

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
SEPTEMBER 12, 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, September 12, 2016 at City Hall, 218 North Meridian Street, Belle Plaine, MN. President Rick Krant called the meeting to order with Commissioners Cary Coop, Lisa Fahey, Dick Coleman, Crystal Doyle, Nathan Shutes present. Commissioner Henry Pressley arrived at 5:06 p.m. Also present was Community Development Director Cynthia Smith Strack.

**2. APPROVAL OF AGENDA.**

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

**3. APPROVAL OF MINUTES. 3.1. Regular Session Minutes of August 8, 2016.**

MOTION by Commissioner Coleman, second by Commissioner Shutes, to approve the Regular Session Minutes of August 8, 2016. ALL VOTED AYE. MOTION CARRIED.

**4. TREASURERS REPORT. 4.1. Approval of Bills.**

Commissioner Coleman inquired about the \$1,000 HRA residential façade improvement grant listed on the bill register. Community Development Director Smith Strack provided details.

MOTION by Commissioner Fahey, second by Commissioner Shutes, to approve 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 program are currently at \$7,500. The current balance of Fund 800, Revolving Loan Fund, is \$153,533.40. The current outstanding principal is \$166,931.32 with outstanding interest of \$12,179.74. All loans are current. The City Council approved a preliminary budget for 2017 at the September 6, 2016 Council meeting. Community Development Director Smith Strack explained that \$8,000 for the façade improvement loan program is included in the preliminary budget. EDA consulting fees have been increased to \$6,000 to provide flexibility for participation in projects. The HRA programs (down payment assistance, rehab, and energy efficiency) is budgeted at \$11,500.

The Commissioners accepted the financial incentives report as presented.

**6. ADMINISTRATIVE REPORTS.**

**6.1. Commissioner Comments.**

Commissioner Coop inquired about the availability of grants related to residential housing and also inquired about Federal or State grants that could assist with financing a community center. Community Development Director Smith Strack explained that a topic of a future EDA agenda will be discussion on grants, including the down payment assistance program. Commissioner Coop believes there is a need for this type of information to be presented to the public. Commissioner Krant commented on the recent Belle Plaine Herald article regarding the purchase of land by the Renaissance Festival, which is not far from the City.

## **6.2. Director's Update.**

Community Development Director Smith Strack provided highlights from her Director's Update, commenting on the downtown tree uplifting project, findings from a draft housing study, and the preliminary plat for Buesgens Commercial Center.

## **6.3. Upcoming Meetings.**

- 1. Destination BP 2040, 6:00 pm, Wednesday, September 14, 2016.**
- 2. Next Regular Session, 5:00 pm, Monday, October 10, 2016.**

The Commissioners were reminded of the upcoming meetings as listed.

## **7. ADJOURNMENT OF REGULAR SESSION.**

MOTION by Commissioner Fahey, second by Commissioner Coop, to adjourn the regular session portion of the meeting at 5:26 p.m. ALL VOTED AYE. MOTION CARRIED.

## **8. WORK SESSION.**

### **8.1. Façade Improvement Loan Program Guidelines.**

President Krant announced the EDA Work Session at 5:27 p.m. with Commissioners Cary Coop, Lisa Fahey, Dick Coleman, Crystal Doyle, Nathan Shutes and Henry Pressley present. Community Development Director Smith Strack was present also.

Community Development Director Smith Strack provided a presentation regarding proposed modifications to the Façade Improvement Loan Program guidelines. She explained that for the past several months the EDA has been discussing this program. Program guidelines were refined so as to provide more value for the public's investment. Input and comment from previously meetings has been used to inform development of revised guidelines.

Community Development Director Smith Strack prepared a draft and noted that it is substantially different in approach than the current policy. The intent is to maximize public investment and clarify project attributes that may be eligible for program funding and those that are less likely to provide the public a consistent program benefit. Staff's intended function of the redraft is to provide a tangible framework for continuing to update program policy as opposed to a final, finished policy.

Community Development Director Smith Strack summarized the conceptual modifications to the policy:

1. Clarification of purpose of program – suggested focus is externally recognizable physical improvements to commercial property as a means to achieving redevelopment.
2. Eligible projects. Rather than having a list of eligible and non-eligible activities the approach is more nuanced and varied. Program activities are divided into four categories with associated program benefit weighted more heavily toward desirable activities. Activities are categorized as:
  - a. Eligible for a \$1 to \$1 match. Every dollar spent on one of these activities is eligible for \$1 in forgivable loan.
  - b. Eligible for a \$1 to \$5 match. Every five dollars spent on one of these activities is eligible for \$1 in a forgivable loan. The \$5 is just a placeholder – it could be \$2, \$10, \$100, etc. Only capital or material expenses are eligible not labor, intended to weed out artificially inflated estimates.
  - c. Eligible for use as a portion of the program match (e.g. 50%) but not for forgivable loan fund dollars.
  - d. Non-eligible uses.

3. A loan approval process has been outlined. Part of the process is a timeline for review of applications. The timeline favors more substantial projects by contemplating separate review periods for projects less than \$10,000 and \$10,000 or greater. Since loan funds are limited there is a natural benefit to applying earlier rather than later. While not prescribing a competitive grant cycle the draft guidelines nudge applicants toward larger projects. Draft guidelines include immediate review (i.e. monthly) for projects of \$10,000 or more in value and quarterly review for projects less than \$10,000.

Commissioner Coleman recommended a flow chart or spreadsheet be created to assist an applicant with a quick reference. He questioned the reference to "interior" improvements. Community Development Director Smith Strack explained that interior improvements would be used in calculations of total project cost, but not directly for loan funds. Commissioner Shutes would like to learn of the increased value of property stemming from improvements and suggested an annual review by an appraiser as an independent analysis. Commissioner Coleman said the information could be tracked via the year property tax statements. Increase in property value could then result in support for the program and future budget requests. He explained that with a \$250,000 bank loan, an appraisal is typically required for commercial property. Commissioner Shutes supports a flow chart for the applicant that would help simplify the process. He volunteered to assist with the development of the flow chart. He suggested that a draft be forwarded to the Commissioners prior to the next meeting so that they have a chance to review and submit comments. Commissioner Shutes likes the concept of contributing a higher percentage to larger projects. Commissioner Coleman noted the limitation of the annual funds at \$8,000. Commissioner Coop suggested that awnings be moved to the 1:5 match, rather than 1:1, as he believes awnings do not increase the value of the building. Community Development Director Smith Strack explained her support for historic preservation at the 1:1 match. Restoration is expensive and believes there is value in historic preservation.

Commissioner Shutes commented that a more descriptive title of the program is needed as it currently is known as the Façade Improvement Loan Program Policy. Commissioner Krant suggested Commercial Property Development Program Policy. Commissioner Coop suggested naming the program ROSE: Restoration, Opportunity, Sustainability, and Employment.

Community Development Director Smith Strack asked the Commissioners for their opinion as to whether new buildings qualify for funds. The Commissioners supported funding for new buildings to help offset the higher Class I material standards, such as brick and windows. Community Development Director Smith Strack will incorporate the Commissioners recommendations and provide the final draft at the next EDA meeting.

President Krant would like to keep the focus on economic development for the area surrounding the Enterprise Drive overpass and have the EDA involved in the activity. Community Development Director Smith Strack explained she will be reaching out to the property owners in close proximity to the overpass to learn about their intent regarding development. She will also contact the Scott County HRA and Scott County Open to Business to explore opportunities for Belle Plaine.

President Krant adjourned the meeting at 6:11 p.m.

Respectfully submitted,

Patricia Krings  
Recording Secretary