

AGENDA

ECONOMIC DEVELOPMENT AUTHORITY MEETING FRIDAY, JANUARY 15, 2016 7:00 A.M.

CITY COUNCIL CHAMBERS

- I. Call to Order/Roll Call

- II. Approval of Agenda

- III. Consent Agenda
 - A. December 18, 2015 Minutes

- IV. Public Comments

- V. Old Business
 - A. Housing Study Update
 - B. Market Place Update

- VI. New Business
 - A. Property “For Sale” Signs
 - B. Leadership Greater Waseca Academy Request for \$1,000
 - C. Request for Information Submission

- VII. Other

- VIII. Updates
 - A. Boards & Commissions

- IX. Next Meeting Date
 - A. February 19, 2016

- X. Adjournment

Upon request, accommodations will be provided for individuals with disabilities wishing to participate

MINUTES

ECONOMIC DEVELOPMENT AUTHORITY DECEMBER 18, 2015 7:00 AM CITY COUNCIL CHAMBERS – CITY HALL

I. **Call to Order/Roll Call**

The meeting was called to order at 7:00 a.m. by President Larry Thompson.

Members Present: John Clemons
 Dave Dunn
 Ann Fitch
 Larry Thompson
 Russ Weir

Members Absent: Marty Armstrong
 Jill Stagman

Staff Present: Daniel Lenz, City Manager
 Gary Sandholm, Economic Development Coordinator
 Ranae Schult, Community Development Assistant

II. **Approval of Agenda**

It was moved by Fitch, seconded by Weir, to approve the Agenda as presented; the motion carried 5-0.

III. **Consent Agenda**

A. **November 20, 2015 Economic Development Authority Meeting Minutes**

It was moved by Fitch, seconded by Dunn, to approve the Consent Agenda as presented; the motion carried 5-0.

IV. **Public Comment**

No public comments were received.

V. **Old Business**

A. **Housing Study Update**

Danny Lenz, Executive Director, informed the Economic Development Authority, that the Housing Study is scheduled to be completed by the end of the year, with recommendations provided the last week of December.

Board member Dunn inquired if a formal presentation would be made. Mr. Lenz stated that Staff would first review the preliminary report, and then a formal joint presentation would be made to the City Council and the Economic Development Authority.

VI. New Business

A. Market Place Property Prices

The City of Waseca currently owns four lots on the west side of North State Street, directly south of Wal-Mart and O'Reilly Auto Parts. These lots were originally intended for a planned development that did not occur, despite the City investing significant resources in the infrastructure development to the sites. These properties currently do not have prices listed, which impairs effective marketing as the site selectors and business developers want to know the price of a property before investing time to evaluate the site for a specific project. Site selectors are usually working under tight time constraints and will only pursue sites that have pertinent information readily available.

With very few commercial sales in Waseca during the past two years, Staff researched listing prices for commercial properties in Albert Lea, Mankato and Owatonna to arrive at the following recommendations for prices on the four lots in the Market Place Subdivision:

Block 1:

Lot 1	PIN 17-440-0010	\$2.00/Sq. Ft. - \$210,980
Lot 2	PIN 17-440-0020	\$2.75/Sq. Ft. - \$ 98,453
Lot 3	PIN 17-440-0030	\$3.50/Sq. Ft. - \$250,429

Block 2:

	PIN 17-440-0040	\$4.50/Sq. Ft. - \$238,253
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Gary Sandholm, Economic Development Coordinator, stated that the current configuration of the lots is not conducive for most developments, so while the prices shown are recommended prices for the current lots, Staff has also included a section on the map provided listing price per square foot based on the location of the land a developer might be interested in. Mr. Sandholm stated that Staff fully expects that the lots will need to be reconfigured, but since different potential buyers will have different needs, Staff has taken the approach of determine pricing by location, instead of reconfiguring at this point.

Mr. Sandholm recommended that these lot prices should be evaluated on an annual basis.

Board member Weir inquired what the access would be for these lots. Danny Lenz, Executive Director, stated we would work with the developer regarding access from the road.

Board member Weir commented that he recalled Wal-Mart had restrictions regarding what could be developed in this area. Board member Clemons stated he recalls that pretty much anything that competes with Wal-Mart is not allowed. Mr. Sandholm stated many strip malls build up around Wal-Mart stores.

Discussion was held regarding the need to align the road by the High School prior to development.

Board member Dunn inquired how the prices per square foot compare in general with surrounding communities. Mr. Sandholm stated the prices presented are generally a little lower to make the property more attractive.

Board member Clemons inquired who owns this property; the Economic Development Authority or the City. Mr. Lenz stated the City is the owner of these lots.

A brief history of the purchase of this property, as well as the potential development projects that were pursued, was provided to the EDA.

Board member Dunn inquired how much it would cost to straighten out the intersection by the High School. Mr. Lenz stated approximately \$200,000. Board member Fitch inquired how much would be taken away from the lots if the road were straightened. Board member Clemons stated he thought that Lot #2 would slightly increase and Lot #3 would slightly decrease.

Board member Clemons suggested that the EDA recommend to the City Council that the lot prices be set lower than Staff presented at this meeting. Mr. Lenz stated the need to be able to negotiate these land prices, as we don't them to be bottom dollar or high end.

It was moved by Weir, seconded by Fitch, that the Waseca Economic Development Authority recommend the Waseca City Council set the prices in the Market Place Subdivision as follow:

Block 1:

Lot 1	PIN 17-440-0010	\$2.00/Sq. Ft. - \$210,980
Lot 2	PIN 17-440-0020	\$2.75/Sq. Ft. - \$ 98,453
Lot 3	PIN 17-440-0030	\$3.50/Sq. Ft. - \$250,429

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The motion carried 5-0.

B. City Financed Revolving Loan Fund

At the June 2015 meeting, the City of Waseca Economic Development Authority (EDA) took actions to extend the deadline to make loans using the Intermediary Revolving Loan Program (IRP) funded by USDA Rural Development. At that time the City was reviewing two potential applications for the loans which required the use of the IRP Fund and another revolving loan fund. While the loan applications were still under review, one of the applicants withdrew from consideration. This allowed the EDA to extend the loan to the remaining applicant without using the IRP funds, functionally eliminating the loan program and freeing up funds dedicated as a match to the IRP.

When the IRP was first awarded to the City, the following three sources provided funding for the loan match:

- \$50,000 – Waseca County
- \$47,000 – Rosenau Legacy of Angels Endowment
- \$28,000 – Waseca Development Corporation (WDC) Loan

Since the IRP was not used for the reason it was extended, the Rural Development funds will be de-obligated, and the match returned to the funding source. The \$28,000 provided through the WDC loan, which has been paid off, will be de-obligated and

remain in the EDA's fund balance. The \$50,000 from Waseca County will be de-obligated and returned to their fund balance.

The Rosenau's have been contacted about returning their \$47,000 donation, and indicated a desire to continue to see the funds utilized for economic development in Waseca. They indicated that they would split the funding between the City and County, with \$23,500 going to the City of Waseca Economic Authority to assist in establishing a revolving loan fund.

Board member Weir inquired as to the balance in the City of Waseca EDA fund. Danny Lenz, Executive Director, stated the balance is approximately \$350,000, and does not include these dollars. Weir inquired if there are any limits for use of this money by the EDA. Mr. Lenz these dollars are available for any use that is authorized by EDA's.

President Thompson commended Staff for explaining this complex issue.

Board member Weir inquired what policies are in place for loaning out these dollars. Mr. Lenz stated whatever policies the EDA establish. These can be more flexible than Federal or State policies.

President Thompson stated there may be a problem with the job growth requirement, and does the EDA have the ability to distinguish between the qualities of jobs versus the number of jobs. He feels the past way the requirements were written may not meet current and future needs of a company.

It was moved by Weir, seconded by Dunn, to direct Staff to establish policy and program guidelines for the establishment of a City of Waseca Economic Development Authority funded revolving loan fund; the motion carried 5-0.

President Thompson stressed the need to continue to identify other ways to seek investment in the community.

C. Synchronist

With the responsibilities and duties for economic development having been split and shared among various City Staff members, records and information about business contacts and discussions are very fragmented. As personnel changes, information often becomes hard to find requiring steps to be retraced and repeated to obtain what is needed. In addition, development projects, such as business recruitment, land acquisition, marketing, etc., usually involve several people from within the organization as well as external partners. The current fragmented system makes it difficult for information to be transitioned, and to easily coordinate with the various partners.

In order to try and address some of these issues, Staff has been researching several Customer Relations Management (CRM)/Project Management software solutions. The key components to the solutions are the ability to manage various contacts and business information and communication activities, provide project management capabilities, and a survey instrument to track business trends and assist in guiding business interactions. Staff also wants to ensure that this information can be easily shared with interested parties, yet restricted when necessary.

Gary Sandholm, Economic Development Coordinator, stated the following purposes for this type of software:

1. Create and maintain a database of information about local businesses to help shape economic development policies and practices.
2. Provide a platform that maintains continuous records over time through personnel changes.
3. Provide project management capabilities that enable City Staff, County Staff and other partners to have access to information needed to more effectively perform their duties and share information.
4. Provide Customer Relations Management (CRM) capacity that can be used by several facets of the City of Waseca.

Mr. Sandholm stated that four software platforms were researched: Avidian Project, McGladrey Microsoft CRM, Salesforce and Synchronist. Synchronist contains multiple modules intended for specific business types as CRM, project management and survey instrument. Mr. Sandholm stated that based on Staff's discussion with these vendors, including specific comments from the vendors, the CRM functions are largely the same between these different programs, while some of these platforms contained CRM and project management, only Synchronist contained all three.

Mr. Sandholm provided the costs for the four software packages, noting that the cost for Prophet, Microsoft CRM and Salesforce are based on the number of users, while Synchronist is a flat fee based on the size of the community with no restrictions on the number of users. Synchronist would also include the option of providing access to the County, other cities within the County, the Chamber, B.E.S.T. of Waseca, or other partners.

The cost for Synchronist is as follows:

- | | |
|-------------------------|----------|
| • Annual License | \$ 2,400 |
| • Start-Up | \$11,400 |
| • Estimated 5-Year Cost | \$21,000 |

Mr. Sandholm stated that based on the capabilities of the various software and the needs of the City, Staff recommends Synchronist software. It is felt that the business survey tools will provide valuable information for economic development. Mr. Sandholm also stated that Synchronist is cloud based and not house on the local server, access can be expanded as needed without incurring additional costs and that each individual will have a customized area of access depending on their need to know specific information. Mr. Sandholm stated this may be useful to allow the County and other County cities participate in building up the entire area.

Danny Lenz, Executive Director, reiterated that the City controls the access, but can provide the County and other County cities information. Mr. Lenz stated this is a more robust version of LOIS.

Mike Hintz, Waseca County Commissioner, stated that he would like to see the County/City collaborate on this issue.

Board member Clemons inquired if this program could run with current Staff. Mr. Sandholm stated no additional Staffing would be needed.

Mr. Sandholm stated that if a company is growing, and if they need resources, we can use this tool to determine a definite climate trend in assisting the business. Mr.

Sandholm commented that another big benefit to this type of program is that you can ask individuals the same questions and get a “snap shot” of the community.

***** Board member Clemons left the meeting at 7:50 am *****

Considerable discussion was held regarding the purpose of this program and how it compares to existing programs.

It was moved by Weir, seconded by Fitch, authorizing Staff to enter into a contract in 2015 with Blane Canada, LTD for a license for the Synchronist software package in the amount of \$11,400; the motion carried 4-0.

VII. Other

A. 2016 EDA Meeting Dates

Staff provided the City of Waseca Economic Development Authority a list of the 2016 meeting dates.

It was moved Weir, seconded by Dunn, to accept the 2016 meeting dates as presented; the motion carried 4-0.

VIII. Updates

A. Boards & Commissions

- Danny Lenz, City Manager, informed the EDA that at their December 15, 2015 City Council meeting, the Council approved the 2016 budget, which consisted of a 4% increase to the General Fund, and a 6% increase to the Electric Fund.
- Mike Hintz, Waseca County Commissioner, stated there was a meeting with the City EDA, County EDA and B.E.S.T. for a general discussion of items.

Other items of discussion at the County were MNDOT parcels that may be offered to the County – one of which is 6.5 acres for \$65,000. The County would like a joint meeting to be held regarding this item.

The County is also looking for history regarding the property south of the Kraus Law office. Mr. Lenz stated the City has turned down this property as the City has no specific use for the land. Mr. Hintz stated this property may be offered to the County.

Mr. Hintz stated the County passed their budget at 7.48%.

IX. Next Meeting Date

The next Economic Development Authority meeting has been scheduled for Friday, January 15, 2016, at 7:00 a.m.

X. Adjournment

It was moved by Weir, seconded by Thompson, to adjourn the meeting at 8:00 a.m.; the motion carried 4-0.

Reply all | ▾ Delete Junk | ▾ ...



LEADERSHIP Greater Waseca

 Waseca Area Chamber of Commerce <info@wasecachamber.com>

Reply all | ▾

To: Gary Sandholm; ▾

Thu 1/14/2016 3:05 PM

Inbox

Good afternoon, Gary –

Here's a brief synopsis from the LEADERSHIP Greater Waseca brochure. I will bring copies of the draft brochure as a handout at tomorrow mornings EDA meeting.

Thank you for including the chamber's LEADERSHIP Greater Waseca funding request on the EDA's January 15th agenda.

What: A leadership program designed to enable candidates to learn about Waseca area resources, values, strengths, weaknesses, and challenges. A learning experience geared toward providing an in-depth look at key elements of the community; education, government/economic development, healthcare, public safety, quality of life, and culture & diversity. This program will provide opportunities for candidates to exchange ideas, build networks and begin the process of identifying and solving important community issues.

Who: A pool of candidates who are current or prospective leaders in the Waseca area. Candidates are drawn from business, industry, education, public and private agencies, civic groups, and virtually all other facets of the professional community. Class size will be limited.

Where: This program was encouraged by city, school, and county leaders for the chamber to coordinate and design a leadership program. The chamber, in cooperation with Riverland Community College and its Training and Development Division will collaborate on the key elements. All sessions are facilitated locally and focus on topics directly affecting our community.

Kim Foels

President

Waseca Area Chamber of Commerce

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The Waseca Area Chamber of Commerce is a member-driven organization of individuals & businesses who band together for the collective best interest of developing Waseca area's future.

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