

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
JUNE 7, 2016**

**1. CALL TO ORDER. 1.1. Roll Call.**

The Belle Plaine Economic Development Authority met in Regular Session at 5:00 p.m. on Tuesday, June 7, 2016 at City Hall, 218 North Meridian Street, Belle Plaine, MN. President Rick Krant called the meeting to order with Commissioners Cary Coop, Nathan Shutes, Dick Coleman, Lisa Fahey and Crystal Doyle present. Commissioner Henry Pressley arrived at 5:30 p.m. Also present was Community Development Director Cynthia Smith Strack.

**2. APPROVAL OF AGENDA.**

MOTION by Commissioner Fahey, second by Commissioner Shutes, to approve the agenda as presented. ALL VOTED AYE. MOTION CARRIED.

**3. APPROVAL OF MINUTES. 3.1. Regular Session Minutes of May 9, 2016.**

MOTION by Commissioner Fahey, second by Commissioner Coop, to approve the Regular Session Minutes of May 9, 2016. ALL VOTED AYE. MOTION CARRIED.

**4. TREASURERS REPORT.**

**4.1. Approval of Bills.**

MOTION by Commissioner Coleman, second by Commissioner Fahey, to approve the payment of bills. ALL VOTED AYE. MOTION CARRIED.

**5. BUSINESS.**

**5.1. Financial Incentives Update.**

Community Development Director Smith Strack explained the year to date expenditures of the Façade Improvement Loan are currently at \$1,500. We have not been invoiced for work approved in January for Neisen's Corner Bar. Four projects were approved in May. The current balance of Fund 800, Revolving Loan Fund, as of the date of this memo is \$151,411.27. The current outstanding principal is \$174,363.30 with outstanding interest of \$13,061.32. All loans are current.

The Commissioners acknowledged receipt of the report.

**5.2. HRA Programs.**

Community Development Director Smith Strack explained the EDA is now responsible for HRA projects/programs. The three separate and independent grant programs were identified as follows: 1) Down Payment Assistance - a \$2,000 grant to assist in off-setting down-payment/closing costs for new home purchasers; 2) Façade Rehabilitation Grant - up to a \$1,000 matching income restricted grant to assist with exterior rehabilitation efforts; and 3) Energy Efficiency Grant - up to a \$1,000 matching grant to assist with energy efficiency improvements and is income restricted.

Commissioner Shutes commented that it would be valuable to know the true impact of the down payment assistance and asked for historical data relating to occupancy rate and ownership to reveal the length of time the purchaser remains in the home.

**5.3. Modifying Façade Loan Program.**

Community Development Director Smith Strack explained that in April the EDA held a work session to discuss façade improvement loan program guidelines. The Board requested additional information be provided regarding programs in other communities. A summary of standards research was attached with Community Development Director Smith Strack's memo.

Commissioner Shutes believes the Façade Loan Program has merit, although it appears to have policy flaws. In noted that there may be other ways to assist businesses rather than the Façade Loan Program. Commissioner Doyle would like to explore other options as well, particularly focusing on new businesses. The discussion raised questions such as whether the funds should be used for rehabilitation, such as tuck pointing and brick repair. Commissioner Coleman questioned how it can be determined whether a project is restoration or maintenance. Community Development Director Smith Strack suggested a funds be expended on a percentage based of project cost, rather than a flat dollar for dollar match. Commissioner Krant noted this program is depleting the Revolving Loan Fund balance and questioned how the Façade Loan Program can remain viable. Commissioner Coop supported a percentage base of the project and also recommended that projects that increase tax base should be a priority. Due to the amount of detail to vet out, it was the consensus of the Commissioners to schedule a workshop. Commissioner Shutes recommended Staff prepare a listing of typical projects to facilitate discussion at the workshop. Community Development Director Smith Strack stated she will prepare a matrix for the upcoming workshop. The EDA budget will also be presented at the workshop.

#### **5.4. Trace Selly, Appeal for New Home Down Payment Assistance.**

President Krant welcomed Trace Selly, 1306 Quail Court, Belle Plaine.

Community Development Director Smith Strack explained that the HRA down payment assistance program has been in place since 2012. The program purpose is to assist with costs of "getting into" a new home. The HRA clarified in 2016 the program was intended for new housing starts only and is a reimbursement after closing i.e. within 30 days after closing. The program is non-income restricted. In late March of this year Trace Selly, 1306 Quail Court, contacted the City to inquire about applying for down payment assistance. An email from former Community Development Director Alger from March 2015 indicated he was eligible for the assistance. After reviewing the application in early April based on existing program guidelines and associated facts, Community Development Director Smith Strack contacted Mr. Selly of her intent to deny the grant. Community Development Director Smith Strack's decision was based on: requirement the program be for new home permits issued only (permit application March 2014, final inspection December 2014) and the Applicant had had prior existing mortgages on the subject property including a mortgage to acquire the lot and a mortgage to construct the house. Mr. Selly is appealing the administrative decision. He addressed the City Council at a May 16<sup>th</sup> meeting during an open forum; the Council referred the issue to the EDA for review.

Mr. Selly addressed the Commission and explained the sequence of events associated with his down payment grant request. He maintained that he followed the direction of former Community Development Director Alger regarding the timing of the application. The Commissioners reviewed the sequence of events. Commissioner Coop commented that it appears Mr. Selly made a good faith effort to follow the process.

MOTION by Commissioner Coop, second by Commissioner Doyle, to approve the \$2,000 Down Payment Assistance for new home purchasers as requested by Trace Selly, 1306 Quail Court. Commissioner Coleman VOTED NAY. ALL OTHERS VOTED AYE. MOTION CARRIED.

### **6. ADMINISTRATIVE REPORTS.**

#### **6.1. Commissioner Comments.**

Commissioner Coleman noted that the former Hubers Super Valu building located on the 300 block of South Meridian Street is being marketed by the owners, William and Joe Huber. They have reached to various national chains.

Commissioner Krant expressed concern for the many vacant storefronts along the TH169 corridor and the message it sends to the public. He also noted that there are some unkempt properties.

**6.2. Director's Update.**

Community Development Director Smith Strack referenced a copy of the Director's Update that was included in the Commissioners' packet.

**6.3. Upcoming Meetings.**

1. **Destination BP 2040, Land Use Planning, 6:00 pm, Wed. June 8, 2016.**
2. **Next Regular Session, 5:00 pm, Monday, July 11, 2016.**

The Commissioners were reminded of the upcoming meetings as listed.

**7. ADJOURNMENT OF REGULAR SESSION.**

MOTION by Commissioner Coop, second by Commissioner Fahey, to adjourn at 6:17 p.m. ALL VOTED AYE. MOTION CARRIED.

Respectfully submitted,

Patricia Krings  
Recording Secretary