

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
AUGUST 8, 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 Monday, August 8, 2016 at City Hall, 218 North Meridian Street, Belle Plaine, MN. President Rick Krant called the meeting to order with Commissioners Cary Coop, Henry Pressley, Nathan Shutes, Dick Coleman, Crystal Doyle and Lisa Fahey present. Also present were Community Development Director Cynthia Smith Strack and Mayor Michael Pingalore.

Mayor Michael Pingalore was present and distributed a letter regarding meeting decorum. He explained the importance of the utmost professional conduct at public meetings.

2. APPROVAL OF AGENDA.

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

3. APPROVAL OF MINUTES. 3.1. Regular Session Minutes of July 11, 2016.

MOTION by Commissioner Coop, second by Commissioner Fahey, to approve the Regular Session Minutes of July 11, 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 EDA has historically examined existing outstanding loans at each EDA meeting. The year to date expenditures under the Façade Improvement Loan program are currently at \$7,500. The current balance of Fund 800, Revolving Loan Fund, \$151,455.01. The current outstanding principal is \$168,797.26 with outstanding interest of \$12,392.19. All loans are current.

It was the consensus to accept the Financial Incentives Update as presented.

6. ADMINISTRATIVE REPORTS.

6.1. Commissioner Comments.

There were no further Commissioner comments.

6.2. Director's Update.

Community Development Director Smith Strack provided a summary of the activities listed in the Director's Update.

6.3. Upcoming Meetings.

1. Next Regular Session, 5:00 pm, Monday, September 12, 2016.

2. Destination BP 2040, 6:00 pm, Wednesday, September 14, 2016.

The Commissioners were reminded of the upcoming meetings as listed.

7. ADJOURNMENT OF REGULAR SESSION.

MOTION by Commissioner Coop, second by Commissioner Pressley, to adjourn the Regular Session at 5:10 p.m. ALL VOTED AYE. MOTION CARRIED.

8. WORK SESSION.

President Krant announced the work session at 5:11 p.m. with Commissioners Cary Coop, Henry Pressley, Nathan Shutes, Dick Coleman, Crystal Doyle and Lisa Fahey present. Also present were Community Development Director Cynthia Smith Strack and Mayor Michael Pingalore.

8.1. Follow up Discussion – Festivals.

Community Development Director Smith Strack explained that last month the EDA discussed potential economic benefits and challenges provided by regional events such as festivals. Included with Community Development Director Smith Strack's memo was information regarding economic impact analysis. She explained that the document pertaining to economic impact analysis (mining) can be applied to festivals.

Commissioner Shutes provided an update on the findings by he and Commissioner Fahey regarding the re-location site of the Renaissance Festival in Shakopee. Very little information was revealed by the Renaissance office and it was assumed that they have already selected their new site. Commissioner Shutes recommended a letter of interest by the City Council be mailed to the Renaissance Festival. Commissioner Fahey explained the marketing opportunity provided by River South for the promotion of entertainment activities in Belle Plaine. She also commented that St. Lawrence Township Board was not forthcoming in discussions about the Renaissance relocation. Commissioner Pressley commented that it is important to keep communication lines open.

8.2. Façade Improvement Loan Program Guidelines.

Community Development Director Smith Strack explained that for the past several months the EDA has been discussing the façade improvement loan program. Consensus is the program guidelines need to be refined so as to provide more value for the public's investment. The Commissioners were provided a worksheet designed to determine the perceived value of past projects, a comparison of BPEDA Façade Improvement Loan Program and similar programs and the existing FILP guidelines.

Commissioner Shutes commented that it appears loans distributed to owners and operators tend to be for maintenance while tenants seek funds for awnings and signage. There are two different objectives: one is protect property values and the other is to promote business. He wondered which of these objectives is more beneficial for economic growth. Commissioner Shutes supports two programs, one for maintenance and one for aesthetics. He believes the original intent of the program was to increase foot traffic and promote business, rather than supporting property values. Commissioner Fahey supports helping the business owner as they are taxpayers. Commissioner Pressley, reviewing the list of FILP grants, commented on the need to assess the value base of each project to determine the guidelines going forward. Commissioner Shutes questioned whether it is more beneficial to help the owner for increased property value, or to encourage more foot traffic. He also commented that it is important to consider historic preservation. Mayor Pingalore commented that rent paid by tenants should go towards maintenance of the building. He suggested the FILP guidelines align with the objective and that a stipulation be added regarding payback of the loan/grant for buildings that are sold within a certain timeframe. Commissioner Fahey explained the program was initially created to help give the downtown a "face lift." Commissioner Doyle commented the economy now may be very different from the initial

implementation; the focus today should be on assisting businesses with improving and expanding efforts. Commissioner Shutes noted that if two programs are implemented, the percentage assigned to each could fluctuate according to the annual needs. Commissioner Doyle said that guidelines for two programs will help the business owner determine the best use of funds. Community Development Director Smith Strack supports historic preservation to maintain the integrity of the downtown buildings as part of the FILP program. She also supports a value-added system to help determine a percentage based incentive depending on the total project cost. An emphasis could be placed on the utilization of local contractors. There could be even more variables as it relates to the review criteria of a project. Commissioner Shutes supports a value based percentage for grant funds. Commissioners Krant, Pressley and Coop were in agreement that signs should not be funded. Commissioner Fahey concurred, with the exception that she would support a sign of historic value.

President Krant obtained a vote from each Commissioner regarding their preference as to: 1) leaving the guidelines as currently written; 2) Implementing two programs – maintenance related and aesthetics; and 3) exclude maintenance projects. It was the consensus to direct Community Development Director Smith Strack to prepare draft guidelines for two programs: maintenance related and aesthetics. She will propose increasing the EDA budget for 2017 by \$12,000 for the FILP program to prevent a spenddown of the RLF fund.

Commissioner Pressley appreciated the primer on the Economic Impact Analysis provided by Community Development Director Smith Strack. He would like to apply this information at a local level.

President Krant commented on the role of the EDA and suggested next month's topic include the promotion of economic development near the site of the new Enterprise Drive overpass and Commerce Drive. The Commissioners concurred.

9. ADJOURN.

MOTION by Commissioner Coop, second by Commissioner Pressley, to adjourn the work session at 6:25 p.m. ALL VOTED AYE. MOTION CARRIED.

Respectfully submitted,

Patricia Krings
Recording Secretary