The meeting was called to order at 6:00 P.M., by Thom Walker. Members present were Troy Minsk, Genny Reynolds, Sharon Sandberg, Charles Snustead, and Victoria Hallin. Staff present were Jolene Foss (Comm. Dev. Director) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent was Jules Zimmer.

**AGENDA ADDITIONS / DELETIONS:**
Foss said she would like to add under Miscellaneous, Central MN Jobs & Training Services Handout.

HALLIN MOVED, SECOND BY REYNOLDS, TO APPROVE THE ADDITION TO THE AGENDA UNDER MISCELLANEOUS, CENTRAL MN JOBS & TRAINING SERVICES HANDOUT. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

**APPROVAL OF MINUTES FROM REGULAR MEETING ON JANUARY 19, 2017**
HALLIN MOVED, SECOND BY REYNOLDS, TO APPROVE THE MINUTES OF JANUARY 19, 2017. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED / OLD BUSINESS:**

A. Sherburne County Community Update
Foss said this an informational packet. Central MN Jobs & Training Services has hired a coordinator and will be implementing a Comprehensive Economic Development Strategy (CEDS) for the four county area; Sherburne County, Stearns County, Benton County, and Wright County. They will do what Mille Lacs County had done and now will be in Sherburne County. The grant requirements for the Comprehensive Economic Development Strategy plan has to be written and submitted to the Federal EDA by December 31, 2017. A designated regional governance structure established by December 31, 2017.

Monthly meetings will be held by the county leads and Jenn Russel where information will be gathered. The information from the Quad-county regional meetings will be submitted to Jenn Russel who will incorporate each county’s strategies, regional data, and goals into the CEDS plan for the Quad-county region.

The timeline is as follows:
- January (Human Capital)
  - Labor Force, Workforce development, and Educational Attainment.
- February (Economic Competiveness)
  - Entrepreneurship and innovation, Small business growth.
- March (Community Resources)
  - Social capital, Arts and tourism, and Natural resources/water quality
- April (Foundation Assets)
- Broadband access, Transportation (active and transit), Housing (availability/affordability/senior housing).

The benefits of being involved you may be able to receive funding from the federal EDA programs. The EDA grants help to fulfill regional economic development strategies designed to accelerate innovation and entrepreneurship, advance regional competitiveness, create higher-skill, living-wage jobs, generate private investment, and fortify and grow industry clusters.

There were examples of who received EDA funded projects in Region 7E CEDS, 2000 – 2015.

Reynolds asked how the projects that are examples of receiving funds had gotten them.

Foss said you need matching funds to get the federal funds. In the outline of your CEDS report you have to have job creation to qualify to move forward for the federal funds. Foss asked Sharon Sandberg if she plans to attend the Airplane Maintenance Conference in March.

Sandberg said she will be attending the IA Conference in March.

Foss asked Sandberg to share the information with the EDA Board from that conference. She would like to know if they have any other suggestions for funding sources for the airport.

Sandberg will bring information back from the conference.

Foss said the next section in this informational packet is affordable housing and statistics in your area. There is a need for affordable housing. She believes that growth comes with affordable housing and will not bring crime. Foss could see if the gentleman who put this information together would want to do a presentation with the EDA on affordable housing and the myths.

Reynolds said she spoke to Leslie at Lakes and Pines and she is also with ECHO. Leslie would like to have a group put together for housing and she would facilitate it.

Foss said Cherre’ works for MN Housing and is also part of the ECHO Group and she is still pushing on promoting the old Arcadian Home site with the ECHO Board. We do have an HRA Group that is not active and Foss will look into that more.

Snustead asked Walker about the land west of town that was originally for residential.

Walker said that land was purchased by Greg Anderson and detached from the city.

Walker asked Foss on the other property west of town.

Foss said she spoke to a guy that is buying three parcels west of town and he is talking about
building market rate apartments there. He has built some in a couple other areas. She will keep in touch with him.

Walker said we should put together a package for multi-family housing were they get a break on sewer and water fee’s and maybe permit fees. We would get funds back with the taxes. Make it an incentive, not where we would give them everything.

Foss will put something together. She continued that the last part of the informational packet is mortgage information. There are four different programs and there is a brief overall of each one.

B. GPS 45:93 Annual Report

GPS 45:93 is a five county regional economic development organization serving the counties of Pine, Isanti, Chisago, Kanabec, and Mille Lacs. GPS 45:93 is dedicated to retaining businesses in our region and helping them grow; attracting new businesses to the region, and encouraging entrepreneurial growth and the development of a skilled workforce.

Foss said this is an annual report from GPS 45:93. It goes over the benefit for being a member. They put out a RFP to hire a part-time consultant and also a part-time administrative assistant. They are looking at increasing membership. The City pays an annual fee to be in this. The annual report says that 80% of rural areas business growth comes from existing businesses and having skilled workforce is a major issue for these businesses. There is a verbal approval from the Initiative Foundation for funding of a pilot project to conduct a regional EDA Board Training Session. They are submitting a grant for this project. The EDA Board would be invited for a basic training session. This could be really good for our members to attend.

NEW BUSINESS:

A. Crystal Cabinets Development Agreement

The City and Crystal Cabinets have a Development Agreement dated August 13, 2001 for the purchase of the property north of the Crystal Cabinet site, property PID #90-004-2302, with the acreage of 14.35. Crystal Cabinets purchased this property from the City for $105,000 with the agreement that the Developer agrees to construct improvements on the premises or on its existing facility, with a minimum market value of the improvement for assessing purposes of $1,000,000 by December 31, 2005. In the event the Developer has not constructed improvements on the premises, the purchased property is sold back to the City for $105,600 or the Development penalty payment in an amount of 1.4 percent of the difference between $1,000,000, and the estimated market value for assessing purposes as determined by the County Assessor for Sherburne County, for each year that the property fails to attain a minimum market value for assessing purposes of $1,000,000.

Foss said the Development Agreement has been put on the shelf for fifteen years and she has been working with Crystal Cabinets along with the City Attorney, and individual City Council
members where a new agreement has been put together that all parties agree on. Foss said she needs a recommendation from the EDA Board to forward this agreement to the City Council for approval. The City sold this site to Crystal Cabinets for them to expand and they did not expand. The owner of Crystal Cabinets did renovate the old Middle School to senior housing and also purchased the old Ben Franklin building on Rum River Drive North and renovated that into a display room for Crystal Cabinets. Instead of penalizing them on the Developers Agreement for conditions that were not met, this new Developer’s Agreement was put together.

The new Developer’s Agreement reads if the Developer puts the site for sale during the period of 2017 thru 2023, they shall offer the site to the City for the purchase price of $105,000. After 2023 the City has the right to purchase the site at current market price.

Foss said that Crystal Cabinets does own the 8.6 acre parcel south of their current facility, across Rum River Drive South. The City and the Developer agree it is in the best interest of both of them to sell the parcel to a third party so it can be developed as a commercial/Industrial site. For a three year period from the date of the Developers Agreement the City and the Developer will contribute $1,500 per year annually to pay for marketing of this site or until the parcel is sold. This agreement has no wording of a number of jobs created with an expansion. Foss said their intention is to expand north of their facility for storage space.

The EDA Board agreed the amended Developer’s Agreement looked good.

HALLIN MOVED, SECOND BY SNUSTEAD, TO APPROVE THE AMENDED DEVELOPER’S AGREEMENT WITH CRYSTAL CABINETS AND FORWARD TO THE CITY COUNCIL FOR RECOMMENDATION OF APPROVAL. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

B. Aero Business Park Development Criteria
Foss said this is a draft resolution establishing requirements for the purchase of lots in Aero Business Park. Some of the requirements are; at least two jobs are created with each lot, the one acre lots would have to have a minimum of $400,000 completed taxable value and $800,000 for the two acre lot. If a lot is purchased by a tax exempt organization for the use of tax exempt entity, payment of fee equal to the amount of real estate taxes the improvements would have generated on an annual basis and would be continued for a period of time that would need to still be set. This is a way to recoup funds from a tax exempt organization.

Walker asked if that wording will stand up for tax exempt.

Foss believes so. This is a draft. We need to fill in the number of years for the tax exempt and she thought ten years. That was what is on the top of the draft to get funds back for the ten years of our assessments we paid. Two full time jobs would have to be met also.
Walker said he likes that for tax exempt will also have to fill the requirement of two full time jobs.

Minske asked what if it is a business relocating, and they have that number of employees, would they have to increase employment by two more employees.

Walker said if they are maintaining or increasing the existing business they can leave the number of employees. If it is a new business or from outside the city, then they have to increase two new employees.

Foss said construction has to begin six months from signing and 12 months to complete. Finished product 18 months total.

Walker does not want to have compliance factor with this. Maybe additional number of months to add employees.

Sandberg said if the business has full time employees, but they might not be stationed at the site, that should be okay. She gave an example that someone could be on the road for the business and the EDA Board agreed that would be okay.

Hallin suggested if a business is moving within the city, you take the employees you have or if coming from outside the city, you have to add one more. They need two full time employees.

Foss said she will bring this back with the changes to the March 16, 2017 EDA meeting. She could email the draft with the changes prior to the meeting for them to review so this can move forward quicker. Final approval could be at the March 16, 2017 EDA meeting.

C. Career Connections Program
Foss said the School District and Chamber are working together on career options for students. The goal is to spark students’ interest in learning more about the skills, aptitude, will, and attitude that local business leaders are looking for in their future employees.

They have chosen to utilize the Poster Campaign titled “Career Connections” that will be featured in three of the school buildings, and at participating businesses. The posters will include various information and the Administration, Police, and Public Works will be participating in this. Share this information with other businesses to see if they might be interested in participating.

MISCELLANEOUS:
A. EDA Balance Sheet
There was no Balance Sheet provided. The EDA Board requested that there is one for each meeting. Staff will let Steve Jackson, (City Finance Director) know of their request.
B. Verbal Report
Foss said that Helen Pieper (Transit Director for Timber Trails) applied for the Easter Seals Grant and they were awarded the grant. Foss is not sure what the amount was for the grant. She will let the EDA Board know and what our needs are here for the area. Funds to cover the senior diner expense would be nice.

Foss said this Central MN Jobs & Training Services brochure gives information on a free four week internship from master stone masons to teach adults ages 18-24 years old that have a risk factor such as; disability, foster care, homeless youth, youth with a criminal record, school dropout, and parenting youth. They would spend the month of June at the Steger Wilderness Center by the Boundary Waters and they would receive $10 an hour while receiving hands-on training. The internship also earns continuing education credits from a MN State school.

Foss said the consultants for the Comprehensive Plan came last week. She had gotten a nice breakdown of the downtown area.

Foss said she will resend the City Council priorities, the rankings, and the goals. She would like the EDA Board to go through the sheets and get the information back to her by February 23, 2017.

C. City Council and Planning Commission Minutes for January, 2017
The EDA Board had no comments.

HALLIN MOVED, SECOND BY REYNOLDS, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:57 P.M.

ATTEST:

Thom Walker, President

Mary Lou DeWitt, Comm. Dev. Assistant