

City of Isanti
Economic Development Authority
Regular Meeting Minutes of May 25, 2010
Isanti City Hall

1. Call To Order The meeting was called to order by Chair Kuechle at 7:00 p.m.

a. Pledge of Allegiance

b. Roll Call

Members Present: Keith Dragisich, Jim Kennedy (arrived at 7:25), Brandon Apitz,
Mayor George Wimmer and Larry Kuechle,

Members Absent: Zachary Knudson (Youth Representative)

Staff Present: Economic Development Director Sean Sullivan

c. Agenda Modifications

Member Wimmer asked Staff to put an item on the next agenda regarding the attendance status of Youth Representative Knutson. Motion by Wimmer, second by Dragisich, to approve the agenda as presented. Motion carried unanimously.

2. Approve Minutes

Motion by Wimmer, second by Dragisich to approve the April 27, 2010 minutes as presented. Motion carried unanimously.

3. TIF Management Plan- Policy Recommendations

Economic Development Director presented the policy recommendations found on pages 6 and 7 of the TIF Management Plan Final Draft dated May 20, 2010. The policies related to the treatment of default in development agreements, minimum assessment agreements, and special assessment reimbursements. The consensus of the board was that the policies presented were the direction the EDA would like to recommend for City Council.

Economic Development Director Sullivan presented the cash flow analysis for TIF Districts 8, 9 and 10. Page 11 of the TIF management plan outlines the available increment that could be used to fund projects within in the city under the newly adopted TIF legislation in April of 2010. The available increment based on how certain line items are treated ranges from \$241,000 to \$384,000. The majority the available increment comes from TIF District No. 8, \$56,000 is from TIF District No. 9 and no available increment is associated with TIF district No. 10. The increment could be used for a larger project that is not traditionally finance through TIF. Member Wimmer commented on the impact of getting SAC and WAC payments, through Tax increment assistance, for the outstanding bonds on the City budget. Securing a large project that could pay SAC and WAC

charges would help the City finances. Discussion ensued regarding the use of the TIF No. 9 increment outside of the boundaries of that district. The consensus was that monies from TIF No. 9 could be included, but not dedicated, in a financing package that would bring a mega project, like a hotel, to Isanti. Economic Development Director Sullivan stated that this was potentially a "once in a lifetime" opportunity to utilize TIF without limitations.

Motion was made by Wimmer, seconded by Apitz, to recommend the adoption of the TIF Management Plan and to pool all the TIF District funds together to the Isanti City Council. Motion carried unanimously.

4. Hough-Gargaro, LLC Development Agreement Extension Request

Economic Development Director Sullivan presented the staff memo and highlighted the success of the project. Mayor Wimmer stated that he and the City administrator had discussions with Curt Hough regarding this matter and that he supported the extension of the development deadline. The current development agreement requires Hough-Gargaro, LLC to construct 15,000 square feet on the lot adjacent to their existing 40,000 square foot building by July 11, 2010. If the 15,000 Square feet was not constructed by the deadline the 1.97 acres of excess land was to be deeded back to the City of Isanti for \$1.00. Due to poor economic conditions the owner of the building requested that the deadline to construct the additional 15,000 square feet be extended to July 11, 2012. Economic Development Director Sullivan outlined the creation of 27 new jobs on the site and the fact that American Manufacturing, Inc was one of the larger employers within the City. Chair Kuechle asked about the size and location of the excess land in question. Economic Development Director Sullivan stated it was to directly west of the current manufacturing facility on E Dual Blvd. and also noted the City had an adequate inventory of industrial land based on current economic conditions.

Motion was made by Wimmer, seconded by Kennedy, to recommend to extending the deadline to construct an additional 15,000 square feet to July 11, 2012 and to execute an amendment to the agreement to the Isanti City Council. Motion carried unanimously.

5. Isanti County Economic Development Authority

Economic Development Director Sullivan presented the Staff memo. The County EDA requested the City policy boards give the County the top 3 items the EDA should focus on. Member Wimmer commented that the focus of the County EDA has been on typical manufacturing, industrial type projects not commercial/retail development which has been one of the goals of the City. The consensus of the EDA was that the Isanti County EDA should have a clear direction. The EDA discussed the following items and the Isanti County EDA role:

- 1) Regional (County) Industrial Rail Park
- 2) Serve as conduit for grant opportunities that the City isn't eligible for or serve as a co-applicant for funds.
- 3) Sponsor / host of regional meetings (i.e. business seminars, entrepreneurship programs, job fairs)
- 4) Assistance with construction of infrastructure with regional impact.
- 5) Consider levy and build a revolving loan fund that could assist with city projects.
- 6) Develop and administer Isanti County marketing program

- 7) Serve as clearing house for economic development inquiries and direct them to cities for action plan.
- 8) Develop a useful county economic development website.

The consensus of the EDA is to recommend the following to the Isanti City Council. No motion was made.

- 1) Recommend County EDA adhere to its original focus which was to facilitate the development of an industrial rail park.
- 2) If the County EDA determines that it would like to expand its role items 1,2,3,6 and 7 should be the focus.
- 3) If funding is to be utilized by the County EDA it should not be in the form of a County EDA levy. The funds should be reallocated from the County General fund levy and dedicated to the EDA.

6. Other Business / Updates

Economic Development Director Sullivan summarized the projects he was involved with:

- a. Termination of Tax Abatement Agreement for Larson Properties
- b. Encomm Midwest
- c. City Beautification Project
- d. Ever Cat Fuels MIF Loan Closeout
- e. 2010 Mayor's Employers Appreciation Luncheon (June 24, 2010)
- f. Rail Industrial Park – Update
- g. Hotel Group
- h. Isanti Research
- i. Downtown Planning
- j. GPS 45:93 Meeting

7. Adjournment

Kennedy motioned, seconded by Dragisich to adjourn at 7:45 p.m. Motion passed unanimously.

Dated at Isanti, Minnesota, this 25th day of May, 2010.

Respectively Submitted,

Sean M. Sullivan, Economic Development Director