

**City of Isanti
Economic Development Authority
Regular Meeting Minutes of
August 27, 2013
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: Tara Hallberg, Larry Kuechle, Keith Dragisich, Dan Collison, Mayor George Wimmer

Members Absent: None

Staff Present: Economic Development Director Sean Sullivan

c. Agenda Modifications

Motion by Dragisich, Second by Hallberg to adopt the Agenda as presented. Motion carried unanimously

2. Approve Minutes of April 23, 2013 Regular Economic Development Meeting

Motion by Dragisich, second by Hallberg to approve the minutes for June 25, 2013. Motion carried unanimously.

3. Farmer's Market Street Dance Update

Sullivan presented the staff memo. Sullivan highlighted the fact that the market started later than anticipated and on a different day than originally planned. Reasons for moving the start time and day were due to the inability to get commitment from vendors for Saturday morning. Many vendors had committed to other local markets and we were unable to get canners, bedding plants and other produce vendors to commit to Isanti on Saturdays. The market has grown over the course of the summer and now has a steady core of vendors ranging from artisans to produce vendors. Staff is currently working on a survey to see what we can do better to get more vendors and hosting a year end vendor celebration. Staff has indicated that once the market closes, work will begin on securing vendors for next year and determining the dates of operation for the market next year. This will be based on securing vendors in advance of next year's market. Sullivan indicated that preliminary numbers appear to show that the event is close to cash flowing. Sullivan believes that it should be able to cash flow and potentially generate some funds so that it can eventually be self sustaining.

Final numbers will be communicated to the EDA when the season is complete. Sullivan acknowledged the hard work done by Summer Intern, Holly Buboltz and stated that she was a big part of the markets success. Continuing the internship will be a good way to assure that the market keeps momentum moving forward for next year.

Sullivan thanked the Isanti Chamber of Commerce and Jaysen Guthmueller for help on getting the Market up and running again.

Mayor Wimmer indicated that he thought re-establishment of market was a 3 year process. Based on what he has seen he feels that it has exceeded preliminary expectations and that it is closer to where he thought it would be at year 2.

Sullivan added that live entertainment has been added to the market over the course of the summer. Rick Buckingham and Ellie Perlberg have been providing free music entertainment over the summer and it has been well received.

Mayor Wimmer reiterated the challenges that market had in the beginning. He stated that all markets in Isanti were working together and that the Cambridge Market held at Riverside Market on Tuesdays and Thursdays had been taking their sign down on non-market days to avoid confusion with the Isanti Family Farmers Market. He also said that Holly and Sean had been doing a great job on this event. He indicated that Sullivan had thought of a way to recognize original vendors that had committed to the market in 2013 by waiving their membership fee in 2014.

Sullivan highlighted the challenges and successes of the 2 street dances in 2013. The Killer Hayseed Dance was held on July 27 and it was a very cold, damp July day. 200-400 people came to the event. At 10:50 the transformer blew and the show stopped abruptly. The band played some acoustic tunes for awhile to complete the show. Those in attendance had a good time. Set-up for event was adequate and state worked out very well. Some complaints were communicated to the City. The date of the event was in conflict with the Isanti and Anoka County Fairs. One noise complaint was also received. Staff has communicated to various parties that the City had locked in the July 27th date in order to secure a "well known" band and wanted to have success at its first event. Had it been able to change dates it would have but this band was only available that day. For future events the City will try to coordinate with other events to increase the success of all involved. Staff stayed onsite until the transformer was fixed the evening of the event at 12:30 PM. The transformer failure resulted in all the downtown lights going out and power to the band and local cable being temporarily down. A 15 Kv transformer was installed and Connexus has verified that it should be sufficient for future downtown events. Connexus reserves the right to upsize this transformer if the amount of electricity increases. Sullivan thanks all involved for their work on the event.

Boogie Wonderland performed on August 24 on a warm and windy evening. The event followed the Rum River Rods Car Show Finale and was well received by all. Estimates of nearly 1000 people in attendance were provided by various sources. All vendors were happy with amount of sales they made. The way this event turned out was what staff had hoped for in a community street dance. The new transformer proved to be sufficient for all vendors and the band and the event did not have any major problems.

Mayor Wimmer indicated that he wanted to have 3 street dances in 2014. He also indicated that discussions with Council Member Larson led to the conclusion that events like street dances were a great way to build community and had the opportunity for better showing that National Night out.

Member Dragisich heard a lot of positive things about the event and he was glad “we took a chance” and that we should continue to do it. He asked if there was synergy between the car show and the street dance.

Member Collison indicated that the people at the car show wished the event were closer together and would try to make it happen if the events were together again.

Consensus from EDA was that the event was very successful and that they had received a lot of very positive comments. Planning for street dances in 2014 is something that should continue.

No action was taken but the EDA consensus was the market was a positive thing and that it should be continued next year.

4. Consider Re-establishment of Downtown Committee

Economic Development Director Sullivan presented the Staff Memo. Sullivan outlined the history of the establishment of the original downtown committee until its dissolution in early 2012. Staff indicated that a few downtown businesses indicated a willingness to meet again and be a bigger part of the downtown events and downtown in general. Sullivan asked the EDA for input as to the willingness to re-establish the committee and to determine if the frequency of meetings should be changed, or if other areas of town should be included in the meetings.

Discussion ensued.

Chamber President Neifert indicated that we should try to include all businesses in the meetings. If we separate downtown from the rest of the city it could be counterproductive. We should try to focus on all of Isanti and building the community; not just downtown.

Mayor Wimmer indicated that he thought that there were distinct differences between Historic Downtown Isanti and that he would like to focus on downtown first to see if we can build on successes of the Farmers Market and Street Dances.

Member Dragisich made recommendation to recreate the downtown committee on a quarterly basis. Member Collison asked if we could also set up meetings for Heritage as well. Chair Kuechle recommended that we just start with one group. Mayor Wimmer indicated that other non-downtown businesses should be welcome to attend. Mayor Wimmer seconded the Dragisich recommendation. Motion passed unanimously.

5. Consider Policy Regarding Acquisition of Land for Sale in Downtown Corridor

Economic Development Director Sullivan presented the staff memo highlighting the decision by the City Council and the EDA to define the Downtown Corridor and the direction given to Economic

Development Director as to entertaining property acquisitions within the corridor. Sullivan asked for input from the EDA regarding the potential acquisition on properties.

Chari Kuechle indicated that he did not think the City should be picking up and managing more properties. He thought that the City would be held to a higher standard as to maintenance. He would like to focus acquisitions in a targeted area to amass a larger contiguous area for redevelopment.

Collison indicated that the City should consider buying vacant properties for potential parking and hold for redevelopment.

Mayor Wimmer stated that all acquisitions should be able to cash flow and be priced reasonably. He thought that this area will take a long period of time to redevelop but that if it is the future interest of the city we should start acquiring now. A decision needs to be made if the City believes that the Downtown loop is a viable redevelopment area. He also stated that the city has high rental standards and we would be held to the same standards as everyone else.

Member Dragisich indicated that he was not in favor of buying random properties in the downtown loop and like a coordinated approach.

Member Collison stated if the council is committed to redeveloping the area we need to start acquisitions now.

Sullivan asked if targeting an area within the corridor would be a good idea.

Mayor Wimmer indicated that sometimes having city ownership of property can expedite a deal occurring. He cited the Isanti Retail Meats example. He indicated that there is certainly a philosophical question as to how much the City should be involved in development and he does not take it lightly. All deals need to cash flow or be a part of something that cash flows.

Sullivan indicated that it would be a good strategy to go after the properties that can be held for a long duration of time and will not need significant improvements or maintenance. They are more apt to cash flow. The rental business is risky and we have been very fortunate with our current renter. Our current rental policy has a lot of safeguards in it to assure we get good renters and we minimize the risk. He agreed that a proven economic development strategy is to acquire and package properties as part of a larger development. He was not averse to picking up properties there were not contiguous if they were of good quality and would be a positive addition to the portfolio. They must be from willing sellers (not willing to propose using eminent domain).

Member Dragisich wanted to know how much we paid for 236 Broadway St SE.

Sullivan indicated it was about a net \$65,000 and that the property was cash flowing nicely. He also stated that he currently had the capacity to take on a few more rental properties assuming that they were low maintenance and they had good renters.

The EDA discussed the possibility of having a management company a large number of properties were acquired and held for a significant period of time. It was explained that EDA's have the authority to hold and manage land. Discussion on how properties can be discussed and how certain items need to be done in closed session we communicated to the EDA.

Member Dragisich stated the current rental property has an approximately 10 year payoff based on current rental and property tax rates.

Mayor Wimmer and Member Dragisich agreed that a 10 year payoff and the current rate of return was good in this economic environment.

Mayor Wimmer reiterated that the City Council defined the downtown loop as an area of focus for redevelopment.

The tape recorder ran out of time. New CD inserted.

Mayor Wimmer outline different options on how a property acquisition could be handled. EDA tracks, DAC/Council Tracks, or exclusive City Council Tracks could be used. He indicated that he liked the DAC/City Council Track has worked well. He indicated that there was certainly some informal discussions at the council level regarding how the EDA should be operated and staffed in the future.

Member Dragisich asked if a member of the EDA could be on the DAC committee.

Mayor Wimmer explained the committee system and how it was set up to avoid “daisy chains” and that he was on DAC and he was and EDA member.

Discussion ensued regarding what role the EDA wanted to play in the acquisition process.

There was no clear consensus as different members had different viewpoints as to the level of involvement.

Mayor Wimmer stated that if the EDA took a more active role there would need to be significant changes to how the budget is changed and allocated. He state that he had no idea as to willingness of the City Council to move all these activities to the EDA.

Sullivan said steps could be taken incrementally to transfer the property portfolio to the EDA. The City Council could acquire 3-4 properties and a performing portfolio and transfer those assets to the EDA to manage.

Mayor Wimmer stated that the recent creation of the Park and Culture board was an example of a department that would be having its own budget in the future and be acting more independently to carry on the duties of that board.

Member Dragisich indicated that the frequency of the meetings makes it difficult to act quickly and efficiently. He indicated he would be willing to meet more if necessary.

Chair Kuechle requested a map of the area we would be looking at to acquire properties. Chair Kuechle offered to meet with Economic Development Director Sullivan to look at specific areas to target.

Consensus was that if Economic Development Director Sullivan finds properties that would cash flow and have minimal maintenance costs he should bring them before the EDA for a recommendation if they are within the defined Downtown Loop corridor.

6. Other Business / Updates / Communications

Economic Development Director Sullivan highlighted the Staff Memo.

- a. Business Prospects
- b. Final Lift of Bituminous Work Complete at 101 Isanti Parkway
- c. X Caliper Engineering
- d. TIF Management Plan Update
- e. GPS 45:93
- f. DEED Rolls out 2013-2014 Economic Development Toolbox
- g. Isanti County
- h. Isanti Area Chamber of Commerce
- i. Minnesota Manufacturers Week October 20-26
- j. 2013 Business Arrivals and Departures in Isanti

7. Adjournment

Motion Member Dragisich, second by Member Hallberg to adjourn at 8:45 pm. Motion carried unanimously.

Dated at Isanti, Minnesota, this 28th day of August 2013.

Respectively Submitted,

Sean M. Sullivan, Economic Development Director