.1400 located East of 500 East Dual Boulevard (United Parcel Service), access from adjacent Johnson Crop Land (no road or site access). Site size is 4 acres; and

WHEREAS, the EDA advertised and obtained one quote from parties interested in farming the above stated property for the production of row crops for the 2022 Crop Year as follows:

Craig Bjorklund, Bjorklund Farms \$140.00/yr.

**NOW THEREFORE BE IT RESOLVED BY THE CITY OF ISANTI ECONOMIC
DEVELOPMENT AUTHORITY OF THE CITY OF ISANTI, MINNESOTA AS FOLLOWS:**

1. Hereby awards the bid as received for a period of one crop year to Mr. Bjorklund, for the amount of \$140.00/annual rent for the 2022 crop year for the rental of approximately 4.00 acres “more or less” of EDA property for crop farming as described above.
2. That the annual rent of \$140.00/yr. shall be due and paid to the City of Isanti Economic Development Authority according to the following schedule:

On December 1, 2021 \$70.00 (1st half of first year 2022 annual fee)

On December 1, 2022 \$70.00 (2nd half of year 2022 annual fee)

3. The EDA reserves the right to develop the property at any time through the contract period. If the EDA exercises this right, the EDA shall compensate Mr. Bjorklund for the fair market value of the crop destroyed, valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop, based upon the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township, in the event such records are not available for the specific crop field herein.
4. That Mr. Bjorklund shall have no right to rent the land for future crop years after year 2022 unless awarded the lease by the EDA through a bid process.

This resolution was duly adopted by the City of Isanti Economic Development Authority this ____ day of _____ 2021.

Attested:

President Jeff Johnson

Sheila Sellman
Secretary/Community Development Director

Exhibit B
Map of Parcel B



APPROVED RENTER:

CRAIG BJORKLUND, BJORKLUND FARMS

Signature

Date

MEMO



To: Economic Development Authority

From: Will Bucheger, Economic Development Intern

Date: August 4, 2021

Subject: Consider Resolutions 2021-XX Awarding Quote for the Lease of EDA Owned Crop Land 16.090.0140

Background:

On June 8, staff advertised for crop lease quotes for crop year 2022 for EDA owned land. City Staff opened the quotes at 11 AM on July 15, 2021 and read them aloud. The quotes were as follows:

Parcel A – 82.7 acres “more or less”
Wayne Calander, Calander Farms \$8,963.85/year

This is \$3,753.85 more than the 2021 lease. The lease agreement will have a clause about selling the land. Mr. Calander’s quote for the 2022 crop year would put that land valuing at \$102.80 per acre. In 2021 Mr. Calander was awarded Parcel A, he paid \$5,210 for the year, this put the land valuing at \$59.75 per acre.

Based on the quotes received staff recommends the following awards:

Parcel A – 82.7 acres “more or less”
Wayne Calander, Calander Farms \$8,963.85/year

Requested Action:

Staff recommends adoption of the attached resolutions and staff to execute the lease.

Attachments:

- Resolution 2021-XX

**CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2021-XX**

**RESOLUTION AWARDING QUOTE FOR THE LEASE OF CITY OF ISANTI EDA OWNED
CROP LAND**

WHEREAS, the City of Isanti Economic Development Authority (the “EDA”) has determined that certain property currently owned by the City of Isanti EDA will not be needed in the near future for the intended public use; and

WHEREAS, the EDA has identified the property to be leased/rented for crop production on the map attached Exhibit A as Parcel A for 82.7 acres “more or less”, further described as: all of Tax ID 16.090.0140 and part of 16.090.0120 located south and east of the City Wastewater Treatment Facility, located to the east of 3rd Avenue North and south of 299th Avenue; and

WHEREAS, the EDA advertised and obtained one quote from parties interested in farming the above stated property for the production of row crops for the 2022 Crop Year as follows:

Wayne Calander, Calander Farms \$8,963.85/yr.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ISANTI, MINNESOTA AS FOLLOWS:

1. Hereby awards the bid as received for a period of one crop year to Wayne Calander, Calander Farms, for the amount of \$8,963.85/annual rent for the 2022 crop year for the rental of approximately 82.7 acres “more or less” of EDA property for crop farming as described above.
2. That the annual rent of \$8,963.85/yr. shall be due and paid to the City of Isanti Economic Development Authority according to the following schedule:

On December 1, 2021 \$4,481.93 (1st half of first year 2022 annual fee)
On December 1, 2022 \$4,481.93 (2nd half of year 2022 annual fee)

3. The EDA reserves the right to develop the property at any time through the contract period. If the EDA exercises this right, the EDA shall compensate Mr. Calander for the fair market value of the crop destroyed, valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop, based upon the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township, in the event such records are not available for the specific crop field herein.
4. That Mr. Calander shall have no right to rent the land for future crop years after year 2022 unless awarded the lease by the EDA through a bid process.

This resolution was duly adopted by the City of Isanti Economic Development Authority this ____ day of _____ 2021.

Attested:

President Jeff Johnson

Sheila Sellman
Secretary/Community Development Director

Exhibit A
Map of Parcel A



APPROVED RENTER:

WAYNE CALANDER, CALANDER FARMS

Signature

Date



EDA MEMO

To: Economic Development Authority
From: Sheila Sellman, Community Development Director
Date: August 4, 2021
Subject: Other Business/Updates/Communications

Below is a list of Other Business/updates and communications from the Community Development Director.

- The Mayor's luncheon was a success! New this year was a drawing for an Isanti Mug and Granny May donated a gift certificate for the drawing.
- Sheila attended a "Power Your Lunch Hour" even on Social Media
- Sheila attended a webinar: MN 2030-Key questions for our state economy over the next ten years
- Sheila attended the Chamber of Commerce Board meeting and provided updates on Isanti
- Sheila attended an EDAM luncheon
- Will attended the County EDA meeting
- Sheila attended a MN Legislative Recap meeting
- Sheila and staff attended Isanti Floral grand opening (they have been open for a while but did their opening this week)
- Will has created a Business and Residential Welcome packet.
- Sheila continues to reach out to restaurants and site selectors. The market is tight right now and many entrepreneurs are reserved about opening anything new while still recovering from COVID-19
- New Businesses in town: Gypsy Curl salon at 2 Enterprise Ave NE. Country Cuts 120 E County Road 5 (in old Great Clips space)
- Site plans have been approved for BP Metals and Wolf River Electric is being reviewed by Council on August 4th.