

**MINUTES
CITY OF LONSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AUGUST 18, 2011**

1. CALL TO ORDER

President Lieske called the meeting to order at 7:05 am in the City Council Chambers at 415 Central St. W.

MEMBERS PRESENT:

Furrer, Duban, Lieske, Kuchinka, Daleiden and Pierskalla

MEMBERS ABSENT:

Dietz

STAFF PRESENT:

Joel Erickson, City Administrator

OTHERS PRESENT:

John Duban

2. AGENDA

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

3. APPROVAL OF THE MINUTES FROM THE JULY 21, 2011 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 July 21, 2011 regular meeting. Vote for: Furrer, Duban, Lieske, Kuchinka, Daleiden and Pierskalla. Against: None Vote 6-0. Motion carried.

4. TREASURER'S REPORT

Erickson said July had a beginning balance of \$234,733.19, revenues of \$831.62, which were loan payments and expenses of \$0.00 for an ending balance of \$235,564.81. A motion was made by Daleiden and seconded by Duban to approve the July 2011 Treasurer's Report. There were no monthly bills for consideration. Vote for: Furrer, Duban, Lieske, Kuchinka, Daleiden and Pierskalla. Against: None Vote 6-0. Motion carried.

5. OLD BUSINESS

a. Update on Lonsdale Sign Adjacent to I-35

Erickson said he spoke to both Rice County and MnDoT regarding the installation of the sign adjacent to I-35. He said his conversation with MnDoT focused on the

location of the sign and the fact that it needs to be located on private property for their approval and that MnDoT has approval authority through Federal Legislation. He said he has requested the sign permit for the Northfield sign south of County Road 1 from Rice County. Erickson said he will continue to work with the two agencies to get approval of the necessary permits for the sign.

b. Review of CVN Session

Erickson reviewed the CVN session and said most businesses were looking for large amounts of capital to get running or to expand but there were several businesses that seemed to be a fit for Lonsdale. He said he would send the names of the businesses to Deanna Kuennen, Economic Development Director for Rice County to be forwarded to CVN to get a conference call set up.

c. Update on Small Cities Development Program Grant Application

Erickson said he spoke to Steve Moline of Pettipiece & Associates and was told that letters have been sent to residents on the last waiting list. He said there have been five applications returned and one of those applicants will be having an inspection of their home done for possible work to be completed. Erickson said the project could begin as early as October 1, 2011. He said the supplemental application was submitted for residential projects only because the benchmark for commercial project spending was not achieved during the first round of the grant.

d. Discuss the EDA's 2012 Proposed Budget

Erickson said the City Council would not be providing the EDA funding from the property tax levy on 2012, given their current fund balance. Furrer asked if the proceeds of the lot sales in the industrial park went to the EDA. Erickson said two of the lot sales went to the EDA. Kuchinka said the EDA does not have any projects planned for 2012. The consensus of the Board was not to ask again for funding. The Board said they hoped if they needed financial assistance to complete a project, the City Council would provide the necessary assistance.

6. NEW BUSINESS

a. Review of Marketing Materials with Amcon Construction

Erickson said he contacted Amcon regarding the recent CVN session for their feedback on businesses they are interested in. Erickson reviewed the meeting with AMCON/ADVANCE and City Councilmember Furrer regarding the marketing materials and the project in general. Furrer said that Mike Mulrooney seems to know what he is talking about and has many contacts in the financial industry. Erickson said that Mulrooney would be the person in charge of financing and Winkels would be in charge of marketing the site to businesses and brokers. The Board said the brochures look good.

b. Update on Site Visit with Aeroponic Farming Company

Erickson said he met with Rice County, the State and an aeroponic farming business interested in locating in Rice County. He said they discussed the business's needs and toured the current industrial park and the future business park

on the east side of town. He said in the end, he found out that timing due to construction of a building was not the issue, rather the owners did not want to have to manage the construction of a building at the same time as getting their business up and running. He said he was told the company has decided to locate in an existing building in Faribault.

c. Consider Approval to Contribute to the Rice County Small Business Development Center in 2012

Erickson said the Rice County Small Business Development Center has requested a financial contribution in 2012. He said the EDA has contributed each of the last two years. Erickson said the request was for \$1,000.00 but he recommended \$500.00. Kuchinka asked if any businesses from Lonsdale received assistance. Erickson said yes and a local business owner was on the Board. Duban asked if there was a charge for the services or if they were free. Erickson said there is no charge for services. A motion was made by Duban and seconded by Kuchinka to approve contributing \$500.00 to the Rice County Small Business Development Center. Vote for: Furrer, Duban, Lieske, Kuchinka, Daleiden and Pierskalla. Against: None Vote 6-0. Motion carried.

d. Discuss Revolving Loan Fund Application submitted by Children's Learning and Adventure Center and Consider Approval to Schedule a Special Meeting to Consider the Application

Erickson said that Children's Learning and Adventure Center has submitted an Revolving Loan Fund (RLF) application for the purchase of an existing building in Lonsdale. He said the requested amount is \$120,000.00. He said the application was submitted last week and asked if the EDA would consider a special meeting in two weeks to consider the application. The Board discussed the loan request and the consensus was to not schedule a special meeting and to take the necessary time to review the application. Duban asked what would be given as collateral for the loan. Erickson said the EDA would record the loan/mortgage against the property.

e. Tour Flower Plant Pots and Select Winner

Erickson said with business owners taking care of the flower pots this year, the EDA needs to select a winner. The Board reviewed each of the planters and selected Lonsdale Country Market as the winner and Five Star Embroidery as given honorable mention. Board members commented on the fact that it was nice to see businesses plant and maintain the planters.

7. OTHER BUSINESS

a. Business Visits – To be Determined

Erickson asked the Board if they wanted to continue with the business visits or see if the Lonsdale Area Chamber of Commerce is interested in taking the lead in coordinating the visits. He said the Chamber does do a business visit that focuses on what the business is looking for from the Chamber. The Board agreed the Chamber should coordinate the business visits but the City/EDA should be represented at the visit.

8. ADJOURNMENT

A motion was made by Furrer and seconded by Duban to adjourn the meeting at 8:08 am. Vote for: Furrer, Duban, Lieske, Kuchinka, Daleiden and Pierskalla. Against: None Vote 6-0. Motion carried.

Respectfully Submitted:

Joel A. Erickson, City Administrator