

City of Isanti
Economic Development Authority
Regular Meeting Minutes of July 27, 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, Mayor George Wimmer and Larry Kuechle and Zachary Knutson (Youth Representative)

Members Absent: None

Staff Present: Economic Development Director Sean Sullivan, City Engineer Brad DeWolf

c. Agenda Modifications

Motion by Kennedy, second by Wimmer, to approve the agenda as presented. Motion carried unanimously.

2. Approve Minutes

Motion by Wimmer, second by Kennedy to approve the May 25, 2010 minutes as presented. Motion carried unanimously.

3. Industrial Rail Park Conceptual Layout

City Engineer Dewolf presented the memo prepared by Bolton and Menk explaining the concept plan and rationale for the configuration. City Engineer Dewolf identified the waste water treatment site as the area to be designated as the future industrial rail park. The park would consist of five 20 acre lots with a siding and four spurs.

Member Wimmer liked the simplicity and expandability of the park.

Chair Kuechle stated that this could potentially bring a lot of truck traffic to CSAH 5. Member Wimmer also stated that requiring truck traffic to utilize routes that would minimize impacts to the school would be part of his recommendation. City Engineer Dewolf stated that the preferred flow of traffic would be from Isanti Parkway to Cajima St and felt the impact on CSAH 5 would be minimal.

Positioning of the Stormwater ponds, potential mitigation of wetlands to maximize the site is the route that Bolton and Menk presented with the concept.

Chair Kuechle inquired as to who typically is responsible for the financing the construction of the spurs and siding. City Engineer Dewolf stated that this was typically done at the cost of the developer (City). He also stated that there are other grants and economic development dollars that were out there that could help reduce projects costs.

Member Dragisich asked if the park could be phased as development occurs. City Engineer Dewolf stated that the spurs could be phased but construction of the complete siding probably would be a requirement of BNSF for the initial spur.

Timing of the project was questioned. Member Wimmer stated that Ever Cat Fuels could potentially be a catalyst for this project and have expressed interest in having product brought in by rail for their process.

The consensus was that this project was moving along nicely and that the EDA wanted to be involved.

4. Attendance Status of Youth Representative

Member Wimmer stated that attendance and participation from the Youth Member, or any other member was important to the EDA. He also stated that it is a privilege to serve on the EDA.

Youth member Knutson explained and apologized for his two absences and that he is very dedicated to serving on this board and that he wants to be an active member. He acknowledged the procedure for an excused absence and assured the EDA that he would be in attendance in the future.

Chair Kuechle acknowledged the comments and asked that this matter be put to rest.

5. Utilization of Revolving Loan Fund

Economic Development Director Sullivan presented the Staff memo and the three recommendations to amend the revolving loan policy and criteria. The RLF committee recommendations included 1) extending the allowable term up to 15 years to match sources and uses of financing, 2) earmarking a percentage of the RLF fund balance for marketing the fund and the City of Isanti, and 3) increasing the maximum loan amount to \$50,000.

Member Dragisich stated that he felt the 15 year term was too long and that this would exhaust the fund too quickly. Member Wimmer stated that the request for the 15 year term was made by the RLF Committee to match sources and uses of funds. Economic Development Director Sullivan highlighted eligible expenses and that some of the eligible items typically had longer term financing than 5 years.

The EDA discussed the pros and cons of extending the term, the risk involved with the position of City money in the deal, maintaining a healthy fund balance and the impact of the amount of money that City was able to bring to a project.

Motion by Kennedy, second by Wimmer to recommend to City Council 1) extend the term up to 10 years, 2) to transfer 20% (approximately \$26,000) the eligible fund balance to marketing the RLF

fund and the City of Isanti, and 3) increasing the maximum loan amount to \$50,000. Motion carried unanimously.

6. Economic Development Initiatives

Economic Development Director Sullivan presented the Staff Memo. Staff divided the initiatives into internal and external items. Business retention, promotion of development incentives, cooperation with the Isanti Area Chamber were highlighted as internal strategies. Developing a marketing piece/program, marketing development incentives, direct marketing to contractors, brokers, banks, north metro businesses, were highlighted external strategies. He stated that identifying the workforce was an important component for marketing purposes and was working with area colleges to get this information. Cameron Macht from the State indicated to Economic Development Director Sullivan that some really good workforce data would be available from the 2010 Census in 2011. Economic Development Director Sullivan asked if the attached strategies reflected the direction of the EDA. Chair Kuechle responded in the affirmative and that he thought things were going well and that we needed to be prepared to handle inquiries as they surface.

7. Other Business / Updates

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

- a. Request for Assignment and Assumption Agreement Denial
- b. 250,000-300,000 Distribution Center Prospect
- c. Granger Machine Move to 512 First Avenue NW
- d. X-Caliper Engineering Move to 101 Isanti Parkway
- e. Ever Cat Fuels
- f. 2010 Mayor's Employers Appreciation Luncheon
- g. Hotel
- h. Business Retention Visits
- i. EDA Budget
- j. GPS 45:93 Meeting and Meeting Minutes
- k. County EDA Minutes
- l. 8th Congressional District Small Business Day
- m. Isanti Population Estimate
- n. Financial Assistance Award for Creation of Entrepreneurship Center Technology Business Incubator
- o. Initiative Foundation Thank you
- p. Northern Lights Express Update
- q. Upcoming Isanti Area Chamber Events
- r. Restaurant Prospect
- s. Discount Grocery Store Inquiry
- t. Review of Past Project Performance

Member Kennedy inquired about the possibility of getting a medical clinic. Economic Development Director Sullivan stated that he was working on this type of prospect and that the special TIF Dollars really could be an asset in getting a deal like this done.

8. Adjournment

Kennedy motioned, seconded by Dragisich to adjourn at 8:02 p.m. Motion passed unanimously.

Dated at Isanti, Minnesota, this 27th day of July, 2010.

Respectively Submitted,

Sean M. Sullivan, Economic Development Director