

**City of Isanti
Economic Development Authority
Regular Meeting Minutes of
September 5, 2017
Isanti City Hall**

1. Call To Order

The meeting was called to order by President Wimmer at 7:35 p.m.

a. Pledge of Allegiance

b. Roll Call

Commissioners Present: Dan Collison, Ross Lorinser, Paul Bergley, George Wimmer, Tara Hallberg and Steve Lundeen

Commissioners Absent: None

Staff Present: Economic Development Director Sean Sullivan

c. Agenda Modifications

Motion by Collison, Second by Lorinser to add Item 7. Authorization to Direct City Attorney to Make Formal Written Information Request to Isanti County for all Documents Relating to Gas Station Abatement at Corner of State Hwy 65 and Main St in Cambridge, MN (Main and 65 LLC). Other Business/ Updates / Communication to be renumbered 8. And Adjournment to be renumbered as 9 and adopt the amended Agenda. Motion passed unanimously.

2. Approve Minutes of August 2, 2017 Regular Economic Development Meeting

Motion by Bergley second by Lundeen to approve the minutes as presented for August 2, 2017. Motion carried unanimously.

3. Public Hearing: Consider Resolution Establishing Economic Development District No. 1

Economic Development Director Sullivan highlighted the staff memo highlighting the reasons for establishing an Economic Development District in the City of Isanti. This action is part of a legal process to allow the EDA to use full power under both the EDA and HRA Statutes. The 60 unit Best Western Plus Hotel project will be located within the proposed Economic Development District No. 1 as outlined within the attached resolution. This action is a required step to allow the use of Revenue Bonds if needed for project financing. It also identifies a specific geographic area for the project area.

President Wimmer opened the public hearing.

No public comment was received.

President Wimmer closed the public hearing

Motion by Lundeen, second by Bergley to Adopt EDA Resolution 2017-3 Establishing Economic Development District No. 1. Motion passed unanimously.

4. Public Hearing: Consider Granting of a Business Subsidy to Isanti Hotel Partners, LLC

Economic Development Director Sullivan highlighted the staff memo highlighting President Wimmer and Economic Development Director Sullivan work with the Developer, Legal Counsel, Financial Advisors and a Financial Institution to put together a hotel deal in Isanti. One method of financing for the project involves the issuance of Revenue Bonds by the EDA. The EDA is proposing to issue revenue bonds in an amount not to exceed \$2,100,000 and loan the net proceeds of the bonds to Isanti Hotel Partners, LLC for the construction of a hotel. This proposed action is considered a business subsidy and requires a public hearing.

President Wimmer noted that if this financing is utilized it would simply be a pass through loan that would result in the Developer making payment directly to the bank. He said the payment structure was similar to the Industrial Revenue Bond that were issued for the Ice Arena in Isanti.

President Wimmer opened the public hearing.

Garen Engquist, 16 Nina Court SW, Isanti MN 55040 provided public comment. Mr. Engquist asked for clarification on the Tax Abatement and proposed issuance of Revenue Bonds.

President Wimmer explained that the City would be reimbursing City of Isanti taxes paid by the developer according the following schedule: 2020-50%, 2021-50%, 2022-50%, 2023- 50%, 2024-50%, 2025-40%, 2026-30%, 2027-20%, 2028-10%. If the EDA utilize Revenue Bonds the Developer is essentially borrowing the money in the name of the EDA/City. The Developer is responsible for guaranteeing that the debt gets paid and makes the payment to the bank. The EDA/City is not giving this money to the developer, it's a pass through loan.

Mr. Enquist thanked President Wimmer for the explanation

President Wimmer asked if there was any additional public comment.

No additional public comment was received.

President Wimmer closed the public hearing.

No action was taken on this item at this time.

5. Consider Adoption of EDA Resolution 2017-4 Approving Redevelopment Project Area and Redevelopment Plan

Economic Development Director Sullivan highlighted the staff memo. The City Development Team has been actively negotiating with Isanti Hotel Partners, LLC to bring a 60 unit Best Western Plus Hotel

to the City of Isanti. Part of this process involves defining a planned area of redevelopment centered around the Hotel project. This project is critical for the growth of Isanti and the redevelopment of parcels in this immediate area. The attached Redevelopment Plan and Area attached to the resolution that is required to be adopted by the City of Isanti EDA.

Motion by Lorinser, second by Collison to Adopt EDA Resolution 2017-4 Approving Redevelopment Project Area and Redevelopment Plan. Motion passed unanimously.

6. Consider Adoption of Resolution 2017-5 Authorizing the Funding and Execution of the Municipal Advisory Service Agreement between the City of Isanti EDA and Northland Securities, Inc.

Motion by Lorinser, second by Bergley to Adopt EDA Resolution 2017-5 Authorizing the Funding and Execution of the Municipal Advisory Service Agreement between the City of Isanti EDA and Northland Securities, Inc. Motion passed unanimously.

7. Authorization to City Attorney to Make Formal Written Information Request to Isanti County for all Documents Relating to Gas Station Abatement at Corner of State Hwy 65 and Main St in Cambridge, MN (Main and 65 LLC)

President Wimmer asked the EDA for action to direct City Attorney Joslin to formally make written request for all documents and public information in regards to the Cambridge.

Motion by Bergley, second by Collison to Authorize City Attorney to Make Formal Written Information Request to Isanti County for all Documents Relating to Gas Station Abatement at Corner of State Hwy 65 and Main St in Cambridge, MN (Main and 65 LLC). Motion carried unanimously.

8. Other Business / Updates

Economic Development Director Sullivan thanked Economic Development Intern Gilyard for his efforts during his internship.

President Wimmer also expressed the fact the he did whatever asked of him and the work product was great.

Sullivan stated 67 single housing permits have been pulled and 1 more is waiting to be picked up. This is well ahead of the pace set last year.

Commissioner Lorinser asked where we were at this time last year.

Sullivan didn't know of hand but stated he would forward that information out to the EDA.

- a. Business Prospects
- b. City Promotional Bag Update
- c. Marketing Materials
- d. EDAM – Summer Conference
- e. GPS 45:93

- f. Housing Starts in 2017
- g. Business Arrivals and Departures in Isanti 2017

9. Adjournment

Lundeen motioned, seconded by Bergley to adjourn at 7:47pm. Motion carried unanimously.

Dated at Isanti, Minnesota, this 5th day of September, 2017.

Respectively Submitted,

Sean M. Sullivan, Economic Development Director