

**City of Isanti
Economic Development Authority
Regular Meeting Minutes of
February 26, 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 & George Wimmer

Members Absent: None

Staff Present: Development Director Carla Vita

c. Agenda Modifications

None.

Motion by Larson, second by Wimmer to accept the agenda as presented. The motion carried unanimously.

2. Oath of Office, Authority Member Louise Duff

Duff took her oath.

3. Approve Minutes of January 2008 Regular Economic Development Authority Meeting

Motion by Wimmer, second by Larson to approve the minutes. Motion carried unanimously.

4. Friends of the Library, Library Needs Assessment

Susi McCune and Tina Voss, Friends of the Library representatives, presented the Isanti Area Library Needs Assessment. The Friends of the Library (FOL) is organized and has been fundraising. The FOL hired a consultant to prepare the needs assessment.

FOL stated, to date, they have 300 registered supporters.

McCune discussed the resident interviews from the Needs Assessment. The interviews showed a preference for the library to be located downtown. The Needs Assessment shows that Isanti would need to have a 10,000 square foot library constructed. The assessment used conservative population projections to year 2030 with a service population of 16,000 for the building size.

Isanti is served by the ECRL, the regional library system. The ECRL serves 6 counties including Isanti County.

The FOL is looking to build partnerships for a library. The City has funded the FOL since 2006 and the ECRL began funding towards a future library this year. FOL are planning to request funds from the townships whose residents are likely to use an Isanti library.

FOL stated that they desire the EDA to recommend to the City Council a resolution to support the library.

FOL is working on grant applications. The Needs Assessment indicates that a building for a library will cost over two million dollars to construct, not including the land price. The cost for the materials within the library will cost an additional million dollars. The City would own the building and land. The ECRL would provide the Staff and materials.

Kuechle questioned the source of the three million dollars needed for a library. McCune stated that Milaca built a library recently and using 3 sources: Donations, Grants, and City / County funds. Larson stated that the State has a matching construction grant of up to one million dollars. Larson stated that the FOL is still researching the meeting room needs and parking.

McCune stated that she is looking for City support first, then to the townships. Larson stated the FOL would be looking for financial support from the following townships: Athens, Bradford, part of Isanti, part of Spenser Brook and part of Stanford. Larson stated that the townships will be contacted in March.

Wimmer stated that Isanti County has one library. Wimmer stated that he prefers how Chisago County constructed their libraries. Wimmer stated that a resolution does not mean much unless it states what the entity will do. Wimmer stated that if the City bonds to construct the Library, it will affect the City's bond rating. Wimmer questioned the preferred locations for a library. McCune stated that the preferred location is the property south of Faith Lutheran on Main Street. Wimmer stated that the City has information on the property. Larson stated that another option is a library / community center combination.

Voss stated that the needs assessment shows a need for a library.

Duff stated that a library would be good for the downtown. Duff stated that she would support moving the library issue forward and the FOL to request the township support.

Jadinak questioned the FOL fundraising goals. McCune stated timing is crucial for grants and that most grants request matching funds. McCune stated that preliminary work must be completed in order to apply for grants.

Jadinak questioned the number of people surveyed for the Needs Assessment. Wimmer stated 143.

McCune stated that she has talked to many people at many events. McCune stated that she is receiving overwhelming positive support for a library.

Voss stated that the school children are supporting the project with their loose change.

Jadinak stated that the FOL should have a booth at the Home Show. McCune stated that they would be at the Home Show.

Wimmer stated that he supports the project at the informational stage. Wimmer stated that the City is already financially supporting the library.

McCune stated that she would work with Vita on a resolution for City Council.

The Economic Development Authority is recommending by consensus that the City Council support the Friends of the Library.

5. CEDS

Vita presented the Staff memo. Vita stated that the ICP is recommending that the EDA support a rail served industrial park and redevelopment of the downtown in the CEDS survey.

Motion by Wimmer, second by Larson to recommend a rail served industrial park and redevelopment of the downtown to the City Council for the CEDS survey. Motion carried unanimously.

6. Revolving Loan Fund

Vita presented the Staff memo. Larson stated that it is a good idea to start a Revolving Loan Fund (RLF). Larson stated that the City needs to have an RLF policy in place. Wimmer stated that the City needs an RLF. Wimmer continued that many cities have an RLF. Wimmer continued that an RLF will assist businesses that the City is working to attract.

Kuechle questioned the amount that is needed for the RLF. Wimmer stated that he believes that all of the land acquisition fund and all of the unreserved fund minus \$5000 should be used for an RLF. Wimmer continued that the Isanti City Partnership is working on an RLF policy. Wimmer stated that the City needs at least \$100,000 to start and RLF. Wimmer stated that the RLF funds from the Ever Cat Fuels project will be a little every year and will have State Restrictions on its use.

Duff stated that the EDA has wanted an RLF for years. Duff stated that the idea is good. Duff questioned what the EDA would do if the land acquisition fund did not have funds and property became available. Wimmer stated that to acquire land, the City will need more than what is in the fund. Wimmer stated that the City would need to borrow or bond to obtain money to acquire property. Wimmer stated that he believes it to be wise to get the money out working for the City.

Duff questioned if the RLF will have enough money to assist businesses. Wimmer stated that the ICP met with Mr. Voss from the ECRDC. The ECRDC tries to maximize their loans to \$50,000. Wimmer stated that most businesses use multiple funding sources. Wimmer stated that an RLF could of assisted some of the businesses that recently moved into our downtown. Wimmer continued that he believes that most RLFs loans will range from \$15,000 to \$20,000. Wimmer stated that he believes that \$100,000 to \$150,000 to begin an RLF is a good start. Wimmer stated that the City Council will make the ultimate RLF loan granting decisions.

Jadinak stated that creating a RLF to spur economic development sounds good.

Wimmer motioned, seconded by Larson to recommend to the City Council that the \$67,416 in the land acquisition fund and \$62,584 from the Unreserved Fund Balance, for a total of \$130,000, be moved to a revolving loan fund. The motion carried unanimously.

Kuechle stated that an RLF shows the downtown group hope.

Vita stated that the ICP is working on an RLF policy and has the RLF policies of many Cities.

7. **Reader Board**

Vita presented the Staff memo.

Wimmer stated that he contacted Ham Lake on the cost of their reader board and they informed him that it cost \$65,000.

Duff stated that many businesses have reader boards. Duff stated that a reader board is a great communication tool. Duff stated that Staff should check out the prices on the reader board signs.

Kuechle questioned what items the sign would display. Duff stated City events.

Wimmer stated that the Ham Lake sign is very nice. Wimmer stated that Ham Lake has little economic growth. Wimmer stated that a next step would be costs for a sign. Wimmer stated that the cost for a sign is needed for budgeting purposes.

Hollister stated that the Ham Lake sign has more community service than economic development items.

Wimmer stated that the City has \$12,000 for City Entrance signs. Wimmer questioned if the City would have both entrance signs and a reader sign. Wimmer stated that the City does own a few pieces of land.

Hollister stated that the Ham Lake is large and thus why it costs more. Hollister stated that the reader signs within City limits are smaller. Hollister stated that a large sign is needed on the highway.

Wimmer stated that City Administrator Lorsung has researched the cost of signs already.

Duff stated that the sign is a good communication tool.

Kuechle stated that the EDA needs to know the costs for the sign.

Vita stated that she will work to find the costs of signs at a variety of sizes.

8. **2008 City Council Goals**

Vita presented the Staff memo. Wimmer stated that the abatement policy should be ready for the next EDA meeting. Wimmer stated that he is meeting with many other governmental agencies. Wimmer stated that the Planning Commission is reviewing the "island" situation.

Duff stated that she would prefer to see a park & ride next to the railroad tracks. Wimmer stated that the City will need to prove ridership in order to obtain a commuter / light rail stop. Wimmer continued that the ICP is working on a park and ride.

9. **Tax Increment Financing District 8 & 10 Reports**

Vita presented the Staff report. Kuechle stated that he supports using abatement to meet our promises as long as the businesses meet their promises.

Motion by Wimmer, second by Larson to forward the TIF 8 & 10 reports to the City Council and recommending that the City needs to make the businesses whole by using abatement with the terms to be decided. The motion carried unanimously.

10. MNDOT Request

Vita presented a Staff report. Duff stated that nothing has changed since the EDA last met on this item. Duff continued that the economy is poor and the City already has land for industrial purposes. Duff questioned why the City would want to pursue this request.

Wimmer stated that the City made Knife River an offer and Knife River did not respond. Wimmer stated that the property is zoned industrial. Wimmer stated that if the City acquired the property that we would have to charge \$40,000 to \$50,000 an acre to cover costs. Wimmer stated that MNDOT does not pay taxes. Kuechle stated that MNDOT does not create many jobs. Vita stated that a pro to the proposal could be the elimination of the special assessments on the property in order to pay back the bond.

The Economic Development Authority is recommending to the City Council that the City is not interested in the land.

11. Isanti City partnership - Update

Vita presented the Staff memo.

Wimmer stated that the City is seeing the positive outcomes from the business visits.

12. County EDA Update

Vita presented the Staff memo. Wimmer discussed the conversation at the County EDA on the 8 mile commuter rail siding. Vita stated that the County EDA needs to determine their path.

Wimmer stated that the County EDA is using City Staff in Cambridge and Isanti to answer their questions. Wimmer stated that he has been pressing the County on what type of EDA that they wish to be. Duff stated that the County does not know what they are doing.

13. Miller Auto Downtown Land Update

Vita presented the update.

14. Other Business / Updates

- a) Downtown Sub-Committee minutes
- b) Highway 65 Signs ordered

15. Adjournment

Motion by Duff, second by Wimmer to adjourn. Motion carried 4 – 0.

Meeting adjourned at 8:20 p.m.

Respectfully submitted,

Carla MK Vita
Community Development Director