

City of Isanti
Economic Development Authority
Regular Meeting Minutes of
November 28, 2008
Isanti City Hall

1. Call To Order

a. Pledge of Allegiance

b. Roll Call

Members Present: Chair Larry Kuechle, Louise Duff, David Jadinak, Sue Larson and George Wimmer

Members Absent: None.

Staff Present: Community Development Director Vita

c. Agenda Modifications

Duff requested that a sentence on page 3 be stricken.

Motion by Duff, second by Larson to approve the agenda without modifications. Motion carried unanimously.

2. Approve Economic Development Authority Minutes

a. October 2008

Motion by Duff, second by Wimmer to approve the agenda with the modification of a sentence on three to be stricken. Motion carried unanimously.

3. Presentation by Initiative Foundation

Paul Kleinwachter, Initiative Foundation, presented Economic Development programs offered by the Foundation. Kleinwachter discussed his background in finance. Kleinwachter gave the background of the Foundation and its goal to tackle rural Economic Development issues. Kleinwachter stated that the Foundation assisted in the Ever Cat Fuels project. Kleinwachter discussed other economic development projects that the Foundation has assisted in Isanti County.

Kleinwachter discussed business financing opportunities with the Foundation. The Foundation provides gap financing and has priority projects in job creation, and wants to diversity the economic base. Kleinwachter informed that they prefer wages of \$17 to \$18 and above per hour. Kleinwachter discussed economic development loan funds. Kleinwachter stated that the material he handed out is on their website.

Kuechle questioned how the Initiative Foundation fits with the SBA. Kleinwachter stated that they are a tool to bring a deal together. Kleinwachter stated that their financing is sometimes used as equity in the project. Kleinwachter discussed the role of the SBDC in business projects.

Kuechle questioned the volume of loans. Kleinwachter stated approximately 3.5 million dollars per year.

Kuechle questioned if the loans are \$250,000 or less. Kleinwachter stated that they are able to provide loans up to \$500,000. Kleinwachter stated that they have market rate interest. Kleinwachter informed that with some projects they provide business assistance.

Wimmer stated that the Initiative Foundation will be a bigger player in economic development as banks change their lending requirements. Kleinwachter stated that the Foundation is flexible and that every deal is different.

Wimmer stated that the Ever Cat Fuels project had Initiative Foundation funds.

Kleinwachter discussed the First Grant with Northern Technology Initiative.

4. EDA resolution on meeting cancellation

Vita presented a Staff memo.

Kuechle stated that City Council can cancel a meeting. Vita corrected him indicating that the Council does not currently have authority to cancel a meeting. Wimmer stated that currently the City Council cannot cancel EDA meetings

Kuechle stated that the Chair needs to be kept informed.

Duff stated a concern allowing Staff to cancel meetings. Wimmer stated that he prefers the City Council to cancel a meeting as they will want to know why.

Duff stated that resolution language allowing Staff to cancel a meeting needs to be stricken. Wimmer stated that Staff will make a recommendation to the City Council.

Motion by Duff, second by Wimmer to approve the resolution, striking City Staff to be permitted to cancel a meeting. Motion carried unanimously.

5. County EDA Update

Wimmer presented an update. Wimmer discussed that tax abatement project and the Rail Spur discussions. Wimmer stated that there are many unanswered questions related to the rail spur. Wimmer stated that BNSF put the Isanti site behind the new Cambridge site. Wimmer stated that BNSF did not discuss land ownership. Wimmer stated that the County needs to partner with the City on a rail park. Wimmer stated that the affect on the passenger rail with the rail park is unknown.

6. December 2008 EDA Meeting cancel?

Kuechle stated that he wants a future agenda to include discussion on the industrial park and what is happening within it. Kuechle stated that he wants discussion on occupancy, financial issues and the affect it has on the money owed on the park. Wimmer stated that the Finance Committee is looking at the outstanding assessments on the park. Wimmer stated that the park is in the red at the end of the project. Wimmer stated that discussions to make the businesses whole needs to take place.

Vita discussed the City Council's action on the default situation on the Larson project.

Motion by Duff, second by Larson to cancel the December 2008 EDA meeting.

7. Other Business / Updates

- a. Downtown Update
- b. Other

8. Adjournment

Larson motioned, seconded by Duff to adjourn at 7:47 pm. Motion passed unanimously.

Dated at Isanti Minnesota, this ____ day of January, 2009.

Respectively Submitted,

Carla MK Vita, Community Development Director