

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
JULY 10, 2017**

**PLEDGE OF ALLEGIANCE.**

Vice President Fahey led those present in the Pledge of Allegiance.

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

The Belle Plaine Economic Development Authority met in Regular Session at 5:00 p.m. on Monday, July 10, 2017 at City Hall, 218 North Meridian Street, Belle Plaine, MN. Vice President Lisa Fahey called the meeting to order with Commissioners Cary Coop, Chris Meyer, Nathan Shutes, Crystal Doyle and Dick Coleman present. Commissioner Rick Krant was not present. Also present was Community Development Director Cynthia Smith Strack.

**2. APPROVAL OF AGENDA.**

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

**3. APPROVAL OF MINUTES. 3.1. Regular Session Minutes of June 12, 2017.**

MOTION by Commissioner Shutes, second by Commissioner Coleman, to approve the Regular Session Minutes of June 12, 2017. ALL VOTED AYE. MOTION CARRIED.

**4. TREASURERS REPORT.**

**4.1. Approval of Bills.**

The bill register was unavailable and it will be presented at next month's meeting for approval.

**5. BUSINESS.**

**5.1. Financial Incentives Update.**

Community Development Director Smith Strack explained the year to date expenditures of the Façade Improvement Loan program are currently at zero. One project has been approved, a total of \$7,250.00 is remaining available for 2017. The current balance of Fund 800, Revolving Loan Fund is (unaudited) \$181,895.65. The current outstanding principal is \$141,925.25 with outstanding interest of \$9,909.49. All loans are current.

MOTION by Commissioner Coop, second by Commissioner Shutes, to approve the financial incentives update as presented by Community Development Director Smith Strack. ALL VOTED AYE. MOTION CARRIED.

**5.2. 2018 Budget Discussion.**

Community Development Director Smith Strack explained that preliminary budget requests are due this month. Community Development Director Smith Strack requested discussion on both the 2018 annual budget and the long range (5-year) capital plan. Attached with Community Development Director Smith Strack's memo were budget worksheets for both the EDA (Fund 801) and the HRA (Fund 802). Revenue streams are from a "special taxing district" which allows our HRA/EDA to levy of up to 0.0185% of (entire) estimated market value. Last year it amounted to just over \$101,000.

Community Development Director Smith Strack explained that revenue is expected to be relatively static as are most expense line items. She requested discussion on the EDA ROSE grant program, HRA down payment assistance and HRA revitalization/energy efficiency program.

EDA ROSE Grant Program. In 2017 there was \$8,000 budgeted for the ROSE program. At this time, less than one-tenth has been used for 2017. The revised standards now disallow signage and most rehabilitation type uses.

Commissioner Meyer questioned whether the ROSE program would be more impactful if the project limit was increased from \$1,500 to \$8,000, supporting one substantial project rather than many smaller ones. He also suggested that building permit fees to be waived for the downtown area in an effort to assist improvements by business owners. Commissioner Shutes commented that a six-month period is not long enough to determine the success of the program. He is pleased that signage is no longer an allowable expense. He supports Commissioner Meyer's comments about increasing the project amount although there is merit in small projects as well. He also recommended any unused funds to be rolled over into 2018 and that there may be a need to add another category for the ROSE program. Commissioner Coleman prefers a few smaller projects rather than dispensing all funds to one project. Commissioner Doyle supports the ROSE program but would also like to explore other funding options. Commissioner Meyer agreed that remaining 2017 funds be rolled into 2018. The determination of a large award is to be based on a ranking system, with preservation as a high priority. He supports implementation of the large project funding regardless of leftover funds. He suggested a \$5,000 cap. Community Development Director Smith Strack explained that "bonus" funds could be designated specifically for the Central Business District. Commissioner Coop recommended the amount of \$14,500, which would allow for two \$5,000 grant funds with \$4,500 for earmarked for smaller projects. The ROSE program will continue to be marketed under the current policy with any bonus/leftover funds consolidated for a large project.

It was the consensus of the Commission to budget \$14,500 for the ROSE program.

HRA Down Payment Assistance. In 2017, the program changed to a needs-based focus, requiring persons to meet HUD income guidelines. The income exclusion has greatly curtailed use of this fund. The amount allotted was \$10,000 for the program (five projects) in 2017. Several persons were interested in the program, however, none of them were eligible due to income guidelines.

Commissioner Coop recommended reducing the down payment assistance program to \$6,000 and to examine the program during next year's budget cycle.

It was the consensus of the Commission to recommend a 2018 budget of \$6,000 for the HRA Down Payment Assistance Program.

HRA Revitalization/Energy Efficiency Program: The 2017 budgeted amount was \$10,000 (ten projects). There have been three projects to date and have two additional pending at this time. Last year the amount of \$11,500 was budgeted for this program.

The Commissioners recommended \$10,000 for the HRA Revitalization/Energy Efficiency Program.

Community Development Director Smith Strack explained that in addition to the annual budget the City Council will be reviewing a five-year capital improvement plan. Currently there are no capital items budgeted directly for the HRA/EDA. There is \$5,000 set aside annually for Community Development Department equipment/vehicles. Staff recommends the purchase of e-permitting software with workflow processing components and electronic recordkeeping. Community Development Director Smith Strack reported there is no capital improvement plan for EDA/HRA to assist with funding of items such as entrance monuments and banners. Staffing needs for the Community Development Department will be addressed under the general levy.

### **5.3. Discussion: Business Subsidy Criteria Redraft.**

Community Development Director Smith Strack explained the EDA held initial discussion and identified potential priorities pertaining to a revision of the business subsidy policy. A draft policy was included with Community Development Director Smith Strack's memo.

1. Inducing investment in revitalization and redevelopment corridors as identified in the Comprehensive Plan. Community Development Director Smith Strack suggested the addition of Enterprise Drive and Meridian Street and Phil Morris property. The Commissioners concurred.
2. To increase and/or retain diversity of jobs available within the City of Belle Plaine. Preference will be given to higher wage jobs with benefits such as health insurance. Minimum wage floor for consideration of a business subsidy shall be 175% of the federal minimum wage, exclusive of benefits. Retained jobs are exempt from minimum wage floor requirement. The Commissioners supported retaining the wage requirement.
3. To leverage additional, unsubsidized private development directly or indirectly related to the development receiving a business subsidy. The Commissioners were in favor.
4. To diversify the existing housing stock and/or facilitate the presence of a complete housing supply including a variety of housing values, types, and sizes suitable for all incomes, ages, and abilities. The Commissioners were in favor.
5. To remove blighting conditions or support redevelopment of underutilized properties. The Commissioners were in favor.
6. To retain and support adaptive uses for properties of historical significance. The Commissioners were in favor.
7. To support projects providing needed improvements such as transportation or utility infrastructure that would be completed in conjunction with the development receiving a business subsidy. The Commissioners were in favor.
8. To offset increased costs of development due to soil correction, site remediation, asbestos or other contaminant removal, and the like. The Commissioners were in favor.
9. To facilitate projects which improve the quality of life by providing desirable environs, providing desired goods or services, and/or addressing an unmet demand. The Commissioners were in favor.
10. To support projects that contribute to the implementation of other public policies, as adopted from time to time by the City, such as quality urban or architectural design, energy planning, efficiency in local government operation, gains in community resiliency, social equity, economic prosperity, stewardship, sustainability, and/or livability. The Commissioners were in favor.

Staff further requests specific discussion regarding approval guidelines:

1. Projects considered for a business subsidy shall meet one or more of the Business Subsidy Criteria as set forth in Section II of this Policy. The Commissioners were in favor.

2. Projects considered for a business subsidy shall be consistent with applicable local, state, and federal laws. The Commissioners were in favor.
3. Applicants for business subsidies must demonstrate, to the satisfaction of the City, sufficient equity investment in the project. The Commissioners were in favor.
4. Applicants ~~must~~ demonstrate, to the satisfaction of the City, a market demand for a proposed project. The Commissioners were in favor with a word change from “must” to “may be required to.”
5. Business subsidies may not create an unfair or significant competitive financial advantage over other similar projects in the area. The Commissioners were in favor.
6. Business subsidies will not be given to projects that place extraordinary demands on City infrastructure and/or services. The Commissioners were in favor.
7. Applicants ~~must~~ demonstrate, to the City’s (or if applicable the underwriting authority’s) satisfaction, an ability to construct, operate, and maintain the proposed project based on past experience, general reputation, credit history, and similar attributes. The Commissioners were in favor with a word change from “must” to “may be required to.”
8. Assistance will not be provided solely to broaden profit margins. Prior to consideration of a business subsidy request the City may order independent analysis of project financials, proposed financial sources and uses, and/or underwriting. The Commissioners were in favor.
9. Projects must be consistent with the Comprehensive Plan. The Commissioners were in favor.
10. If the business subsidy involves the conveyance of real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City. The Commissioners were in favor.
11. If the business subsidy is received over time, the City may value the subsidy at its present value using a discount rate equal to an interest rate which the City determines is fair and reasonable under the circumstances. The Commissioners were in favor.
12. If the business subsidy is a guaranty, the amount of the business subsidy may be valued at the principal amount of the guaranteed payment obligation. The Commissioners were in favor.

Community Development Director Smith Strack noted the Policy will be added to next month’s agenda for final review.

## **6. ADMINISTRATIVE REPORTS.**

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

Commissioner Meyer commented on the proposed annexation and extension of sanitary sewer to the City of Jordan from St. Lawrence Township and expressed concern for lack of an Orderly Annexation Agreement with the Township. He believes the City of Belle Plaine should be more aggressive.

It was the consensus of the Commission to direct Community Development Director Smith Strack to contact St. Lawrence Township regarding this matter.

### **6.2. Director’s Update.**

Community Development Director Smith Strack provided highlights of the Director's Update. She informed the Commission of "Tallahassee Rocks" in which local groups paint colorful rocks and place them in the community for other residents and visitors to find and share. She would like to initiate such a program in the City. She also spoke of Sol Smart, a program to help cities become known as solar friendly and embrace sustainability and stewardship.

**6.3. Upcoming Meetings.**

**1. Regular Session, 5:00 pm, Monday, August 14, 2017.**

The Commissioners were reminded of the next meeting as listed.

**7. ADJOURNMENT OF REGULAR SESSION.**

MOTION by Commissioner Coleman, second by Commissioner Meyer, to adjourn the meeting at 6:15 p.m. ALL VOTED AYE. MOTION CARRIED.

Respectfully submitted,

Patricia Krings  
Recording Secretary