

**THE REGULAR MEETING OF THE EDA BOARD HELD ON FEBRUARY 15, 2007,
AT 6:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS**

Paul Whitcomb called the EDA Board Meeting to order at 6:00 P.M. Members present were Ken Haskamp, Sarah Lund, Thom Walker, Victoria Hallin, Ben Hanson, and Charles Snustead. Staff present were Jay Blake and Mary Lou DeWitt.

Don King had submitted a written resignation from the EDA Board. His term expires 12-31-2011. Charles Snustead's term expired 12-31-06, and interviewed with the City Council to be reappointed. Ben Hanson had been appointed. With King's resignation, the City contacted Snustead to see if he would like to be reappointed.

OATH OF OFFICE:

Charles Snustead took the Oath of Office.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON JANUARY 9, 2007

HALLIN MOVED, SECOND BY WALKER TO APPROVE THE MINUTES OF JANUARY 9, 2007. UPON THE VOTE, THERE WERE 7AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUINESS: None

NEW BUSINESS:

A. BR & E Presentation – Liz Templin, U of M Extension Service

Blake introduced Liz Templin, Regional Extension Educator, which is an outreach arm of the University of Minnesota Extension Service. Templin spoke on business retention. She is currently doing a program in Mora and had just completed a program in Pine City. The City of Forest Lake and Forest Lake Township had issues with annexation and she worked with people from the community. Templin spoke that there are key decision makers in the community and she works with them on the program. They work with surveys and make sure a neutral party is taking the information. They then share the information with the U of M and the U of M makes suggestions what the City can do to help with economic development. She spoke of using the website for business use and how it makes connections and sales. She spoke on the concern of industrial capacity and how two connecting cities had shared their water and sewer expansions to solve the capacity problems.

Blake asked how do you structure needs for different cities.

Templin said the local community gathers the questions that pertain to the local businesses. The results from the survey tell you the needs of the community. There will be a number of options that are possibilities of what the community needs and the community picks a few of what is most important. There is a time frame and cost package. The full program is \$12,000. A consult would work with the city and be at each meeting to train, coach, and follow-up. You can pick pieces of the program and they write a report. That one is \$4000. The survey takes a half hour to complete at the beginning of the program and a half hour at the end where they evaluate from the survey needs. They could also train Blake to run the program himself. There is also an

online course where you learn to take the data, interpret the data, and understand the usage. Time frame is about three to four months. This includes organizing the volunteers and instructing them.

Walker asked how you decide who the key industries are. Is it the largest employer.

Templin said that is the most important decision to make. There are industry clusters that relate to each other in the same kind of industry with a strong workforce. You should look at where there are more industries than population and where the major employer is. Some cities look at just manufacturing.

Blake said he had heard that Mora interviewed all business.

Templin said Mora just interview certain businesses, not all. They did sampling of different types of businesses. They interviewed businesses that had over 20 employees.

Walker asked how you know the key business group or industry.

Templin said that the city has certain areas that they are established in. Begin with talking to the businesses and learning what they are doing and struggling with.

Blake commented that this type of program targets a strong economic development and focus on our elements. We have lost some employers that were strong in the community. This program would create a task force to help the community. We do not have \$9,000 to \$12,000 to fund this program right now, but maybe in the future.

Templin said the Initiative Foundation can help with funding. Phone companies and electric companies along with banks have also helped fund.

Hanson asked how this program would help with retailers and retaining their business.

Templin responded with teaching marketing and merchandising to the retailers will help retain their business. They have programs that will also go into customer service. The program teaches behavior skills to help with customer service. Tourism is also provided to help bring people into the city. Big Box can bring in 25% more people to the community and you just have to know how to compete with them. Big box can be beneficial to the community.

Blake said this program can be tailored and he will talk with Templin. If the EDA Board has any questions, direct them to Blake and he will follow up with Templin.

B. Sherburne County EDA Discussion – Brian Bensen, County Administrator

Blake informed the EDA Board that Sherburne County is investigating the need to create a county-wide Economic Development Authority. Blake introduced Brian Bensen, County Administrator.

Benson spoke that he has been working with the economic developers for cities in Sherburne County. Sherburne County is in the position that they may be growing the quickest in the State. Providing services and keeping the level of those services is what is important. Retail can be impacted by where businesses are placed. With the utility changes regarding new rules going into effect, the county will lose a million dollars in revenue alone. Services need to come to replace the lost tax base and that is what Sherburne County is looking at. One thing the county is looking at is helping the cities keep industrial land open for future industrial coming into the area. Cities have to keep some land where industrial can come in and not be used up by residential. This Sherburne County Task Force Board has to have the approval of the City Council.

Hallin asked how many people would serve on the Board and how is it funded.

Benson said between five to nine cities would be involved and the county funds it. There would be approximately three people on the Board. The County Board would not supersede anything the City EDA Board decides on. The County EDA Board has to ask the City Board for approval. They do not make local decisions.

Blake said that we struggle with the boarder and have to ask for land to do it. Our relationship with the townships is not great right now and would the county help in that.

Benson said that they have worked with other cities in this area. They understand the needs of what it takes to develop and the success in the community in helping it grow in a positive motion.

Blake said if there is more value added to the city this also helps the township as well. The School District would benefit and this in turns helps the townships. Blake is a firm believer that this would help the city having the County EDA. He encourages that the EDA Board does a resolution and pass this on to the City Council.

Haskamp asked where the county advertises.

Benson said marketing is advertising and they do not do much print ad. What they have is good experience with companies and businesses in their area. So this is how they do marketing by helping the businesses. The county wants to see the tax base grow and they are there to help the communities to make that happen.

WALKER MOVED, SECOND BY HASKAMP TO PASS A RESOLUTION TO ENCOURAGE THE CITY COUNCIL TO MAKE AN AGREEMENT WITH SHERBURNE COUNTY EDA BOARD TO WORK TOGETHER. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

Blake will have the Sherburne County EDA Board Resolution on the next City Council agenda and will contact Benson regarding this.

C. Wireless Internet Proposal – Mary Lodin, Genesis Wireless

Blake informed the EDA Board that at the January 9, 2007, EDA meeting they had heard a presentation from NorthStar Access to provide a wireless internet service within the City. We discussed the need to offer an alternative access source to the internet and at that meeting the EDA offered a resolution of support for the NorthStar Access proposal. Blake explained that representatives for Genesis Wireless are present to discuss with the Board wireless service for outside the City limits.

Jay Mankie and Mary Lodin, Genesis Wireless, were present and spoke to the EDA Board about wireless internet. Mankie spoke that Genesis is a wireless DSL provider. It is beamed from water towers or anything with height, to a satellite. Internet access can go ten miles out from the City into the rural area. They buy the internet service from NorthStar Access and this works very well. NorthStar would partner with them. NorthStar would provide in the City and Genesis would provide for the rural area.

Lodin said Genesis would own the equipment and maintain it. There would be an insurance policy with a liability policy. The goals are to work together and use each others equipment. They have spoken to Dave Thompson, Princeton Public Utilities regarding this and he is in favor.

Blake said the PUC and City have to work together on this so there is not a large amount of equipment around the area. Sharing equipment is up most and both parties have done this in other communities and should work very well here.

HALLIN MOVED, SECOND BY WALKER TO SUPPORT GENESIS WIRELESS TO ESTABLISH WIRELESS AND DSL INTERNET NETWORK WITH NORTHSTAR ACCESS AND MOVE THIS ON TO THE CITY COUNCIL AND PRINCETON PUBLIC UTILITIES COMMISSION. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

Blake reported that there are not any new changes from last months balance sheet. The levy assessments at Aero Business Park will be assessed to each lot and then how the buyer wants to pay them off will be negotiated. Last month there were three people interested in the Aero Lots. All three have changed direction and are updating the space where they are. The restaurant is still interested in the corner lot. ThunderAlley is closed and First National Bank of Elk River is taking over the collateral and is auctioning off the assets that were left there. There will be a list of items posted on a website from March 9th thru the March 14th and then on March 31st to April 4th, look at the website auction.com to see the items. Blake will speak with Steve Jackson

and the City Attorney regarding what the City is owed, but there is a strong possibility that we will not see the money. City is out about \$130,000.

Having a EDA booth at the Chamber Business Expo was discussed.

LUND MOVED, SECOND BY HALLIN TO HAVE A EDA BOOTH AT THE CHAMBER BUSINESS EXPO. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

B. EDA Verbal Report

Blake reported that City Council authorized the City to have an EDA intern and it cost \$2,500 for two interns for eight months. Interviews for that is planned for April. Bio Matrix is looking at an expansion of eight employees by next year and they are looking at the JOBZ Program and may be purchasing lots in the business park. They are considering Lots 2, 3, and 4. with a 15,000 square foot building. Waterworks is going be leasing U.S.D.P. extra building area. U.S.D.P. is going to start their own plastic bottle company. Rum River Sweet Shop would like to move to Princeton. They would like to move this spring. Aero Business Park is on the Planning Commission agenda and have half of it as general business. Anchor stores are moving along and that would be the Howard property and half of the Soule property. They are also speaking of a hotel. The problem is the intersection and when will it be done. When will there be a stop light there. An updated traffic plan is being put together by the City Engineer. The Visionary Committee is looking at establishing a Downtown Council to promote the downtown. They are also wanting to establish a Joint Powers Board with the townships to create trails. The Rebe property is still moving forward. The golf course is looking at another direction and not help from the City, a private investor is what Blake is hoping they do. The Liquor Store will be for sale and open for bids in either March or April and the proceeds will go to the new buildings cost.

C. City Council and Planning Commission Minutes for January, 2006

The EDA Board had no comments.

D. Information only – Fiber Optic Article

The EDA Board had no comments.

HALLIN MOVED, SECOND BY WALKER TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. THE MEETING ADJOURNED AT 8:30 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assist.