

**MINUTES  
CITY OF LONSDALE  
ECONOMIC DEVELOPMENT AUTHORITY  
APRIL 21, 2011**

**1. CALL TO ORDER**

President Lieske called the meeting to order at 7:04 am in the City Council Chambers at 415 Central St. W.

**MEMBERS PRESENT:**

Furrer, Lieske, Kuchinka, Dietz, Pierskalla and Daleiden

**MEMBERS ABSENT:**

Duban

**STAFF PRESENT:**

Joel Erickson, City Administrator

**OTHERS PRESENT:**

None

**2. AGENDA**

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

**3. APPROVAL OF THE MINUTES FROM THE MARCH 17, 2011 REGULAR MEETING**

Lieske asked if there were any additions or deletions to the minutes. A motion was made by Dietz and seconded by Kuchinka to approve the minutes of the March 17, 2011 regular meeting. Vote for: Furrer, Lieske, Dietz, Kuchinka, Pierskalla and Daleiden. Against: None Vote 6-0. Motion carried.

**4. TREASURER'S REPORT**

Erickson said the March 2011 Treasurer's Report was included in the packet for approval. He said March had a beginning balance of \$230,770.96, revenues of \$636.35 and expenses of \$285.80 for an ending balance of \$231,121.51. Erickson said there are two invoices for approval in the amount of \$183.40, which represents legal expenses pertaining to the Heritage Heating & Air loan for the month of March. Furrer asked what the status of the Children's Learning and Adventure Center (CLAC) loan payments is. Erickson said CLAC is paid through December 2010 but has not made any payments in 2011. The Board discussed the fact that CLAC has not made a payment in 2011 on either or their loans and directed staff to send CLAC a letter stating the payments needed to be made current or payment arrangements set up to get the loan current. The Board requested staff add this item to the May 2011

meeting agenda for discussion and follow up. A motion was made by Furrer and seconded by Kuchinka to approve the March 2011 Treasurer's Report and the legal invoices in the amount of \$183.40. Vote for: Furrer, Lieske, Dietz, Kuchinka, Pierskalla and Daleiden. Against: None Vote 6-0. Motion carried.

## **5. OLD BUSINESS**

### **a. Update on Lonsdale Sign Adjacent to I-35**

Erickson said the Webster Township Board reviewed the item at their April 14, 2011 meeting. He said he has not heard what the Board decided regarding the sign. Erickson said he spoke to the Webster Township Clerk and was told there were no foreseeable issues with the sign. Erickson said he met with Judy Pumper regarding the lease and Pumper agreed to the lease with an annual lease payment of \$1,800.00. Furrer asked if staff had spoken to the suppliers of the sign and pole. Erickson said he had spoken to them and their proposals remained unchanged. Furrer stated the power company had cut all of the trees underneath the power line where the sign is proposed to be located.

### **b. Update on Proposed Industrial Building**

Erickson said he has received one proposal and is waiting on the second proposal to be submitted. He said Mayor Rud and himself met with State Senator Al DeKruif regarding funding for an industrial park and/or industrial building to spur the local economy in Lonsdale. Erickson said at the last CVN session, he was made aware of the fact that MN DEED still has \$3,000,000.00 in infrastructure funding still available to provide grants. Erickson said he would be submitting a grant application with the inclusion of an industrial building.

### **c. Update on Heritage Heating & Air Loan**

Erickson said Heritage Heating & Air has filed bankruptcy and reviewed the letter received from the court. He said he has spoken to the City Attorney regarding this item and the recommended course of action is to work with the building contract for deed holder, Pints to obtain an equity share in the building equal to the remaining balance of the loan given to Heritage Heating & Air. Furrer asked if the remaining balance could be placed as a special assessment against the property. Erickson said he did not believe so but said he would look into it. Erickson said maybe the Board should look at requiring a letter of credit and reduce the interest rate charged by the EDA for a loan to allow for the applicant to pay an annual fee for the letter of credit. Daleiden said having the company receiving the loan post a bond is an option as well. The Board directed Erickson to continue to work with Pints and Moe to reach an agreement to get the remaining balance owed by Heritage Heating & Air paid to the EDA.

## **6. NEW BUSINESS**

### **a. Review of EDA Promotional Inserts**

Erickson said with some Census data available, the Board should review the brochures for updates. He said he would take a new picture of the Industrial Park sign because staff painted it and the US Office Furniture building because there are

three tenants in the building. Furrer said a picture should be taken of the welcome sign. The Board agreed with Furrer and the consensus was to replace the picture of Main St. with the welcome sign picture.

b. Review of Community Venture Network (CVN) Session

Erickson said the last session of CVN was held Friday, April 15, 2011. He said there was a wide range of business that presented. He said the two companies that stood out were B & F Fastener Supply and CRICKiT. He asked the Board if they were interested in any other business. Erickson said he would inform Rice County the EDA was interested in those two companies.

c. Consider Approval of the 2011 Community Venture Network (CVN) Protocol Agreement

Erickson said with Rice County being the paying member of CVN, there is protocol in place to highlight all of Rice County and not individual cities until the cities have been short listed by the respective company. He said the current process is for cities to inform Rice County which businesses they are interested in and Rice County will prepare a packet for each business a city is interested in. After that, the businesses tell Rice County which cities they have shortlisted as a possible location for their business. Once a city is shortlisted, all communications are turned over directly to the city and Rice County then plays a supporting role. Erickson said the process seems to work well. The Board discussed becoming a paying member separate from Rice County. Erickson said he would contact Justin Erickson with CVN for the cost of two seats at CVN. A motion was made by Pierskalla and seconded by Daleiden to approve the CVN Protocol Agreement with Rice County. Vote for: Furrer, Lieske, Dietz, Kuchinka, Pierskalla and Daleiden. Against: None Vote 6-0. Motion carried.

**7. OTHER BUSINESS:**

a. Business Visits –Businesses on Main St. N.

Erickson said Center Stage Dance cancelled their business visit and he contact Lonsdale Oil but they were not interested in having a business visit. He said he contacted Lonsdale Auto but the scheduling did not work. He said with Devin Reyes recently starting at the Chamber of Commerce, he said the only business visit it to meet at the Chamber and meet Devin Reyes.

**8. ADJOURNMENT:**

A motion was made by Daleiden and seconded by Kuchinka to adjourn the meeting at 8:25 am. Vote for: Furrer, Dietz, Lieske, Kuchinka, Pierskalla and Daleiden. Against: None Vote 6-0. Motion carried.

Respectfully Submitted:

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Joel A. Erickson, City Administrator