

City of Isanti
Economic Development Authority
Regular Meeting Minutes of
March 4, 2014
Isanti City Hall

1. Call To Order

The meeting was called to order by Economic Development Director Sullivan at 7:48 p.m.

a. Pledge of Allegiance

b. Roll Call

Members Present: Tara Hallberg, Keith Dragisich, Dan Collison, Steve Lundeen, Adam Johnson, Sue Larson and George Wimmer

Members Absent: None

Staff Present: Economic Development Director Sean Sullivan

c. Agenda Modifications

No modifications to the agenda were presented.

2. Organization of Advisory Bodies as per Ordinance 181

a) Oath of Office

Economic Development Director Sullivan Administered the Oath of Office for EDA Members Sue Larson, Adam Johnson and Steve Lundeen. All other Members were sworn in at January 28, 2014 meeting.

b) Election of 2014 EDA President

Motion by Collison, second by Johnson to elect George Wimmer, motion carried unanimously.

c) Election of 2014 EDA Vice-President

Motion by Lundeen, second by Larson to elect Adam Johnson as Vice-President, motion carried unanimously.

d) Election of 2014 EDA President Pro-tem

No Designation Made

- e) Election of 2014 EDA Secretary
Motion by Wimmer, second by Lundeen to select Economic Development Director Sullivan, motion carried unanimously.
- f) Election of 2014 EDA Treasurer
Motion by Wimmer, second by Lundeen, to elect Finance Director Ms. Sarah Cotton as Treasurer, motion carried unanimously.
- g) Adoption of Bylaws
Motion by Larson, second by Johnson, to EDA Bylaws dated March 4, 2014 as presented, motion carried unanimously.
- h) Adoption of 2014 EDA Meeting Schedule
Motion by Larson, second by Johnson to adopt 2014 meeting schedule as presented. The schedule included the new dates associated with moving the meeting to the first City Council Meeting of the month, motion carried unanimously.
- i) Adoption of City of Isanti Economic Development Authority Resolution 2014-1 a Resolution Organizing the Economic Development Authority of the City of Isanti
Motion by Larson, second by Lundeen to adopt Resolution 2014-1 as presented, motion carried unanimously.

3. Approve Minutes of January 28, 2014 Regular Economic Development Meeting

Motion by Collison, second by Johnson to approve the minutes for January 28, 2014. Motion carried unanimously.

4. 236 Broadway St SE

President Wimmer outlined the history of 236 Broadways St SE and indicated that the EDA was directed to review this item and to set a course of action. The property has performed well as an asset over the past few years but there are some pending improvements that will need to be made that will have some substantial costs. The improvements are necessary to comply with the City Rental Ordinance. The Downtown Loop was defined as 1st Avenue, to Main St to Dahlin and back to Heritage Blvd.

Discussion regarding a decision to maintain the property as a rental property, as a piece of a larger property portfolio, or to sell it outright ensued.

Member Larson stated property was originally acquired as part of the Pedestrian Bridge project. But is no longer needed as that project has not come to fruition. She was in favor of selling the property.

EDA member Johnson stated that there were some substantial costs in the horizon and that the property would potentially drain the revenues we have generated to this point.

Member Dragisich asked if the improvements noted would be required in order to sell the property according to FHA standards or if it would just be a cash buyer.

Sullivan indicated that the required improvements were based on the City Rental Ordinance not FHA and was unsure if repairs would be necessary to satisfy FHA. He thought a water heater would need to be replaced soon.

Johnson indicated that the way it sits should be enough regain the money the City has put into it.

Sullivan asked if the EDA was willing to direct him to get an appraisal for the property. He indicated that an appraisal would be needed from a buyer to assure that a loan could be obtained. He also asked if the EDA would like him to list the property for sale. He asked if continuing the month to month lease was the way to proceed.

Member Wimmer stated that if the EDA wants to build a rental portfolio you need to have multiple properties to generate substantial revenue. He wants to make sure we receive fair value for the property if it sold. It has cash flowed well with minimal improvements. If the EDA isn't going to have a concerted effort to acquire multiple properties he questioned if we should be in the rental businesses

Member Dragisich asked if we could get more for rent as he was seeing higher numbers for townhomes in the area.

Sullivan indicated that due to the lack of furnishings (Kitchen Equipment, Washer and Dryer) that the rent was market rate. If it were furnished you could potentially get \$900-950 per month.

Member Larson indicated that we needed to focus acquisitions on 1st Avenue.

Sullivan asked what purpose of acquisition was. Is it for consolidation of contiguous properties or to increase the rental portfolio or a combination of both.

Member Larson indicated that many people in home along first were there for the long term and would not be for sale.

Discussion ensued.

Motion by Johnson, second by Larson to direct Economic Development Director to get and appraisal for 236 Broadway St SE, continue to rent month to month in the interim and list it for sale by owner, motion carried unanimously.

5. Other Business / Updates

Economic Development Director Sullivan highlighted the Staff Memo.

- a. Business Prospects
- b. Positively Minnesota Meeting
- c. GPS 45:93
- d. Isanti Area Chamber of Commerce Events
- e. Makerspace Concept

- f. Isanti Business Meeting Summary
- g. Prepayment for Special Assessments – TIF 10
- h. East Central MN Job Fair
- i. Development Scenario Project
- j. 2013-14 Business Arrivals and Departures in Isanti

Economic Development Director Sullivan highlighted the staff memo and indicated that the Isanti Intermediate School is putting together an Isanti WiFi Map for Isanti. Sullivan indicated that he was working with him to get this done and that it could be a good marketing tool for the City.

6. Adjournment

Member Lundeen motioned, seconded by Member Collison to adjourn at 7:13 pm. Motion carried unanimously.

Dated at Isanti, Minnesota, this 4th day of March 2014.

Respectively Submitted,

Sean M. Sullivan, Economic Development Director