



BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
NOTICE OF REGULAR MEETING AND AGENDA  
CITY HALL, 218 NORTH MERIDIAN STREET  
PLEASE USE THE NORTH ENTRANCE

MONDAY, FEBRUARY 8, 2016  
5:00 P.M.

OATH OF OFFICE.

1. Dick Coleman

5:00  
P.M.

1. CALL TO ORDER. 1.1. Roll Call.

2. APPROVAL OF AGENDA.

ELECTION OF OFFICERS.

1. President
2. Vice President
3. Treasurer
4. Assistant Treasurer
5. Secretary

3. APPROVAL OF MINUTES.

- 3.1. Regular Session Minutes of January 11, 2016.

4. TREASURERS REPORT.

- 4.1. Approval of Bills.

5. BUSINESS.

- 5.1. Financial Incentives Update.

- 5.2. Discussion: EDA Exercising HRA Powers.

- 5.3. Discussion: Activation of Vacant Store Front Windows – Downtown.

- 5.4. Authorization to Execute Intercreditor Agreement with Metropolitan Consortium of Community Developers: Angie's Infant and Toddler Care.

- 5.5. Joint City Council, Board, Committee, & Commission Meet & Greet: March 9, 2016.

6. ADMINISTRATIVE REPORTS.

- 6.1. Commissioner Comments.

- 6.2. Director's Update.

- 6.3. Upcoming Meetings.

1. Destination Belle Plaine, Summit Meeting, 6:00 p.m. Wednesday, March 9, 2016.

2. Next Regular Session, 5:00 p.m., Monday, March 14, 2016.

7. ADJOURNMENT OF REGULAR SESSION.

8. WORK SHOP.



## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 2.1 Election of EDA Officers

**REQUEST: Annual Election of Officers**

### GENERAL INFORMATION

Under the existing EDA enabling resolution, organization officers are elected at the first meeting following appointments. Expected process is to accept nominations and then close nomination and vote via motion.

The current Vice President, EDA Member Fahey, will solicit nominations for EDA President. Following election of the President, the newly elected President shall preside over the meeting.

The following appointments are requested:

**President** (last year Krant)  
**Vice President** (last year Fahey)  
**Treasurer** (last year Coleman)  
**Assistant Treasurer** (last year Jacobs)  
**Secretary** (last year Krings)

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR SESSION  
JANUARY 11, 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, January 11, 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, Henry Pressley, Dick Coleman and Crystal Doyle present. Also present was Community Development Director Cynthia Smith Strack.

**OATH OF OFFICE.**

Henry Pressley, Jr.

Community Development Director Smith Strack administered the Oath of Office to newly-appointed EDA member Henry Pressley. Staff and the Commissioners welcomed Mr. Pressley.

**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 December 14, 2015.**

MOTION by Commissioner Coop, second by Commissioner Shutes, to approve the Regular Session Minutes of December 14, 2015 as presented. ALL VOTED AYE. MOTION CARRIED.

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

MOTION by Commissioner Coleman, second by Commissioner Coop, to approve the payment of bills as presented. 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 under this program are currently at zero. One FILP loan approved in 2015 has not been paid out and one \$1,500 application is before the EDA for review this evening. The current balance of Fund 800, Revolving Loan Fund, is \$142,889.25. The current outstanding principal is \$181,752.48 with outstanding interest of \$13,985.70. All loans are current. Community Development Director Smith Strack reminded the Commissioners of the review of the Façade Improvement Loan Program during the budgeting process for 2017.

**5.2. Resolution 16-001, Ryan Neisen d.b.a. Neisen's Corner Bar: Façade Improvement Loan Request.**

Ryan Neisen, applicant, Neisen's Corner Bar, was present.

Community Development Director Smith Strack explained that Ryan Neisen proposes the relocation of an existing ingress/egress adjacent to Meridian Street South as part of an interior remodeling project at 101 Main Street East. The door will be moved approximately 10 to 15 feet south and a new door will be installed similar in appearance to the existing door. The existing awning and door will be removed. The opening created by moving the door will be restored with stucco. Initially the awning will be removed and not replaced. Project cost estimate is \$3,200. The Design Committee has conditioned its approval of the

project on an awning being placed over the relocated door in a timely fashion and restoration of the building opening with matching stucco.

Commissioner Doyle asked about the purpose of the relocation of the door. Mr. Neisen replied that it allows the storage area to be changed into usable space and also for the extension of the current bar. He noted the new door will swing to the outside for compliance with the State's building code.

MOTION by Commissioner Fahey, second by Commissioner Coleman to approve Resolution 16-001, Approving Terms of Loan from EDA Revolving Loan Fund. ALL VOTED AYE. MOTION CARRIED.

### **5.3. Grant Application: Scott County CDA**

Community Development Director Smith Strack explained that Scott County Community Development Agency (CDA) has \$340,000 in matching grant dollars available for the 2016 cycle. Completed applications are due by January 29, 2016. Of the total grant dollars available \$250,000 has been set aside for the "Corridor Readiness Program" and \$90,000 for the "Technical Assistance Program".

Corridor Readiness Program helps cities complete land use, transportation, and environmental studies and contracted planning services that are intended to maximize development and redevelopment and the investment of capital within specified corridors, including Highway 169. A local match of \$1 for each \$2 of Corridor Readiness grant is required.

Technical Assistance Program provides funding for projects enhancing economic development activities with the goal of creating new jobs. A local match of \$1 is required for each \$1 of Technical Assistance Program grant.

In brainstorming projects staff has identified the following:

1. Corridor readiness: Preliminary report extension of north sanitary interceptor under Hwy 169 (Swedlund, Koll properties). Cost \$15,000. Report would detail existing conditions, proposed extension, preliminary cost estimate, property requirements, and a timeline.
2. Corridor readiness: Platting of property adjacent to Highway 169 (especially in areas adjacent to new overpass) to get larger sites closer to shovel ready status. Estimate \$10,000 per plat.
3. Technical assistance: Add a 'job spot' plug in to our website (estimate pending).
4. Technical assistance: Make website mobile-friendly; estimate \$1,750 (option 1) or \$4,200 (option 2).

Community Development Director Smith Strack explained that development is hindered on the eastern boundary of the City due to lack of sanitary sewer service for properties south of County Road 64. The interceptor currently terminates on the north side of TH 169. Another important task is to get commercial and industrial land shovel ready. She explained that many parcels are over 10 acres in size and typical commercial development needs smaller acreage. Land that is platted would allow a developer to move forward with a project in a timely manner and recommended this as a priority. Commissioner Coop recommended Staff research any past due property taxes before offering assistance to the landowner. Community Development Director Smith Strack explained the current "Jobs" webpage on the City's website is labor intensive and time consuming and software enhancements are necessary.

In discussion, Commissioner Coleman asked if property owners are interested in platting their land. Community Development Director Smith Strack replied yes. Commissioner Coleman asked if a study on the sanitary sewer interceptor would become obsolete in a few years. Community Development Director Smith Strack acknowledged the study could be obsolete due to delays because the subject land is developer-driven. She explained that a property owner on the southeast quadrant has received inquiries, but interest was abated due to lack of sanitary sewer service. It is her intent to meet with this property owner in a few months to discuss this matter. The Commissioners recommended the following priority for

seeking grant funds from Scott County CDA: 1) Corridor readiness: Platting of property adjacent to Highway 169 to get larger sites closer to shovel ready status, focusing on the area near the new Enterprise Drive overpass; 2) Corridor readiness: Preliminary report extension of north sanitary interceptor under Hwy 169, 3) Technical assistance: Add a 'job spot' plug in to our website, and 4) Technical assistance: Make website mobile-friendly.

## **6. ADMINISTRATIVE REPORTS.**

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

There were no further Commissioner comments.

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

Community Development Director Smith Strack provided an update on the activities of other boards and commissions within the City.

Commissioner Shutes departed at 5:37 p.m.

### **6.3. Upcoming Meetings.**

#### **Next Regular Session, 5:00 pm, Monday, February 8, 2016.**

Community Development Director Smith Strack reminded the Commissioners of the next monthly meeting and also informed them of the upcoming EDA/Chamber event scheduled for February 3, 2016 at Matt Saxe Chevrolet. The invitations will be mailed to the EDA members later this week.

## **7. ADJOURNMENT.**

MOTION by Commissioner Coop, second by Commissioner Fahey, to adjourn at 5:41 p.m. ALL VOTED AYE. MOTION CARRIED.

## **8. WORK SESSION: 2016 GOALS**

### **8.1. 2016 Goals by Task Area: Organizational development, market development, infrastructure development, and business development.**

Community Development Director Smith Strack explained that at the December EDA meeting the Commissioners reviewed a presentation to attempt to get on the same page regarding who we are and what we do. As defined in the presentation, the EDA discussed organizing and allocating resources based on specific work areas while seeking the establishment of goals and a work plan for 2016.

Community Development Director Smith Strack identified work areas and provided a list of typical tasks and a few suggestions for potential 2016 goal/work plan items.

#### Organization Development

- Familiarize all members with financial and technical resources available from or through the EDA.
- Review open meeting law and data privacy as it relates to EDA operations.
- Amend enabling resolution to reflect current representation arrangement.
- Prepare annual report to Council as required under enabling resolution.
- Hold a joint meeting with Design Committee to promote an understanding of what each organization does and is working on and how we may work together on common interests.

- Hold a joint meeting with the Planning Commission to promote an understanding of what each organization does and is working on and how we may work together on common interests.

#### Market Development

- Revamp job posting page on website.
- Learn more about using social media effectively – e.g. best practices for municipal governments

#### Infrastructure Development

- Work with property owners to move toward more lots being 'shovel ready' – platted, utilities extended, etc.
- Work on north interceptor extension – define a way forward

#### Business development

- Get members out in the field before businesses- conduct at least four face-to-face informal business visits.
- Network – all members.
- Host a 'mind meld' regarding sand lot.
- Update business subsidy policy.
- Prepare TIF/abatement policy.
- Examine budget and use of RLF to fund forgivable façade loans.
- Examine adequacy of access to capital for start-ups and expanding businesses.
- Investigate grass root effort to establish private equity firm that champions local business e.g. <http://www.graniteequity.com/>

Commissioner Coleman noted the focus will be on the results of the Scott County CDA grants, if the City is successful in obtaining the awards. He asked what Commissioners can do to assist. Community Development Director Smith Strack explained that it is important for each Commissioner to serve as an ambassador for EDA programs. It is vital to know and understand the financial incentive programs available, such as TIF, RLF, abatement and job creation. The key to success will be everyone networking and listening in an effort to seek out leads.

Commissioner Coleman suggested that Staff provide a spreadsheet or a downloadable app to assist with details of each program. Commissioner Fahey suggested a type of questionnaire created in a downloadable app that would help guide the Commissioners and potential applicants to the appropriate EDA program. Commissioner Doyle noted that SurveyMonkey is a well-known app that may provide assistance.

Commissioner Krant noted it is appropriate to discuss the percentage of time the Commissioners choose to spend on Organization, Market, Business, and Infrastructure at an upcoming meeting and that Community Development Director Smith Strack had provided percentages for her position.

Commissioner Doyle noted that she would like to dedicate time to local businesses, and cited the example of her recent discussion with a local business owners.

Commissioner Coop suggested having conversations with business owners and managers on an informal basis and report the findings back to the Commission. He commented that it is important to educate the business owners about the EDA and believes home businesses can provide a wealth of opportunities.

Commissioner Pressley concurred with the concept of an informal meeting with individual business owners and to remind them they have a voice. Commissioner Coleman indicated he would be willing to visit business owners.

Commissioner Krant suggested focus be on the larger businesses that impact the local tax base.

Commissioner Fahey suggested that Staff glean information from Ridgeview as to what businesses would be complementary to their clinic.

Commissioner Krant recommended Staff contact the City of Chaska to obtain information as to the development factors of the 212 Ridgeview Medical Center. Commissioner Krant also recommended discussion on the corridor development for next month's meeting.

Commissioner Coleman also suggested the topics of the vacant commercial lot near Veterans Park and also the vacant Huber building.

In closing, Community Development Director Smith Strack explained issues the EDA will need to address, such as review of the original EDA Enabling Resolution, Open Meeting Law, and Data Privacy regulations.

MOTION by Commissioner Coop, second by Commissioner Pressley, to adjourn the workshop at 6:23 p.m. ALL VOTED AYE. MOTION CARRIED.

Respectfully submitted,

Patricia Krings  
Recording Secretary



## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 4.1 Approval of Bills

**REQUEST: Motion to Approval Payment of Claims**

### GENERAL INFORMATION

Attached are the Accounts Payable for the EDA fund (801) and EDA Revolving Loan Fund (800) for your review and approval.



**CITY OF BELLE PLAINE**  
**AP DEPARTMENT APPROVAL**  
**FEBRUARY 2016**

Act Code	Check Name	Amount	Comments
802-460500-190000	DANIEL AND RITA COLE	\$1,000.00	929 DEER CREEK PKWY - RESID <i>CLS 2-2-16</i>
<b>DEPT 460500 DEVELOPMENT</b>		<u>\$1,000.00</u>	
<b>FUND 802 HOUSING/REDEVELOPE AUTHORITY</b>		<u>\$1,000.00</u>	
		\$127,343.35	
<b>FUND 800 EDA- REVOLVING LOAN</b>			
<b>DEPT 460500 DEVELOPMENT</b>			
800-460500-407400	SECURITY CONTROL SYSTEMS	\$1,873.18	ANGIE'S DAYCARE LOAN DISBU <i>CLS 2-2-16</i>
<b>DEPT 460500 DEVELOPMENT</b>		<u>\$1,873.18</u>	
<b>FUND 800 EDA- REVOLVING LOAN</b>		<u>\$1,873.18</u>	
<b>FUND 801 ECONOMIC DEVELOPMENT AUTHORITY</b>			
<b>DEPT 460500 DEVELOPMENT</b>			
801-460500-343000	WELLS FARGO REMITTANCE CNTR	\$29.00	EDA - MARKETING - SHUTTERST
801-460500-343000	WELLS FARGO REMITTANCE CNTR	\$29.00	EDA - MARKETING - SHUTTERST <i>CLS 2-2-16</i>
801-460500-343000	LIME VALLEY ADVERTISING, INC	\$217.13	EDA - MARKETING
801-460500-570000	NEOPOST GREAT PLAINS	\$509.76	EDA - FOLDER ANNUAL CONTRA
<b>DEPT 460500 DEVELOPMENT</b>		<u>\$784.89</u>	
<b>FUND 801 ECONOMIC DEVELOPMENT AUTHORITY</b>		<u>\$784.89</u>	
<b>FUND 802 HOUSING/REDEVELOPE AUTHORITY</b>			
<b>DEPT 460500 DEVELOPMENT</b>			



## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.1 Financial Incentives Update

**REQUEST: Accept Financial Incentive Update**

### GENERAL INFORMATION

The EDA has historically examined existing outstanding loans at each EDA meeting. Following is information on outstanding loans in 2016 as of the date of this memo.

#### **Façade Improvement Loan**

Year to date expenditures under this program are currently at zero. One FILP loan approved in 2015 has not been paid out and one \$1,500 application was approved by the Board in January (Neisen's Corner Bar).

#### **Revolving Loan Fund**

The current balance of Fund 800, Revolving Loan Fund, as of the date of this memo is \$144,984.14. The current outstanding principal is \$179,908.62 with outstanding interest of \$13,751.17. All loans are current.

**On our radar:** drawdown of RLF balance through Façade Improvement Loan Program.

#### **ACTION**

The aforementioned information is for your information and discussion. Acknowledgement of the financial incentive update is kindly requested.



## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.2 EDA Exercising HRA Powers

**REQUEST: Discussion regarding EDA exercising HRA powers.**

### **GENERAL INFORMATION**

The Council established an EDA (economic development authority) in 1990 and a HRA (housing and redevelopment authority) in 1991. Please find attached each organization's enabling resolution.

At this time both organizations hold HRA powers – a duplication of authority, administrative process, and practice.

The EDA enabling resolution authorizes EDA exercise of statutory HRA powers. The HRA has also been granted statutory HRA powers.

Both organizations have levy authority. Each is authorized to levy up to 0.0185% of estimated market value for administrative program purposes, however, only one may exercise that authority on an annual basis unless the total levy is less than the statutory threshold. The distinction is relevant as the EDA and HRA are currently funded under this 0.0185% levy.

At this time the HRA consists of the four City Council Members (i.e. not the Mayor). The HRA has met an average of two times per year since 2012. Prior to that the HRA did not meet even annually.

At its annual meeting in January the HRA addressed the effectiveness of past programs and function of the HRA. As part of that broader discussion it was noted the EDA may exercise HRA powers. Since the EDA meets on a monthly basis it was suggested the EDA could exercise HRA powers and the independent HRA could be retired. This could create efficiency in local government and keep HRA agenda items at the forefront on a monthly versus annual basis. I'm attaching a January 2016 memo to the HRA regarding annual report/potential goals.

The HRA requested EDA input on the exercising HRA powers.

### **ATTACHMENTS**

1. EDA and HRA enabling resolutions.
2. HRA annual report/goals update.

### **ACTION**

The aforementioned information is for your information and for discussion. As noted at a previous EDA meeting, the EDA enabling resolution is outdated (updating the resolution is on our organizational development 'to-do' list).

RESOLUTION 90-40

A RESOLUTION ESTABLISHING THE BELLE PLAINE  
ECONOMIC DEVELOPMENT AUTHORITY PURSUANT TO THE  
PROVISIONS OF MINNESOTA STATUTES, CHAPTER 469

WHEREAS, the Minnesota State Legislature has enacted Minnesota Statutes, Sections 469.090 to 469.108 authorizing any statutory or home rule charter City to establish an Economic Development Authority having the powers contained in the Enabling Act (herein after the "Enabling Act") and a Housing and Redevelopment Authority established under Minnesota Statutes, Sections 469.001 to 469.047 or other law, and a city under Minnesota Statutes, Section 469.124 to 469.134 or other law, and

WHEREAS, the City wishes to establish such an Economic Development Authority and to define the relationship between it and the Council and Mayor by adoption of this Resolution, and

WHEREAS, it is intended that this Resolution be amended from time to time as may be required to further define or redefine the respective roles of the Economic Development Authority and the Council and Mayor regarding development and redevelopment within the City, and

WHEREAS, it is intended by this Resolution and actions taken hereunder, the Council and Mayor of the City shall establish broad policies for public-assisted development within the City and that the implementation of such policies be the responsibility of the Economic Development Authority, and

WHEREAS, it is the desire of the Council and Mayor that adoption of this Resolution and the creation of an Economic Development Authority will result in a conscientious and coordinated effort to encourage and precipitate future development within the City so as to increase tax base, promote employment and enhance the health, safety and welfare of City residents.

WHEREAS, on this date the Council has conducted a public hearing with respect to the establishment of an Economic Development Authority upon notice published in the form and times provided in Minnesota Statutes, Section 469.093.

NOW, THEREFORE BE IT RESOLVED by the City of Belle Plaine:

SECTION 1. Establishment.

There is hereby created in the City an Economic Development Authority which, subject to the provisions of this Enabling Resolution, shall have all of the powers, duties and responsibilities of any Economic Development Authority created pursuant to the Enabling Act, or other law, and a Housing and Redevelopment Authority to carry out economic, housing and industrial development and redevelopment within the City in accordance with such general policies as may from time to time be established by the Council and Mayor.

## SECTION 2. Definitions.

- A. "Authority" means the Belle Plaine Economic Development Authority.
- B. "City" means the City of Belle Plaine, Minnesota.
- C. "Council" means the duly elected governing body of the City.
- D. "Enabling Act" means Minnesota Statutes, Sections 469.090 to 469.108, authorizing the City of Belle Plaine to create an Economic Development Authority.
- E. "Enabling Resolution" means this Resolution of the Council establishing the Belle Plaine Economic Development Authority pursuant to the Enabling Act.
- F. "The Development Act" means City Development Districts, Minnesota Statutes, Sections 469.124 to 469.134.
- G. "The Housing Act" means Municipal Housing and Redevelopment Authorities, Minnesota Statutes, Sections 469.001 to 469.047.
- H. "The Housing Bond Act" means the Municipal Housing Program Act, Minnesota Statutes, Chapter 462C.
- I. "Industrial Bond Act" means the Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152 to 469.165.
- J. "Tax Increment Act" means Tax Increment Financing, Minnesota Statutes, Sections 469.174 to 469.179.

## SECTION 3. Legal Status.

The Authority shall be a public body politic and corporate and a political subdivision of the State of Minnesota. It shall not be considered a department of the City nor shall the City be liable for its obligations, unless assumed by the City in writing. Its relationship to the Council and Mayor shall be governed by the Enabling Act, this Enabling Resolution and the various statutes under which it operates, including the Enabling Act, the Housing Act, the Development Act, the Industrial Bond Act, the Housing Bond Act and the Tax Increment Act; provided, that in the event there is a conflict between the terms of the Enabling Resolution and any such statute, the Statute shall control and in the event there is a conflict between the Enabling Act and any such statutes, the Enabling Act shall control; provided further, that a statute granting authority shall not be deemed to be in conflict with a statute that grants less or no such authority.

#### SECTION 4. Name.

The Economic Development Authority created by the Enabling Act and this Enabling Resolution shall be known legally as the Belle Plaine Economic Development Authority (hereinafter referred to as BPEDA).

#### SECTION 5. Governing Body.

The powers of the Authority shall be vested in the Authority Commissioners (herein after the "Commissioners") thereof in office at any time, a majority of whom shall constitute a quorum for all purposes.

A. Membership of the Authority shall consist of seven Commissioners with two members from the City Council, one member from the Chamber of Commerce, one member from the Belle Plaine Development Corporation, and three members at large.

B. The Mayor shall appoint the Commissioners with the approval of the City Council.

C. The initial terms of the Commissioners shall be two members for one, two and three years respectively and one member for a four year term. Thereafter all Commissioners shall be appointed for four year terms.

D. If a vacancy is created when a City Council, Chamber of Commerce, or Belle Plaine Development Corporation member is no longer in good standing with their organization or other such vacancy occurs, the commission vacancy shall be filled for the balance of the term by Mayoral appointment with approval and consent of the Council.

#### SECTION 6. Authority Officers and Duties.

A. Officers. The Commissioners shall elect a President, a Vice-President, a Treasurer, a Secretary and an Assistant Treasurer. The Authority shall elect the President and Vice-President at the same time. Other offices may be held by the same Commissioner. The offices of Secretary and Assistant Treasurer need not be held by a Commissioner.

#### B. Duties and Powers.

1. Duties and Powers of President. The President shall preside when present at all meetings of the Commission and shall handle all general acts of management and shall see that all orders and resolutions of the Authority are carried into effect and signed and delivered in the name of the Authority. Any deeds, mortgages, bonds, contracts or other instruments pertaining to the Authority except in cases where the authority to sign or deliver the same is required by law to be exercised by the City, shall be signed by the President.

2. Duties and Powers of Vice-President. The Vice-President shall assume the duties and powers of the President in the absence of the President and shall perform such other duties as may be directed by the President for the Authority.

3. Duties and Powers of Secretary. The Secretary shall attend all meetings of the Authority and shall keep or cause to be kept in a book provided for that purpose a true and complete record of the proceedings of all meetings. The Secretary shall be custodian of the records and the seal of the Authority and shall see that the seal is affixed to all documents, the execution of which on behalf of the Authority under its seal is duly authorized. The Secretary shall attend to and give all notices and perform such other duties as may be directed by the Authority.

4. Duties and Powers of Treasurer. The Treasurer shall receive and is responsible for the Authority's money and is responsible for the acts of the Assistant Treasurer. The Treasurer shall disburse Authority money by check only and shall keep an account of the source of all receipts and the nature, purpose and authority of all disbursements. The Treasurer shall also file the Authority's detailed financial statement with its Secretary at least once a year at a time set by the Authority. The Treasurer shall give bond to the State conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the Authority and filed with the Secretary. The bond must be for twice the amount of money likely to be on hand at any one time as determined at least annually by the Authority provided that the bond must not exceed \$300,000.00.

5. Duties and Powers of Assistant Treasurer. The Assistant Treasurer shall have all of the powers and duties of the Treasurer if the Treasurer is absent or disabled.

#### SECTION 7. Organizational Matters.

A. By-Laws. The Authority may adopt By-Laws and Rules of Procedure and shall adopt an Official Seal.

B. Executive Director. The Economic Development Coordinator of the City of Belle Plaine shall serve as Executive Director for the SPEDA.

C. Employees. The Authority shall be empowered to hire such employees, agents and consultants as deemed proper and as further provided in the Enabling Act. Such employees, agents and consultants shall assist the Authority in performing the following powers and duties: (1) to see that all resolutions, rules, regulations, or orders of the Authority are enforced; (2) to appoint and remove upon the basis of merit and fitness, all subordinate officers and regular employees of the Authority;

(3) to present to the Authority plans, studies and reports prepared for Authority purposes and recommend to the commissioners for adoption such measures as deemed necessary to enforce or carry out the powers and duties of the Authority or the efficient administration of the affairs of the Authority; (4) to recommend to the commissioners for adoption such rules and regulations as deemed necessary for the efficient operation of the Authority's functions; and (5) to perform such other duties as may be prescribed by the commissioners.

D. Fiscal Year. The fiscal year of the Authority is the calendar year.

E. Budget to City. Prior to September 1st of each year the Authority shall send its budget to the City Council of the City of Belle Plaine. The budget must include a detailed written estimate of the amount of money that the Authority expects to need from the City to do Authority business during the next fiscal year.

F. Report to City. Annually at a time and in the form determined by the City Council, the Authority shall make a written report to the Council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year together with additional matters and recommendations that it deems advisable for the economic development of the City.

G. Modifications. That each year, sixty (60) days before or after the anniversary date of the first adoption of this Enabling Resolution, the BPEDA shall submit to the City Council its report regarding modification of this Enabling Resolution as provided in Section 469.093, subdivision 3, of the Enabling Act.

H. Audits. The financial statement of the Authority must be prepared, audited, filed and published or posted in the same manner required for the financial statements of the City of Belle Plaine. The financial statements must permit comparison and reconciliation with the City's accounts and financial reports. The report must be filed with the State Auditor by June 30th of each year.

#### SECTION 8. Powers.

A. The Authority may exercise all of the powers contained in the Enabling Act.

B. The Authority may exercise all of the powers contained in the Housing Act.

C. The Authority may exercise all of the powers of a City contained in the Development Act.

D. The Authority may exercise all of the powers of a Redevelopment Agency contained in the Industrial Bond Act.

E. The Authority may exercise all of the powers of a City contained in the Housing Finance Act, provided authorized to do so by ordinance of the Council pursuant to Section 4620.02, Subdivision 6 of the Housing Financing Act.

F. The Authority may exercise all of the powers of an Authority contained in the Tax Increment Act.

G. The Authority may exercise such powers as may be contained in other laws applicable to Economic Development Authorities or Housing and Redevelopment Authorities not specifically described herein.

#### SECTION 9. Limit of Powers.

A. That, except when previously pledged by the Authority, the City Council, after consultation with the Authority, may by resolution require the Authority to transfer any portion of the reserves generated by activities of the Authority that the City Council determines is not necessary for the successful operation of the Authority to the debt service fund of the City, to be used solely to reduce tax levies for bonded indebtedness of the City.

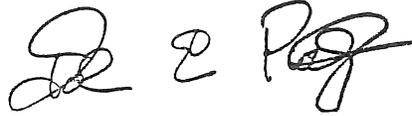
B. The sale of all bond or obligations issued by the Authority must be approved by the City Council before issuance.

C. The Authority shall follow the budget process for City departments as provided by the City and as implemented by the City Council and Mayor.

D. All official actions of the Authority must be consistent with the adopted Comprehensive Plan of the City, and any official controls implementing the Comprehensive Plan.

E. The Authority shall submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the City Council for approval.

Adopted by the Mayor and City Council this 19th day of November  
1990.



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John Floetz, Mayor

Motion by: Townsend  
Second by: Peterson

ATTEST:

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Cynthia M. Dressen  
City Administrator

Coop: Aye  
Zurn: Aye  
Peterson: Aye  
Edberg: Aye  
Townsend: Aye  
Floetz: Aye

Resolution Declaring the Need for a Housing and  
Redevelopment Authority to Function in the City  
of Belle Plaine, Minnesota

BE IT RESOLVED by the City Council (the "Council") of the City of Belle Plaine, Minnesota (the "City"), as follows:

1. On October 15, 1990, the Council adopted a resolution calling a public hearing on the question of the need for a housing and redevelopment authority to function within the City pursuant to the provisions of the Municipal Housing and Redevelopment Act, being Minnesota Statutes, Sections 469.001 through 469.047.

2. At the Council's meeting held on the 1st day of July, 1991, a public hearing was held on the above-mentioned question and on the question of the adoption of this resolution, and opportunity to be heard at the public hearing was granted to all residents of the City and its environs and to all other interested persons. Notice of the public hearing was published in a newspaper of general circulation in the City not less than 10 days prior thereto.

3. The Council hereby finds that within the City (a) substandard, slum, or deteriorated areas exist which cannot be redeveloped without government assistance and (b) there is a shortage of decent, safe, and sanitary dwelling accommodations available to persons of low income and their families at rentals they can afford.

4. Based in part on the foregoing findings, the Council hereby declares that there is a need for a housing and redevelopment authority to function in the City.

5. The Council hereby determines and directs that, in accordance with and upon satisfaction of the requirements of Minnesota Statutes, Section 469.003, the Housing and Redevelopment Authority in and for the City of Belle Plaine, Minnesota, be and hereby is activated and authorized to function within the City.

6. The Council hereby authorizes the Scott County Housing and Redevelopment Authority (the "County HRA") to continue to operate the federal Section 8 housing program within the City.

7. The Council hereby invites the County HRA to operate its housing revenue bond program for first time home buyers within the City.

8. The City Administrator is directed to cause a copy of this resolution to be published forthwith in the official

newspaper of the City and, following such publication, to file a certified copy of this resolution in the office of the Commissioner of the Department of Trade and Economic Development of the State of Minnesota, in accordance with Minnesota Statutes, Section 469.003, Subdivision 4.

9. This resolution shall be effective upon the above-mentioned publication thereof in the City's official newspaper.

Adopted by the Belle Plaine City Council this 1st day of July 1991.

  
\_\_\_\_\_  
Mayor  
John Ploetz

ATTEST:

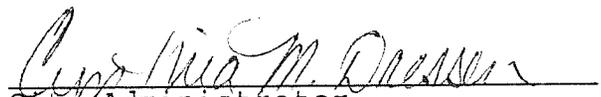
  
\_\_\_\_\_  
City Administrator  
Cynthia M. Dressen

Motion:	Peterson
Second:	Coop
Chard:	Aye
Keup:	Aye
Coop:	Aye
Peterson:	Aye
Edberg:	Aye
Ploetz:	Aye

City Administrator's Certificate of Filing  
Mayor's Appointments of Belle Plaine HRA Commissioners  
and City Council's Approving Resolution

I, the undersigned, being the duly appointed and acting City Administrator of the City of Belle Plaine, Minnesota, hereby certify that on the 5th day of August, 1991, I caused (1) a certified copy of Resolution No. 91-27, having been duly adopted by the Belle Plaine City Council on July 1, 1991 (the "Resolution"), approving the appointment of the five Councilmembers of the Belle Plaine City Council as the Commissioners of the Housing and Redevelopment Authority in and for the City of Belle Plaine, Minnesota (the "Authority"), and (2) a certified copy of five Mayor's Certificates of Appointment (the "Certificates"), appointing the City Councilmembers as the commissioners of the Authority to be filed in the office of the Commissioner of the Department of Trade and Economic Development of the State of Minnesota by mailing the Resolution and the Certificates to said Commissioner in care of Mr. Michael Auger, Department of Trade and Economic Development, 8th Floor, American Center Building, St. Paul, Minnesota 55101.

Witness my hand as the Belle Plaine City Administrator and the official seal of the City this 5th day of August, 1991.

  
\_\_\_\_\_  
City Administrator  
City of Belle Plaine, Minnesota

(SEAL)

**January 7, 2016**

**TO:** HRA Members & City Administrator Kreft  
**FROM:** Cynthia Smith Strack, Community Development Director  
**SUBJECT:** HRA 2015 Review and 2016 Goals  
**PURPOSE:** This memo provides the HRA with an update of 2015 activities and background information for 2016 goal establishment.

**FUND BALANCE**

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Audited year end 2014:	\$ 132,291.08
Unaudited year end 2015:	<u>\$ 132,013.02</u>
<b>Difference:</b>	<b>\$ 278.06</b>

**Revenue Source Change**

There has been a change in EDA/HRA revenue source for 2016. In past years EDA operations were capitalized by a transfer from the general fund (levy). In 2016 the EDA and HRA will be funded through a special taxing district levy.

The Belle Plaine EDA enabling resolution grants all the powers of an HRA to the EDA (i.e in addition to statutory EDA powers all statutory HRA powers may be exercised by the EDA). For this reason, the EDA, as a special taxing district, may to levy up to 0.0185% of the previous years estimated market value of all properties in the City.

Since we also have an HRA in place the City has duplicate authority to levy as a special taxing district. State law prohibits both the EDA and the HRA from each levying 0.0185%. For 2016 the total levied for HRA/EDA activities is less than the statutory threshold for either organization.

**FUND 802 BUDGET HISTORY**

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Year	Budget	HRA Programs Allotment	Actual Program Expenses	Percent of Program Allotment Used
2016	\$10,425.00	\$8,500		
2015	\$10,425.00	\$8,500	\$5,345.73	63%
2014	\$16,170.00	\$35,000	\$11,528.71	33%
2013	\$1,925.00	\$35,000	\$12,622.16	36%
2012	\$1,925.00	\$35,000	\$17,482.91	50%

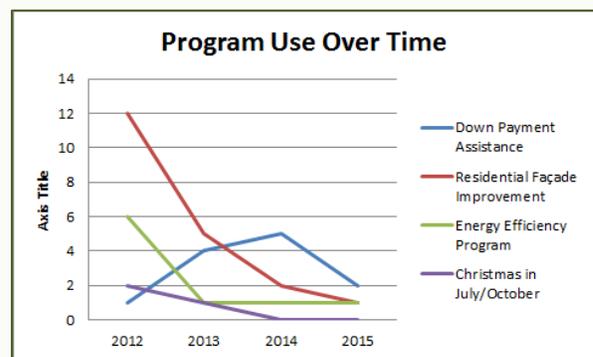
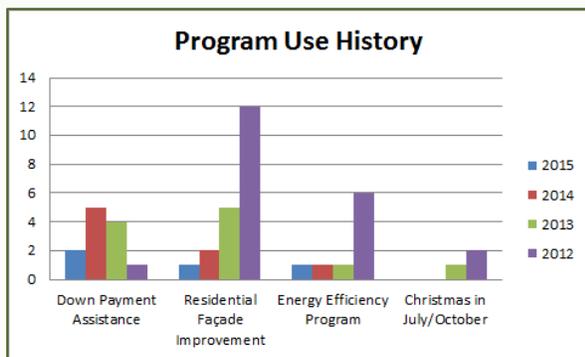
**HRA PROGRAM HISTORY**

Several HRA incentive programs were established in 2012 presumably as a means of assisting residents in the wake of the Great Recession. A table and charts showing the efficacy of said programs follows. The incentive programs include:

- Down payment assistance (grant) for new home purchasers – no income limitations. \$2,000 per address.
- Residential façade improvement (grant) for qualified persons undertaking major façade repairs such as re-roofing, residing, and window replacement. Maximum benefit: up to \$1,000 in matching funds. Income or blight requirements apply.
- Energy efficiency grant program for qualified persons undertaking projects that provide energy efficiency upgrades. Maximum benefit: up to \$1,000 in matching funds. Income or blight requirements apply.
- Christmas in July/October grant/volunteer program for qualified persons with specific needs. The program is dependent on securing volunteer labor. Income requirements apply.
- Building permit fee waiver for new homes, payable to builders.

**PROGRAM USAGE/EFFICACY**

Year	Down Payment Assistance	Residential Façade Improvement	Energy Efficiency Program	Christmas in July/October	Total Allotted	Total Expense	Bldg Permit Fee Waiver No.	Bldg Permit Fee Waiver Amt.
2015	2	1	1	0	\$8,500.00	\$5,345.73	n/a	n/a
2014	5	2	1	0	\$35,000.00	\$11,528.71	10	\$32,419.85
2013	4	5	1	1	\$35,000.00	\$12,622.16	10	\$28,994.60
2012	1	12	6	2	\$35,000.00	\$17,482.91	6	\$15,819.34



In review it would appear the Christmas in July/October program has been ineffective. Overall programs have been used sporadically and been decreasing in effectiveness. When it was in place, the building permit fee waiver was the program most often used.

Historic program advertising efforts were reviewed to determine potential correlation in program use:

	2012	2013	2014	2015
The Bridge	2	4	2	1
Utility Bill Insert	2	2	0	3
Facebook	6	1	2	1

**DEMOGRAPHIC INFORMATION**

An HRA (or EDA with HRA powers) is primarily responsible implementation of low-rent housing assistance programs and the planning and implementation of redevelopment efforts.

The Scott County Community Development Agency is responsible for implementing the Section 8 voucher program for the entire county. As such the Belle Plaine HRA is not involved with low-rent assistance programs. Similarly the BPHRA doesn't own or operate any income assisted property.

For these reasons, the primary function of the BPHRA (or the BPEDA if allowed to exercise its previously granted HRA powers) is to plan and implement redevelopment efforts. Such efforts must meet a minimum of one of two objectives: (1) benefit to low or moderate income persons and/or (2) remove slum and blight.

Review of demographic information provides a basis for determining the potential needs of residents and, in turn, may provide for development of more targeted programs.

**Low and Moderate Income (LMI) Defined**

LMI is based on income as a percent of the median family income (MFI) within a given geography (most commonly county unit). LMI is adjusted for family size and official data is published by HUD every Spring. For Belle Plaine the following LMI definitions currently apply based on 2015 MFI of \$86,600. The extremely low MFI table is defined as 'poverty level'.

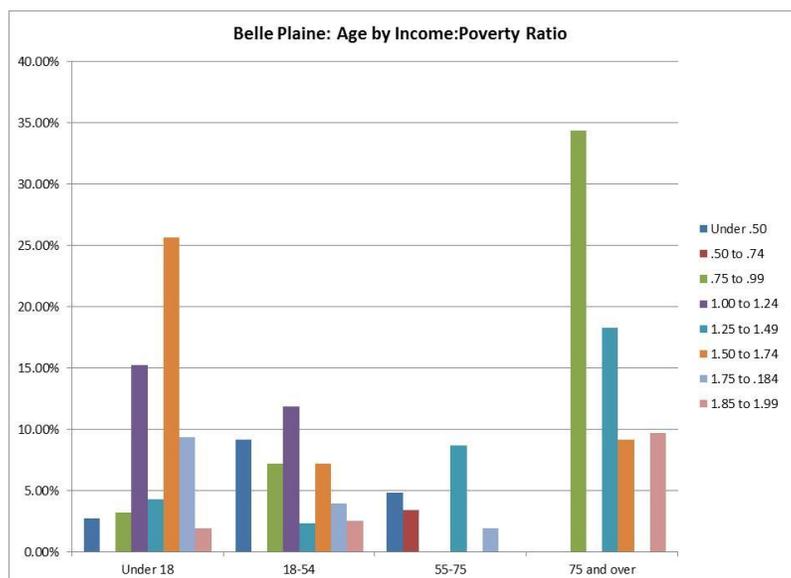
Hhld size	Moderate Income (80% of MFI)	Low Income (50% of MFI)	Extremely Low Income (30% of MFI)
1	\$46,100	\$30,350	\$18,200
2	\$52,650	\$34,650	\$20,800
3	\$59,250	\$39,000	\$23,400
4	\$65,800	\$43,300	\$26,000
5	\$71,100	\$46,800	\$28,410
6	\$76,350	\$50,250	\$32,570
7	\$81,600	\$53,700	\$36,730
8	\$86,900	\$57,200	\$40,890

**LMI Persons in Belle Plaine**

To provide perspective on the degree of income hardship and most impacted age ranges I have examined 2014 American Community Survey (ACS) data from the Census Bureau.

The chart illustrates ages of Belle Plaine residents by their income to poverty ratio (e.g. those with I:P ratio of less than .5 means income is 50% of poverty level).

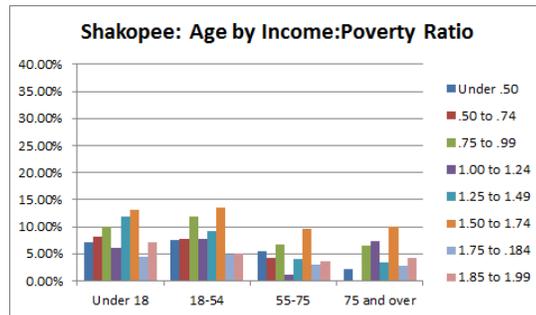
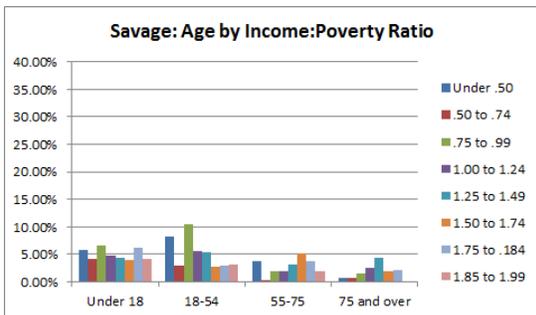
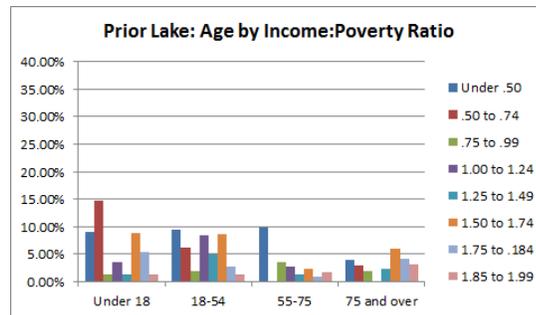
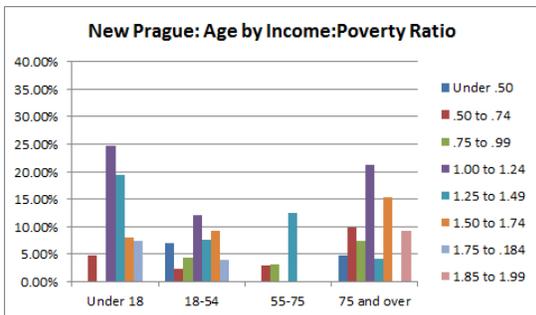
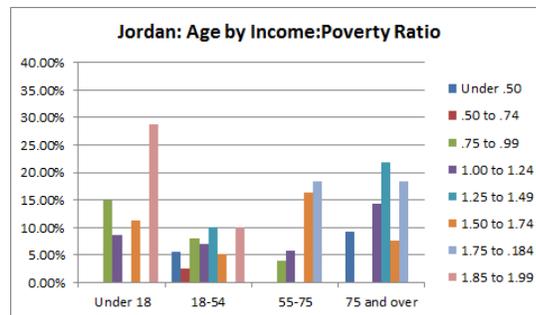
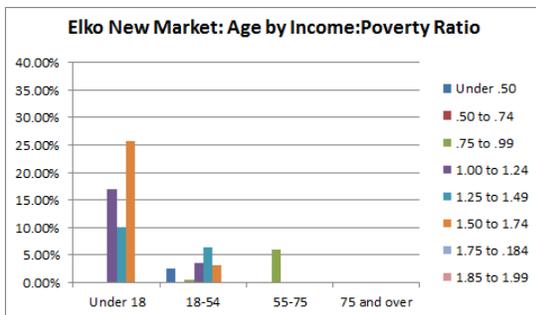
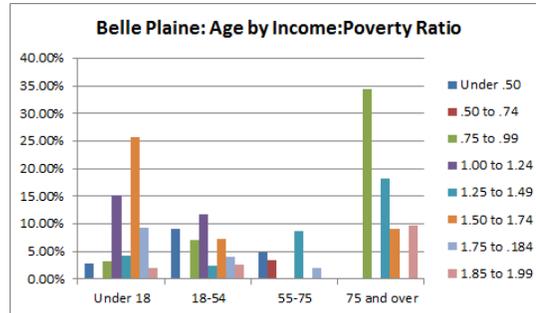
Please note the prevalence and degree of LMI persons over aged 75 and under age 18. The data suggests HRA programs may be most needed by families with young children (single head of household) and by the most aged.



**LMI Belle Plaine Compared to Scott County Cities**

The charts below illustrate LMI presence in Belle Plaine relative to other cities in Scott County. As evident in the comparison charts, families with young children potentially struggling are similar in Belle Plaine, Elko New Market, Jordan, and New Prague. Percentages of families with young children who are struggling are significantly higher in Belle Plaine than Prior Lake, Shakopee, and Savage. Single mothers with young children often comprise the vast majority of struggling households with children under 18.

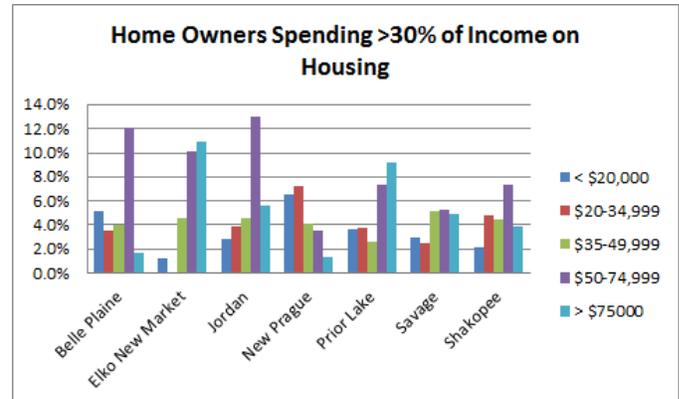
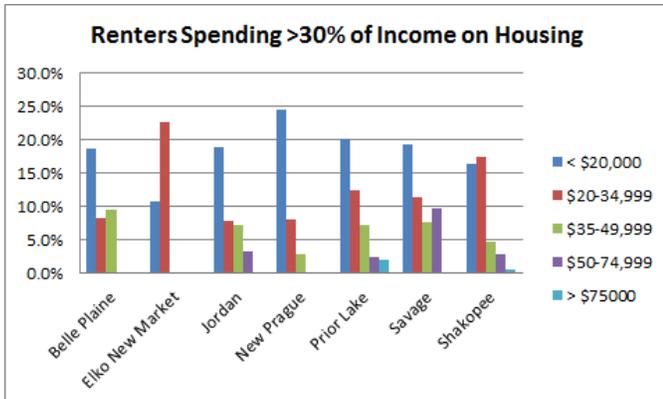
Belle Plaine has by wide margin the greatest percentage of persons over aged 75 who meet LMI criteria. Belle Plaine outpaces Jordan and New Prague and percentages in Belle Plaine are nearly quadruple that in Elko New Market, Prior Lake, Shakopee, and Savage.



**Housing Costs as a Percent of Income**

Persons/families spending greater than thirty (30) percent of income on housing costs are known to be in precarious financial positions. Renters more frequently spend greater portions of income on housing than home owners. The charts below illustrate the percentage of renters and home owners spending greater than 30% of income on housing in Scott County.

Belle Plaine fares fairly well when compared to other communities in terms of affordability of housing stock. Home owners with family incomes of \$50,000 to \$74,999 appear to be spending more on homes in Belle Plaine than in most other communities. Renters earning less than \$20,000 per year appear challenged in Belle Plaine as in most other Scott County cities.



**Households of Retirement Age with Mortgages**

Households of retirement age with existing mortgages can be an indicator of economic stress. For households of retirement age, income often decreases as age increases. Economic stress is compounded when income streams become fixed, when health care costs rise as person’s age, and as widow/widower households increase.

In Belle Plaine there are 138 home owners over age 65 with mortgages (46% of all home owners over age 65) and 161 without mortgages.

Of the 117 home owners over age 75, forty-four (44) have existing mortgages (38% of all home owners over age 75) and 73 own their homes outright.

**Removal of Slum/Blight**

As alluded to previously, HRA powers whether exercised by the HRA or EDA must achieve at least one of two objectives. Programs must either benefit LMI persons or provide relief from slum/blighting conditions. The previous paragraphs have addressed LMI, we will now discuss slum/blight.

Under current HRA programs, areas of blight are defined as *“any area with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community”*.

Mn. Statute refers to ‘structurally substandard’ as contained in Sections related to economic development. Structurally substandard *“means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance”*.

Belle Plaine is largely free of blighted areas whether residential, commercial, or industrial in nature. There are, however, some areas where structures are showing substantial aging and/or where delayed maintenance is compounding.

The attached map identifies in general sections of town where structure aging is occasionally evident. The map was compiled by the Building Official at my request. Major maintenance (residing, reroofing, window replacement) and questionable structural integrity (as viewed external to the structure) were the only factors considered. While the map identifies general areas it is not to be construed as identifying specific parcels that are in need of major maintenance or structural repair.

## **RESOURCES/TOOLS**

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Following are some (not an exhaustive list) housing resources and tools available from various governmental and not for profit organizations.

### **City of Belle Plaine**

- Local HRA programming
- Special taxing district levy (0.018% of total EMV past year)
- Local tax abatement
- Conduit revenue bonds
- General obligation bonds
- Fee waivers or reductions
- Housing TIF

### **Scott County CDA**

- Section 8 voucher program (*5 voucher program users in Belle Plaine currently*)
- Subsidized housing units (*57 units currently in Belle Plaine this is 17% of all units in the county, 32 are general occupancy & 25 senior*)
- Emergency housing assistance: Scott County Human Services
- "Home Buyers Club" assistance with down payment and closing costs
- Foreclosure counseling

### **Minnesota Housing Finance Agency**

- Home fix up program
- Mortgage credit certificate program (federal tax credit for a portion of mortgage interest)
- Mortgage program: first time home buyer loans
- Mortgage program: non-first time home buyer loans
- Housing trust fund rental assistance
- Bridges rental assistance
- HOPWA - Housing opportunities for persons with aids rental assistance
- Housing tax credit program

### **Federal Level**

- USDA single family housing repair and loan program (Section 504)
- Federal Home Loan Bank

### **Other Resources**

- CAP (Community Action Partnership) of Scott, Carver & Dakota Counties (emergency housing).
- Twin Cities Habitat for Humanity (new home and housing repair programs)

**2016 GOALS DISCUSSION**

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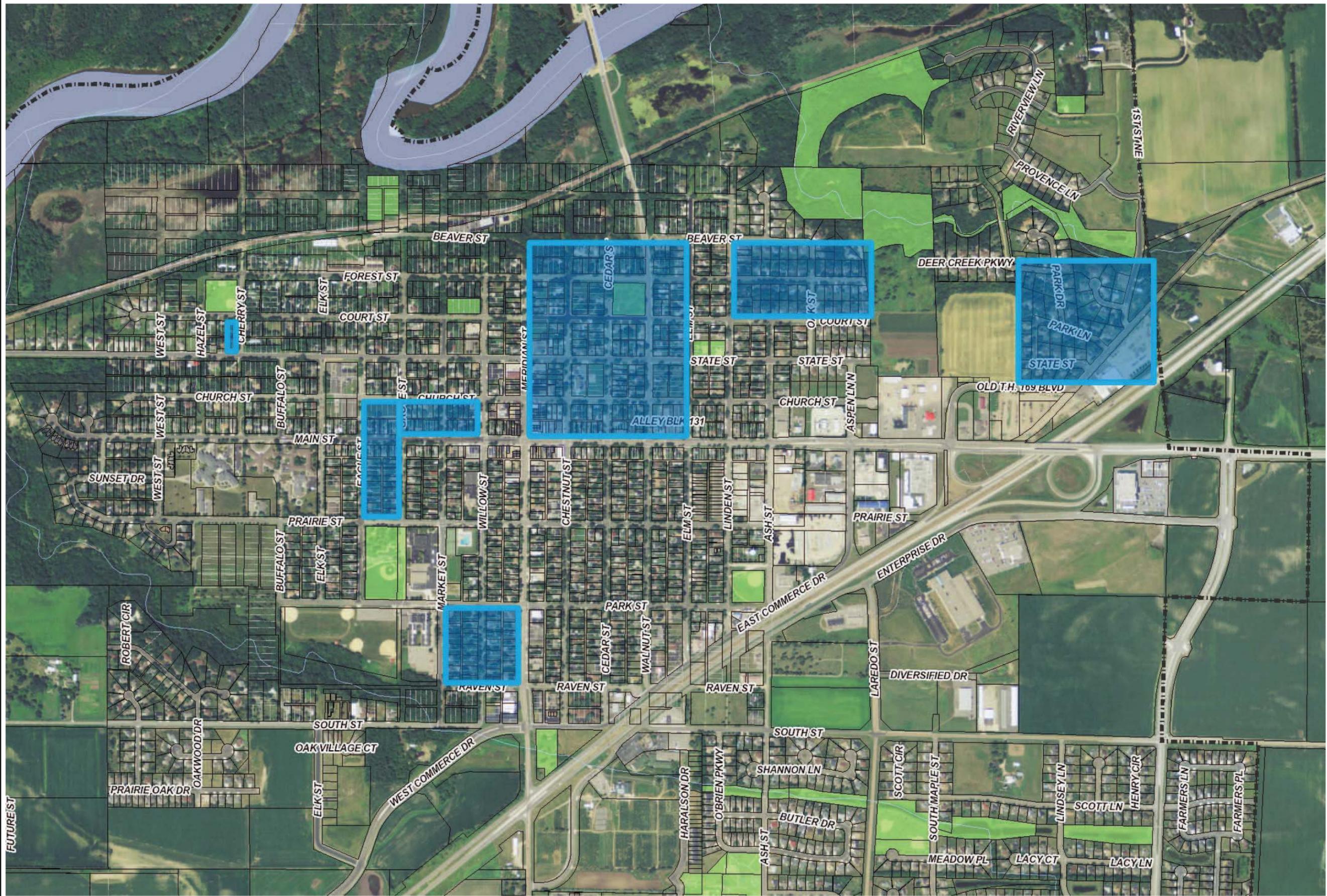
Discussion regarding goals for 2016 is kindly requested.

Goals may be:

- Conceptual (e.g. promote affordable housing)
- Open ended (e.g. work with interested parties in creating a 40+ apartment building with a certain percentage of voucher units for LMI persons).
- Fixed (e.g. support/induce redevelopment of a specific identified blighted property to create affordable rental townhomes or quadraplex).
- Stable (e.g. continue with current programs).
- Targeted (e.g. revise existing programs to target specific populations [retired home owners] and/or locations).
- Diffuse (e.g. study best way to move forward to accomplish HRA organizational purposes).
- Or any number of other items.

**Legend**

- City Limits
- Parcels (6-1-2015)
- Lot Lines
- Minnesota River Protected Waters
- Public Water Basin
- Public Water Wetland
- Protected Waters - Watercourse
- Parks
- Boundary
- Footprint
- Image**
- Red: Red
- Green: Green
- Blue: Blue



**AREAS OF OPPORTUNITY**



**Disclaimer:**  
 This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Belle Plaine is not responsible for any inaccuracies herein contained.

0 850 Feet





## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.3 Activation of Vacant Storefront Windows in the Downtown

**REQUEST: Input on Vacant Windows in the Downtown.**

### GENERAL INFORMATION

For the previous several months the Design Committee (DC) has been discussing potential remedies for vacant storefront windows in the Downtown. The DC is requesting input from the EDA regarding funding for a project.

First a bit of background:

Attached please find photos of a few vacant storefronts in Downtown Belle Plaine. Building occupancy is an indication of economic health: more activity equates to feeling of prosperity; conversely vacant buildings convey a feeling of decline.

Some communities have promoted efforts to combat the negative effects of vacancies in downtowns by treating storefronts in a purposeful fashion and making them appear inhabited. While activation of the storefront with a long term tenant is the ultimate goal, short-term alternative initiatives can reflect a more positive overall commercial message. Of course the success of any such measure is highly dependent on acceptance and engagement by property owners.

Short term initiatives may include: pop-up or seasonal storefront displays, display of other merchants goods in a secondary location, or installation of a graphic design or other decorative element that improves the visual appeal of storefront windows (see attached examples). Some communities pair with local artists, civic organizations, or educational institutions to fill vacant storefronts/window. Other communities promote public design/decorating contests with windows as canvases. Still other communities have approved local legislation requiring owners of storefronts cover windows or portions thereof with some sort of visually appealing displays. All told, some communities have been challenged to fund such efforts while others have been challenged by the subjective nature of visual appeal.

The DC has discussed several short-term strategies and has narrowed its focus to installation of graphic design in storefront windows. Samples of potential media will be available at the meeting.

At this time special funding is not available in the EDA budget. Discussion regarding potential support for moving forward as part of the 2017 budget is kindly requested.

### REQUEST

Discussion is kindly requested.



NO SNOWMOBILES



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**FOR SALE**  
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202188



## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.4 Authorization to Execute Intercreditor Agreement: Angie's Infant Toddler

**REQUEST: Authorization to Execute Agreement**

### GENERAL INFORMATION

The EDA and the Metropolitan Consortium of Community Developers (MCCD) have both loaned funds to Angie's Infant and Toddler Care.

In addition to first position on several vehicles the EDA also has a stake in general personal property and business assets. MCCD also has a stake in the business assets.

To those ends MCCD is requesting execution of the attached intercreditor agreement.

### REQUEST

Authorization to execute the agreement is kindly requested.

## INTERCREDITOR AGREEMENT

This Intercreditor Agreement dated January 26, 2016 by and between Metropolitan Consortium of Community Developers ("MCCD") with its principal office at 3137 Chicago Avenue, Minneapolis, Minnesota 55407 and Belle Plaine Economic Development Authority ("BPEDA") with its principal office at 218 Meridian Street North, Belle Plaine, MN 56011.

### WITNESSETH THAT

Whereas, Angelina Gorman dba Angie's Infant and Toddler Day Care (the "Debtor") is or is about to become indebted or obligated to MCCD and BPEDA for loans or other financial accommodations granted to or guaranteed by the Debtor; and

Whereas, the Debtor has granted to MCCD and BPEDA a security interest in the personal property described in Exhibit A which is attached hereto and incorporated herein by reference (the MCCD/BPEDA Collateral) pursuant to one or more loan agreements, promissory notes, security agreements, and other instruments, it being agreed that collateral of either party not specifically mentioned in Exhibit A is specifically excluded and not subject to this agreement; and

Whereas, BPEDA collateral is also MCCD collateral, said portion being referred to herein as the "Overlapping Collateral"; and

Whereas, MCCD and BPEDA (collectively, the "Lenders") desire to set forth, among other things, their agreement regarding the respective priority of the above described security interest with respect to the Overlapping Collateral and their agreement regarding application of the Debtor's payments to the MCCD Indebtedness and the BPEDA Indebtedness (collectively, the "Indebtedness"):

Now, in consideration of the foregoing which is incorporated herein by references as if fully restated, the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be bound, agree as follows:

1. Consent to Overlapping Interests. BPEDA hereby consents to MCCD's security interest in the Overlapping Collateral. MCCD hereby consents to BPEDA's security interest in the Overlapping Collateral.
2. Equal Priority in Overlapping Collateral.
  - (a) The security interest of MCCD in the Overlapping Collateral and the proceeds and produces thereof and therefrom, to the extent perfected, valid and enforceable, shall have priority equal to that of any security interest of BPEDA therein to the extent said interest of BPEDA is

valid, perfected and enforceable as of the date hereof, provided only that this Agreement applies only to the extent of Debtor's current borrowing from MCCD to the extent of \$18,200.00 and BPEDA to the extent of \$7,920.00. Neither Lender may extend its indebtedness hereunder without prior written approval of the other.

(b) The priorities of the security interests established, altered or specified herein are applicable irrespective of the time or order of attachment, creation thereof, the method of perfection of the time or order of filing of financing statements. Priorities of any security interest or mortgage interest which are not established, altered or specified herein (including, without limitation, any situation in which property of the Debtor is subject to the security interest or mortgage of only one of the Lenders) shall exist and continue in accordance with the applicable provisions of law.

3. Defaults under Indebtedness.

(a) BPEDA shall provide MCCD not less than ten (10) days prior written notice in the event that BPEDA notifies the Borrower of a default on BPEDA Indebtedness, (i) BPEDA shall give prompt written notice to MCCD and shall permit MCCD, at any time prior to or on the date of any foreclosure sale, to cure any such default, reinstate BPEDA Indebtedness and/or purchase BPEDA Collateral, including but not limited to Overlapping Collateral; and (ii) BPEDA will not sue for, set off, accept, take or receive, directly or indirectly, in cash or other property or in any other manner any payment for BPEDA Indebtedness from the Overlapping Collateral without prior written consent of MCCD.

(b) MCCD shall provide BPEDA not less than ten (10) days prior written notice in the event that MCCD declares any of the MCCD Indebtedness in default, (i) MCCD shall give prompt written notice to BPEDA and shall permit BPEDA, at any time prior to or on the date of any foreclosure sale, to cure any such default, reinstate the MCCD Indebtedness and/or purchase the MCCD Collateral, including but not limited to Overlapping Collateral; and (ii) MCCD will not sue for, set off, accept, take or receive, directly or indirectly, in cash or other property or in any other manner any payment for the MCCD Indebtedness from the Overlapping Collateral without prior written consent of BPEDA.

(c) Upon a declaration of default and liquidation of the Overlapping Collateral of either BPEDA or MCCD or both, all out of pocket costs incurred in any such liquidation, including but not limited to, storage charges, auction charges, attorneys' fees and other costs and expenses in recovery shall first be paid before applying the remaining proceeds in payment of the interest, fees and principal due under BPEDA agreements and the MCCD agreements.

4. Application of Indebtedness Payments after Default.

(a) From and after the date of any substantial default under any of the Indebtedness, (a) BPEDA, upon receipt of any payment from the Debtor or otherwise with respect to BPEDA Indebtedness, shall immediately pay MCCD's Pro Rata Share (defined below) of said payment to MCCD, and shall apply the remainder of said payment to regular interest and principal due with respect to BPEDA Indebtedness; and (2) MCCD, upon receipt of any payment from the Debtor or otherwise with respect to the MCCD Indebtedness, shall immediately pay BPEDA's Pro Rata Share (defined below) of said payment to BPEDA, and shall apply the remainder of said

payment to regular interest and principal due with respect to the MCCD Indebtedness.

(b) In the event that any Overlapping Collateral or any collections or proceeds or products whether in cash, securities or other projects, shall be received or held by BPEDA in violation of the terms of this Agreement while any MCCD Indebtedness is outstanding, then, except to the extent otherwise permitted by this Agreement, such Overlapping Collateral, collections or proceeds shall be held in trust for the benefit of and shall be immediately paid over or delivered and transferred to MCCD for application to the MCCD Indebtedness in accordance with this Agreement.

(c) In the event that any Overlapping Collateral or any collections or proceeds or products whether in cash, securities or other projects, shall be received or held by MCCD in violation of the terms of this Agreement while any BPEDA Indebtedness is outstanding, then, except to the extent otherwise permitted by this Agreement, such Overlapping Collateral, collections or proceeds shall be held in trust for the benefit of and shall be immediately paid over or delivered and transferred to BPEDA for application to the BPEDA Indebtedness in accordance with this Agreement.

(d) As used herein the "Pro Rata Share" of MCCD or BPEDA is a percentage calculated by dividing the principal balance outstanding with respect to the MCCD Indebtedness or BPEDA Indebtedness, respectively, as of the Calculation Date (defined herein), by the aggregate principal balance outstanding with respect to both the MCCD Indebtedness and BPEDA Indebtedness as of said Calculation Date. Each of the Lenders hereby agrees to promptly inform the other, in writing, upon oral request by the other, of the correct principal balance outstanding with respect to its portion of the Indebtedness.

(e) As used herein, the "Calculation Date" is the date of receipt by the receiving Lender of Overlapping Collateral or any collections or proceeds or products with respect to said Lender's portion of the Indebtedness.

5. BPEDA Amendments. Without prior notification to MCCD, BPEDA shall not amend, modify, waive any term or exercise any rights under any of the BPEDA agreements, except as otherwise provided in this Agreement.

6. MCCD Amendments. Without prior notification to BPEDA, MCCD shall not amend, modify, waive any term or exercise any rights under any of the MCCD agreements, except as otherwise provided in this Agreement.

7. Mortgage, UCC and Other Filings and Insurance:

(a) BPEDA hereby agrees to cause to be filed, in each place where UCC Financing Statements and other instruments have been or will be publicly filed with respect to any of BPEDA Indebtedness in Overlapping Collateral, satisfactory to MCCD to reflect the existence and substance of this Agreement.

(b) MCCD hereby agrees to cause to be filed, in each place where mortgages, UCC Financing Statements and other instruments have been or will be publicly filed with respect to

any of the MCCD Indebtedness in Overlapping Collateral, satisfactory to BPEDA to reflect the existence and substance of this Agreement.

(c) BPEDA and MCCD shall each require the Debtor to obtain and maintain in force adequate insurance for its own indebtedness. In the event of any circumstance triggering insurance coverage, BPEDA and MCCD each agree that it will proceed independently of the terms of this Agreement, which shall not apply to such insurance coverage.

8. Termination. This Agreement shall terminate and be of no further force and effect when MCCD has no interest in any BPEDA Collateral and BPEDA has no interest in any MCCD Collateral.

9. Representations.

(a) BPEDA hereby represents and warrants to MCCD that (i) the principal balance outstanding with respect to BPEDA Indebtedness does not exceed \$7,9200.00 as of the effective date hereof and (ii) Debtor is not in default under any BPEDA Agreement.

(b) MCCD hereby represents and warrants to BPEDA that (i) the principal balance outstanding with respect to the MCCD Indebtedness does not exceed \$18,200.00 as of the effective date hereof and (ii) Debtor is not in default under any MCCD Agreement.

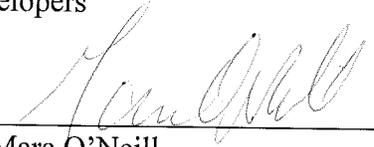
10. Third Parties. The agreements made in this Agreement are solely for the benefit of MCCD and BPEDA and their respective successors and assigns and shall not inure to the benefit of any other person or entity.

11. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota applicable to contracts made and to be performed in such State and shall not be modified, amended or terminated orally and shall be binding upon and inure to the benefit of MCCD and BPEDA and their respective successors, designees, and assigns. All terms used herein which are defined in the Uniform Commercial Code shall have the meanings therein stated unless the context otherwise requires. This Agreement shall not be construed to create any joint venture, partnership or similar relationship between the Lenders.

In witness whereof, each of MCCD and BPEDA has caused this Agreement to be executed by a duly authorized representative as of the day and year first written above.

MCCD  
Metropolitan Consortium of Community  
Developers

BPEDA  
Belle Plaine Economic Development  
Authority

By:   
Mara O'Neill  
Its Loan Program Manager

By: \_\_\_\_\_  
Its \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit A**

### **Overlapping Collateral**

The following described property of Debtor, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

All inventory, accounts, equipment, fixtures and general intangibles; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including general intangibles and other accounts proceeds.)



## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.5 Joint Council and Boards, Committee, & Commission Meet & Greet

**REQUEST: Appoint Spokesperson**

### GENERAL INFORMATION

Each EDA Member will be receiving an invitation to a meet & greet joint meeting with the Council in the near future.

The meet/greet will be informal and provide an opportunity for each City Board, Committee, and Commission to provide a synopsis of 2015 projects and goals for 2016.

A member of each organization will be asked to present the aforementioned information..

### REQUEST

Identification of a volunteer to speak at the meet and greet and perhaps discussion of 2015 successes and 2016 goals.



## MEMORANDUM

DATE: February 8, 2016  
TO: EDA President Krant, EDA Board Members, and Administrator Kreft  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 6.2 Director's Report

Following is the Director's Report which is for information only.

### **Design Committee**

The Design Committee meets on the first Monday of each month at 5 p.m. The Design Committee reviews design aspects of projects.

The Design Committee met February 1<sup>st</sup> and had lengthy discussion regarding fences in the downtown. The Design Committee also discussed goals for 2016.

### **Planning Commission**

The Planning Commission meets at 6:30 on the second Monday of each month. At this time the PC is discussing:

- 2016 goals.
- How to approach update of Comprehensive Plan to be completed by year end 2018.
- Solar energy systems as allowed uses in Rural Residential zone.
- RMC planned unit development, plat, rezoning, and administrative amendment to Comprehensive Plan.