

**MINUTES
CITY OF LONSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MARCH 15, 2012**

1. CALL TO ORDER

President Lieske called the meeting to order at 7:00 am in the City Council Chambers at 415 Central St. W.

MEMBERS PRESENT:

Furrer, Dietz, Duban, Lieske, Kuchinka and Daleiden

MEMBERS ABSENT:

Pierskalla

STAFF PRESENT:

Joel Erickson, City Administrator

OTHERS PRESENT:

Tim Rud, Mayor and Deanna Kuennen, Rice County Economic Development Director

2. AGENDA

Lieske asked if there were any additions or deletions to the agenda. A motion was made by Furrer and seconded by Duban to approve the agenda. Vote for: Furrer, Dietz, Duban, Lieske, Kuchinka and Daleiden. Against: None Vote 6-0. Motion carried.

**3. APPROVAL OF THE MINUTES FROM THE FEBRUARY 16, 2012
REGULAR MEETING**

Lieske asked if there were any additions or deletions to the minutes. A motion was made by Duban and seconded by Kuchinka to approve the minutes of the February 16, 2012 regular meeting. Vote for: Furrer, Dietz, Duban, Lieske, Kuchinka and Daleiden. Against: None Vote 6-0. Motion carried.

4. TREASURER'S REPORT

a. Consider Approval of the Treasurer's Reports From February 2012

Erickson said February had a beginning balance of \$238,636.21, revenues of \$1,386.89 and expenses of \$645.11 for an ending balance of \$239,377.99. He said there were two legal bills in the amount of \$537.83 and 53.40 for approval pertaining to Heritage Heating & Air and review of the EDA's proposed Revolving Loan Fund Policy. Furrer asked if Children's Learning and Adventure Center provided the City with checks for the entire year. Erickson replied yes and for in February two payments were made. A motion was made by Furrer and seconded by Duban to approve the February 2012 Treasurer Report. Vote for:

Furrer, Dietz, Duban, Lieske, Kuchinka and Daleiden. Against: None Vote 6-0.
Motion carried.

5. OLD BUSINESS

- a. Update on Lonsdale EDA Sign Adjacent to I-35
Erickson said he spoke to both contractors for the sign and both have agreed to honor their prices as originally quoted. He said before the next meeting, he will contact the property owner where the sign will be located and get the lease agreement signed and provide the agreement to Rice County for final approval.
- b. Update on the Conciliation Court Hearing With Heritage Heating & Air
Erickson said a court hearing was held on February 24, 2012 and the Judge approved the judgment against Heritage Heating & Air and took the requested judgment against Lead Edge Air under advisement. He said the City should receive the final decision before the next meeting. He said based on the Judge's comments and discussion with the City Attorney, it was unlikely the judgment against Leading Edge Air would be approved.
- c. Review of Revolving Loan Fund Policy
Erickson said the Board reviewed the current policy and made recommended changes at the last meeting. The Board discussed the required securities and agreed the EDA should be in either first or second position and require both a personal and corporate guarantee. Furrer said the Board should require two forms of security for the loan. Furrer asked when and why the City Council will make the final decision on a loan. Erickson said technically, the City Council does not need to approve or deny a loan request and he drafted the proposed policy based on current practices. Duban said the applicant needs to come to the Board and present their request and be able to answer questions of the Board prior to approval of their loan request. Daleiden agreed that the Board needs to be in a much more conservative position in the future and based on the proposed language, the Board will be in a better position than in the past. The Board said that "sweat equity" as equity will not be considered and needs to be added to the proposed policy. A motion was made by Furrer and seconded by Duban to schedule a public hearing on proposed Ordinance 2012-250 for April 19, 2012 at 7:00 am or shortly thereafter. Vote for: Furrer, Dietz, Duban, Lieske, Kuchinka and Daleiden. Against: None Vote 6-0. Motion carried.
- d. Update on Meetings with Steele Waseca Electric Cooperative on Business Park
Erickson informed the Board that Mayor Rud and himself have had several meetings with Steele Waseca Cooperative Electric (SWCE) and all meetings have been positive. Mayor Rud said the purpose of the meetings has been to pursue the possibility of SWEC purchasing the land on the eastside of town zoned as Commercial/Industrial. He said with SWCE purchasing the land, it will eliminate a developer and the need for them to make a profit on the sale of the land, which will result in a lower land cost for potential businesses. The Board held general discussion on the possibility of SWCE purchasing the property. Duban asked

what types of businesses would locate to the property. Mayor Rud said given the location and the fact that Highway 19 is a 10 ton road, it would be ideal for distribution.

Mayor Rud also informed the Board that he received a phone call from Midwest Cryogenics about purchasing a City lot in the current industrial park. He asked the Board for comments on land price and if the land should be sold. The Board agreed the land should be sold at a price as close as possible to what other property was sold for in the past to retain a prosperous business in town. Erickson said he spoke to Jim Winkels of Amcon Construction regarding the agreement between them and the City. He said Winkels agreed the City should sell the property and they would not stand in the way of the sale.

6. NEW BUSINESS

a. Presentation of Rice County Labor Market Review – Deanna Kuennen, Rice County Economic Development Director

Deanna Kuennen, the Rice County Economic Development Director was present to review and answer questions pertaining to the recently completed Labor Market Review of Rice County. She said she has heard from local companies that they are having a hard time finding the required labor force, which has been contrary to labor statistics provided by the Minnesota Department of Employment and Economic Development (DEED). Kuennen reviewed important information provided in the study such as Rice County's effective labor markets, how cities in Rice County compare to Lakeville and Owatonna, what typical wages will have to be paid by businesses in Rice County and how to align Rice County's labor force with growth industries. The Board held general discussion on various statistics from the study.

b. Discuss Park Improvements to the Property Located at 127 Main St. N.

Erickson informed the Board that in December of 2011, Tim and Debbie Rud donated their property located at 127 Main St. N. to the City for a park or if the land is sold for economic development purposes, the proceeds of the sale are to be dedicated to the Parks Department. He suggested to the Board that they take the initiative and begin planning for the park, which would become an asset to Main Street, improve the lot and provide another incentive for people to visit Main Street. Erickson provided a draft of what the park could look like and possible amenities. The Board reviewed the draft plan and agreed it was a good starting point. He said the Park Board does not have the funds to develop the park and suggested the EDA provide funding to get the park developed. The Board held general discussion on the amenities that should be provided and landscaping ideas. The Board also discussed the amount of funding they should provide. Duban asked if the funds the EDA provides would be returned if the lot is sold after the park is developed. Erickson replied probably not. Daleiden said if the lot is turned into a park, it is unlikely a business will ever buy the lot. A motion was made by Daleiden and seconded by Duban to provide \$10,000.00 to develop the park.

Vote for: Furrer, Dietz, Duban, Lieske, Kuchinka and Daleiden. Against: None
Vote 6-0. Motion carried.

7. OTHER BUSINESS

a. Additional Items to be Discussed
None

b. Items for the April 2012 Agenda
No items were requested to be placed on the April 2012 agenda.

8. ADJOURNMENT

A motion was made by Daleiden and seconded by Duban to adjourn the meeting at 8:55 am. Vote for: Furrer, Dietz, Duban, Lieske, Kuchinka and Daleiden. Against: None Vote 6-0. Motion carried.

Respectfully Submitted:

Joel A. Erickson, City Administrator