

AGENDA
ECONOMIC DEVELOPMENT AUTHORITY MEETING
FRIDAY, September 15, 2017
7:00 A.M.
CITY COUNCIL CHAMBERS

- I. Call to Order/Roll Call

- II. Approval of Agenda

- III. Consent Agenda
 - A. August 18, 2017 Minutes

- IV. Public Comment

- V. Old Business
 - A. Performance metrics

- VI. New Business
 - A. EDA Levy and Budget 2018
 - B. Approval of expenditures

- VII. Other

- VIII. Updates
 - A. Boards & Commissions
 - B.E.S.T.
 - September 11, 2017 Board of Directors Meeting
 - B. Property Acquisition
 - C. Elm Avenue Project
 - D. Visioning

- IX. Next Meeting Date
 - A. October 20, 2017

- X. Adjournment

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

MINUTES

ECONOMIC DEVELOPMENT AUTHORITY FRIDAY, AUGUST 18, 2017

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

The meeting was called to order at 7:00 a.m. by President Dave Dunn.

Members Present: Blain Nelson
Dave Dunn
Ann Fitch
Larry Thompson

Members Absent: Roy Srp
Russ Weir
Marty Armstrong

Staff Present: Gary Sandholm, Economic Development Coordinator
Michelle Murphy, Administrative Assistant

II. **Approval of Agenda**

It was moved by Fitch, seconded by Thompson, to approve the agenda as presented; the motion carried 4-0.

III. **Consent Agenda**

- A. **June 16, 2017 Minutes**
- B. **June 16, 2017 Work Session Minutes**
- C. **July 21 Work Session Minutes**

It was moved by Fitch, seconded by Nelson, to approve the Consent Agenda as presented; the motion carried 4-0.

IV. **Public Comment**

James Christiansen, 125 3rd Ave NE, stated he volunteers his time to clean up the sidewalks, walkways, etc. around the downtown, and has noticed there are holes in the outside walls of both the Chamber of Commerce Office and Family Dentistry buildings. He was inquiring if it is the City's responsibility for these repairs or if there is a committee that would oversee the repairs of these two buildings.

Kim Foels, Chamber President, also commented that she would like to see the restrooms that are between these two buildings removed, as they have not been open to the public for many years due to vandalism. She suggested the space be utilized with small 2-piece bands, or some type of entertainment on Fridays during the summer months.

Discussion ensued as to the aesthetics of this area, Ann Fitch stated the City Parks Department is responsible for this area and Mark DuChene would be the contact person.

V. **Old Business**

None

VI. New Business

No new business was presented.

VII. Other

A. Region 9 MedTech Survey

Gary Sandholm, Economic Development Coordinator, explained to the EDA that Brent Pearson, Region 9 Planner, is working on a survey of companies within the 9 counties that are involved in making devices or components for the medical device industry, or companies that possibly could. Mr. Sandholm stated they have interviewed two companies in Waseca so far, and there are one or two others that they would like to talk with also. A lot of this is showing the opportunities that the companies may have. They may be doing things that adaptation could fit in to that sector of making the devices. Most of this is not making the actual device, but perhaps component of the devices.

B. BEST Entrepreneur Survey

Gary Sandholm reported that the BEST Committee is going to be putting a flyer in the *Waseca County News Shopper* to survey people who are entrepreneurs or who want to become entrepreneurs about what their ideas are, what help they might be needing, and looking for ways to make connections among the entrepreneur community. The intent would be to use this foundation as a basis to build a co-working or shared space type facility in Waseca. This would be a county-wide distribution in the Shopper.

C. Inventure Office Building Project

Gary stated this topic has been getting some publicity at this time. This is a developer out of Sauk Rapids that is interested in putting up an office building on the former Godfather's Pizza property. Their initial tenant is going to be Diversified Credit Union and they are looking for other retail and professional tenants as well. They have been provided with a business list and also some utility information.

Kim Foels, Chamber President, stated their office did give Inventure some possible leads of businesses that may have a potential leasing interest. She also stated they are adding a drive-up window in the building so they will be aggressively seeking some sort of coffee/quick type restaurant as well. They will go national for leasees as well as local for office professionals, Doctors, Chiropractors, CPAs, etc. to get it filled.

Diversified Credit Union has been in our community for many, many years and may be changing their name to Diversified Financial. Kim stated that while it's not a new bank coming to town, they would be a good anchor and a good redevelopment for that area. The President of Diversified came down as well as their CEO and COO and gave an interview to the newspaper which has created a lot of excitement in the community.

Gary Sandholm said one of the big things about this project is that this may very well involve a TIF project, which is something that would probably begin with the EDA. The building itself may be expanded if they can get enough rental interest. They are currently hoping to break ground for this project next spring.

VIII. Updates

A. Boards & Commissions

• **B.E.S.T. of Waseca County**

Jim Gibson, 109 Sunburst Circle, Mankato, Minnesota, spoke about the positive side of Envision 2030 happenings and how this is a difficult task to undertake as it is a project related to the future of Waseca. Things change, businesses come and go and we need to bring more than agriculture and manufacturing to the future. We need to think creatively. Discussion ensued as to ways to keep the community engaged in this project.

Jim encouraged the EDA members to attend the future Envisioning meetings and they should encourage other community members as well. The next business summit meeting will be held at SROC on November 1st where they will discuss the actual outcome of the meetings that have taken place.

B. Property Acquisition

Waseca Mutual Building – Gary Sandholm reported he and City Manager, Danny Lenz, still have not come to a real good conclusion or a solid feeling on which way to go – will work on in greater depth with Waseca City Council.

C. Elm Avenue Project

Gary – project is still on schedule – going well so far.

D. Community Venture Network (CVN)

Gary Sandholm reported there was a summer session on August 11th and there was a good turnout with a wide array of potential for Waseca.

E. Visioning – nothing to report.

Larry Thompson asked about the Inventure office building process – what is the next step to advance that? Gary Sandholm stated they need to make an application to the City once they know what their needs will be. After pre-leasing period – probably late fall – assuming things that would relate to parking, utilities, etc. things that are eligible for TIF support.

IX. Next Meeting Date

The next Economic Development Authority meeting is scheduled for September 15, 2017.

X. Adjournment

It was moved by Fitch, seconded by Thompson, to adjourn the meeting at 7:43 a.m.; the motion carried 4-0.

Michelle Murphy
Administrative Assistant

FINANCE DEPARTMENT

MEMORANDUM

TO: Dave Dunn, Waseca EDA President
EDA Board

FROM: Shelly Kolling *SK*
Finance Director

MEETING DATE: September 15, 2017

SUBJECT: EDA Levy and Budget 2018
Resolution #17-01; Setting EDA 2018 Levy

ATTACHMENTS: EDA 2018 Budget and Resolution

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INTRODUCTION

For the 2018 budget process it is necessary for the EDA to adopt a levy and make budget recommendations to the City Council. The suggested budget presented for the EDA is based on the financial needs required to accomplish the goals and objectives that were previously set by the EDA.

2018 LEVY - REVENUES

Calculation of the 2018 EDA Levy is based on the statutory maximum limit of 0.018130%. The EDA's 2018 maximum allowable levy is \$80,087 which is an increase of \$4,448. The calculation is based on the market values from the prior year.

2018 BUDGET EXPENDITURES

The proposed EDA 2018 Budget information is attached for your review. This budget includes one change from the 2017 budget for an increase in salary and benefits for Economic Development Coordinator (costs shared with Administration).

2018 BUDGET IMPACT

The proposed 2018 Budget includes revenues exceeding expenditures by \$9,041. The 2017 budget includes revenues exceeding expenditures by \$6,390

STAFF RECOMMENDATION

Staff is recommending that the Economic Development Authority approve Resolution No. 17-01 requesting the City of Waseca Levy a Tax for the Benefit of the Authority to Conduct Development and Redevelopment Activities Allowed under Minnesota Statute setting the maximum allowable levy. Following approval of the EDA Levy Resolution the information will be sent to Council for approval. Upon approval from both the EDA and Council, the levy amount will be submitted to the State to meet the required September deadline.

EDA GENERAL FUND
BUDGET SUMMARY REPORT
Revenues and Expenditures

	Description	2017					PERCENT CHANGE
		2015 ACTUAL	2016 ACTUAL	YTD as of 8/31/2017	2017 BUDGET	2018 BUDGET	
Revenues							
261-31010-0000	Property Taxes	\$ 78,063	\$ 75,179	\$ 32,616	\$ 75,639	\$ 80,087	5.9%
261-31013-0000	Market Value Credit	6	5	-	-	-	0.0%
261-31030-0000	Mobile Home Tax	107	107	16	-	-	0.0%
261-36210-0000	Interest Earnings	4,037	4,110	-	1,500	1,500	0.0%
261-39201-0000	Transfer In	95,900	-	-	-	-	0.0%
	TOTAL REVENUES	<u>178,113</u>	<u>79,401</u>	<u>32,632</u>	<u>77,139</u>	<u>81,587</u>	5.8%
Expenditures							
Personnel							
261-46700-1010	Regular Employees	6,154	26,297	18,754	29,282	30,178	3.1%
261-46700-1200	FICA	383	1,516	1,094	1,816	1,871	3.0%
261-46700-1210	PERA	462	1,972	1,406	2,196	2,263	3.1%
261-46700-1220	Medicare	89	354	256	425	438	3.1%
261-46700-1250	Insurance rebate - health	100	-	-	-	-	0.0%
261-46700-1300	Insurance	501	7,257	5,206	7,820	8,442	8.0%
261-46700-1310	VEBA/HSA Trust funding	250	4,998	3,332	3,000	3,000	0.0%
261-46700-1330	Life Insurance	8	50	37	100	100	0.0%
261-46700-1340	Disability Insurance	18	119	78	110	124	12.7%
261-46700-1510	Workers Compensation	-	-	130	-	130	100.0%
	Total Personnel	<u>7,965</u>	<u>42,563</u>	<u>30,293</u>	<u>44,749</u>	<u>46,546</u>	
Supplies							
261-46700-2170	General Supplies	57	77	-	-	-	0.0%
	Total Supplies	<u>57</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>	0.0%
Services & Charges							
261-46700-3000	Professional Services	37,285	4,838	10,000	10,000	10,000	0.0%
261-46700-3001	Audit Fees	5,000	279	-	500	500	0.0%
261-46700-3100	Contractual Services	16,965	2,400	146	10,000	10,000	0.0%
261-46700-3200	Postage	-	303	-	-	-	0.0%
261-46700-3300	Conferences and Schools	26	846	-	750	750	0.0%
261-46700-3500	Printing and Publishing	582	1,075	-	750	750	0.0%
261-46700-4330	Dues and Subscriptions	1,000	3,500	1,000	2,000	2,000	0.0%
	Total Services and Charges	<u>60,858</u>	<u>13,241</u>	<u>11,146</u>	<u>24,000</u>	<u>24,000</u>	0.0%
Charges							
261-46700-4820	Land Transaction Expense	53	-	-	2,000	2,000	0.0%
	Total Charges	<u>53</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	0.0%
	TOTAL EXPENSES	<u>\$ 68,933</u>	<u>\$ 55,881</u>	<u>\$ 41,439</u>	<u>\$ 70,749</u>	<u>\$ 72,546</u>	2.5%
	CHANGE IN NET ASSETS	<u>109,180</u>	<u>23,520</u>	<u>(8,807)</u>	<u>6,390</u>	<u>9,041</u>	

RESOLUTION NO. 17-01

A RESOLUTION OF THE WASECA ECONOMIC DEVELOPMENT AUTHORITY
REQUESTING THAT THE CITY OF WASECA LEVY A TAX FOR THE BENEFIT OF THE
AUTHORITY TO CONDUCT DEVELOPMENT AND REDEVELOPMENT ACTIVITIES
ALLOWED UNDER MINNESOTA STATUTE

WHEREAS, the Waseca Economic Development Authority (the "Authority") has authority under Minnesota Statutes 469.090 to 469.108 as well as 469.01 to 469.047 and 469.152 to 469.165; and

WHEREAS, the Authority continues to conduct development, redevelopment and Housing activities, including the elimination of blighting conditions within the community as specified in Minnesota Statutes as noted above; and

WHEREAS, the Authority desires to continue with above-referenced activities and requires funds in excess of the capital of the Authority to conduct such activities; and

WHEREAS, Minnesota Statute 469.107 allows the City to levy a tax on behalf of the Authority, not to exceed 0.018130 percent of the taxable market value of the community.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of the City of Waseca, Minnesota (the "Authority"), that the Authority requests that the City Council for the City of Waseca approve and authorize a levy in the amount of .018130 percent of the taxable market value of the community (\$81,087).

Passed this 15th day of September, 2017.

WASECA ECONOMIC DEVELOPMENT AUTHORITY

Dave Dunn
President

Attest:

Michelle Murphy
Recording Secretary

**FINANCE DEPARTMENT
M E M O R A N D U M**

TO: Dave Dunn, Waseca EDA President
EDA Board

FROM: Shelly Kolling
Finance Director *SK*

MEETING DATE: September 15, 2017

SUBJECT: EDA Expenditure Approval Memo

ATTACHMENTS: EDA 2017 List of Year to Date Expenditures

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INTRODUCTION

Per best practices process as directed by the Minnesota Office of the State Auditor it is suggested that approval of claims should occur at public governing body meetings. This would include any expenses submitted and paid for through the Economic Development Authority.

SUGGESTED PROCESS

In many public entities, the governing body must approve the payment of all claims. Before the governing body's meeting where the claims will be considered, members should fully review each claim for appropriateness and accuracy. If necessary, the supporting documentation for the claim should be examined.

The minutes of the meeting where the claims are considered should identify the claims that are approved. This can be accomplished by attaching a list of claims to the meeting minutes. The minutes should also reference the total amount of the claims list and identify how each member voted.

STAFF RECOMMENDATION

Staff is recommending that the Economic Development Authority approve the list of claims that have been expended during 2017. For future meetings the list of payments relating to EDA activity will be presented at a meeting for approval before the funds are released.

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Economic Development-General f					
08/05/2017	150481	EsseX Capital LLC	Comm. Vent. Network	261-46700-3000	2,500.00
02/03/2017	149873	Hospitality Consulting Group	Partial Pmt Hotel Feasibility Study	261-46700-3000	3,750.00
08/05/2017	150493	Hospitality Consulting Group Inc	Hotel Feasibility Study	261-46700-3000	3,750.00
Total 261467003000:					10,000.00
02/03/2017	20170085	Pettipiece & Associates LLC	EDA Retainer-Corchrans	261-46700-3100	146.00
Total 261467003100:					146.00
02/03/2017	20170049	APG Media of So MN LLC	Discover Waseca Ad	261-46700-3500	475.00
Total 261467003500:					475.00
01/04/2017	149724	Greater Minnesota Partnership	2017 Membership dues	261-46700-4330	1,000.00
Total 261467004330:					1,000.00
Total Economic Development-General f:					11,621.00
Grand Totals:					11,621.00