



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

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

5:00
P.M.

1. CALL TO ORDER. 1.1. Roll Call.
2. APPROVAL OF AGENDA.
3. APPROVAL OF MINUTES.
 - 3.1. Regular Session Minutes of July 11, 2016.
4. TREASURERS REPORT.
 - 4.1. Approval of Bills.
5. BUSINESS.
 - 5.1. Financial Incentives Update.
6. ADMINISTRATIVE REPORTS.
 - 6.1. Commissioner Comments.
 - 6.2. 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.
7. ADJOURNMENT OF REGULAR SESSION.
8. WORK SESSION.
 - 8.1. Follow up Discussion – Festivals.
 - 8.2. Façade Improvement Loan Program Guidelines.

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
JULY 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, July 11, 2016 at City Hall, 218 North Meridian Street, Belle Plaine, MN. Acting President Dick Coleman called the meeting to order with Commissioners Cary Coop, Nathan Shutes and Crystal Doyle present. Commissioner Lisa Fahey arrived at 5:09 p.m. and Commissioner Henry Pressley arrived at 5:12 p.m. Also present was Community Development Director Cynthia Smith Strack. Commissioner Rick Krant was not present.

2. APPROVAL OF AGENDA.

MOTION by Commissioner Coop, second by Commissioner Shutes, to approve the agenda with the addition of business item 5.3. Review of Ridgeview Medical Center Activity. ALL VOTED AYE. MOTION CARRIED.

3. APPROVAL OF MINUTES. 3.1. Regular Session Minutes of June 7, 2016.

MOTION by Commissioner Coop, second by Commissioner Shutes, to approve the Regular Session Minutes of June 7, 2016 as presented. ALL VOTED AYE. MOTION CARRIED.

4. TREASURERS REPORT. 4.1. Approval of Bills.

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

Commissioner Fahey arrived at 5:09 p.m. and Commissioner Pressley arrived at 5:12 p.m.

Acting President Coleman turned the gavel over to Vice President Fahey who then presided for the remainder of the meeting.

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 \$6,000. The current balance of Fund 800, Revolving Loan Fund, \$152,468.13. The current outstanding principal is \$170,654.91 with outstanding interest of \$12,612.93. All loans are current.

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

5.2. Market Value Comparison.

Community Development Director Smith Strack explained that 'economic development' is defined as the generation of wealth either through new investment from external sources or expansion of internal asset bases. Tax base composition is one of a multitude of metrics used to inform economic development policy. Tax base composition evaluation can define policy objectives and monitor policy effectiveness over time. Included with Community Development Director Smith Strack's memo were documents from Scott County Assessor Michael Thompson. The charts provided snapshot comparisons of estimated market value totals and taxable market values among cities in Scott County. Estimated market value (EMV) is based on sales of comparable properties, construction cost minus depreciation, income

generated by the property, and other relevant information. Taxable market value is EMV minus market value exclusions such as homestead credit, green acres, and disabled veteran's exclusions.

Community Development Director Smith Strack provided the following observations:

- Shortages of vacant residential property exist throughout the county. Financing of new subdivisions is problematic; some communities are approaching full build-out.
- Belle Plaine has fewer apartments than most other communities. Apartment construction propelled recovery from the Great Recession, often the difference between communities rebounding and pace of the rebound correlates with presence/absence of apartments.
- Belle Plaine has a higher than average portion of tax exempt EMV (New Prague has much higher total). Although tax revenue is not generated, most often larger concentrations of tax exempt properties (hospitals, colleges, federal offices, TLHA) are drivers of local economies in terms of employment, bringing visitors to the community, and local spending on goods and services.
- Less than ten percent of Belle Plaine's tax base is commercial/industrial. National retailers/franchisers are more likely to locate in communities with populations at or over 10,000 in population. Location (proximity to transportation infrastructure, labor force) is the absolute highest priority for industry.

Community Development Director Smith Strack commented that generally appraisals of buildings in Belle Plaine fall short of the actual construction costs, causing an issue for financing a project. The lower appraised value is attributed in part to the distance from the metro area. The Belle Plaine Zoning Ordinance also restricts buildings to a height of three stories.

The Commissioners discussed Belle Plaine's growth and population projections. Commissioner Shutes commented on the shortage of apartments. Commissioner Pressley commented on leveraging tax exempt properties into economic development, such as peripheral business spin-off, noting the Lutheran Home and School District are the City's largest employers. Commissioner Coleman inquired about the number of employees for these entities and also another larger employer, Cambria. Community Development Director Smith Strack will review the BR&E surveys regarding number of employees.

5.3. Review of Ridgeview Medical Center Activity.

Commissioner Coop commented on the activity leading to the land sale and platting of the Ridgeview property. He inquired about negotiations pertaining to the land sale. Community Development Director Smith Strack explained the land purchase was completed by the time of her arrival.

Commissioner Coop explained that during the approval process for the final plat, Ridgeview Medical advised of their intent to seek a replat and amended Planned Unit Development Plan. Coop referenced a date in March, Strack noted she became aware of a potential change to the plat in May of 2016, the Friday before the Planning Commission was to hold the public hearing on a comprehensive plan amendment, rezoning, preliminary PUD Plan and preliminary plat. She noted at that time she gave the Applicant two options: rescind the applications or proceed to public hearing with the original plan/plat and pursue an amendment to the PUD plan and plat. The Applicant elected to proceed with review of the original plan/plat and pursue PUD amendment and plan amendment concurrently.

Coop opined Ridgeview is requesting deferral of the water and sewer connection fees, which are estimated at \$400,000. Strack noted the request has not been presented to the Council as the request must come from the owner of the property, or the lessee of the property neither of which have filed a request. Strack noted the filed request was to authorize financing of connection fees through a property assessment. She explained a policy drafted to provide for financing of connection fees which was to be reviewed by the Council at a work session on July 25th.

Coop stated Ridgeview will be purchasing the land, then creating two lots, one of which will be sold eventually to The Lutheran Home Association. Strack stated Ridgeview will be ground leasing property to

an investment group. She reported an agreement is being prepared to address the sharing of services, access and parking between the property owner and ground lease holder as a condition of plat amendment approval. She stated initially, Lot 2 will be operated by an investment group. She noted a representative from TLHA had stated publicly The Lutheran Home will purchase the land and building in approximately five years but she did not wish to speculate on when or if the property would change hands.

Commissioner Coop asked if Staff knows the names of the shareholders of the investment group. Community Development Director Smith Strack stated it is unknown. Commissioner Coleman asked if Ridgeview can sell a portion of the property to a non-profit organization without City approval. Community Development Director Smith Strack replied yes.

6. ADMINISTRATIVE REPORTS.

6.1. Commissioner Comments.

Commissioner Shutes reported the Shakopee Renaissance Festival will be relocating by 2019. He noted the potential for a huge economic influx of this event and suggested that Belle Plaine seek to become its next home. He would like to obtain further information as to the requirements of this regional Festival. Commissioner Fahey commented that she believes the St. Lawrence Township Board is very interested in having the Festival as well. Commissioner Doyle supports efforts to obtain the Festival and suggested the EDA work with the landowners to help achieve the goal. Commissioner Coop commented that St. Lawrence would inherit huge traffic issues while Belle Plaine would receive the economic benefit.

Commissioner Pressley would like more research on this issue, particularly as to whether there is peripheral economic benefit, or if attendees arrive and depart from the Festival without further stops. Commissioner Doyle noted that attendees would need gas, food, and hotel accommodations, thus impacting the City. Commissioner Shutes noted there is already an organized group called River South that promotes many events in Scott County. Commissioners Shutes and Fahey volunteered to reach out to the Renaissance Festival and report back with any findings.

In reference to a recent survey, Commissioner Doyle inquired about the results regarding the implementation of a bus route from Mankato to the Twin Cities. Community Development Director Smith Strack will check into this and report back.

Commissioner Coleman noted that the Scott County Open for Business has a new employee. Community Development Director Smith Strack will provide contact information.

There was no further update on the "sand lot". The Enterprise Drive overpass is expected to open soon.

6.2. Director's Update.

Community Development Director Smith Strack referenced the Director's Update.

6.3. Upcoming Meetings.

Next Regular Session, 5:00 pm, Monday, August 8, 2016.

The Commissioners were reminded of the next meeting as listed.

7. ADJOURNMENT OF REGULAR SESSION.

MOTION by Commissioner Coop, second by Commissioner Coleman, to adjourn the Regular Meeting at 6:09 p.m. ALL VOTED AYE. MOTION CARRIED.

A work session immediately followed.

8. WORK SESSION: FAÇADE IMPROVEMENT LOAN PROGRAM

Community Development Director Smith Strack explained that in April the EDA held a work session to discuss façade improvement loan program guidelines and existing applications. At the work session, the Board requested additional information be provided regarding programs in other communities. In June, the EDA reviewed the standards from communities with similar programs. A summary worksheet of previous programs was presented which will help to gauge effectiveness of previous uses of the Façade Loan Improvement Program.

Community Development Director Smith Strack presented the following:

1. The 'value' proposition is not intended to include a simplified return on investment calculation but rather include other factors influencing economic value of the program including the intrinsic value of major maintenance and blue-sky value of the program's good will.
2. "Tuck pointing" and "Repointing." Repointing refers to repair/restoration of mortar to retain/renew physical integrity of the mortar and, to a lesser extent, restore original visual appearance. "Tuck pointing" technically refers to a decorative application of mortar on top of flush mortar joints.
3. Of the 18 property owners assisted, all but one Applicant remains in business (Now & Wow).

In addition to the above statements, Community Development Director Smith Strack brought up the following concepts:

1. Is there a mechanism to maximize investment in rehabilitation projects? For example, rather than a flat dollar for dollar match would a percentage of the project formula induce larger projects? Would a once every five years versus annual eligibility for the program induce larger projects? Should a minimum project value be assigned?
2. Do we need to be shrewder in vetting applications, say 'no' or 'maybe, but only if (demand more).
3. Should there be more than one program? One that's focused on rehabilitation/major maintenance and another that focused on 'beautification' (awnings, lighting, painting).

Community Development Director Smith Strack suggested that instead of a spenddown of the RLF, an option might be to add a budget line item of \$10,000 for the Façade Improvement Loan Program.

Commissioner Coleman referenced the summary sheet of area cities and noted that all other cities support signage as an eligible project. He further noted that Belle Plaine is the only city that honors roofing projects. Commissioner Coop suggested the development of guiding principles that would assist in the review process. Commissioners Pressley and Coleman concurred. Commissioner Shutes suggested that it appears the FILP evolves each year with the focus constantly changing. Commissioner Coleman recommended the word "Façade" be eliminated, thus providing a more encompassing program for improvements. Community Development Director Smith Strack suggested the EDA solicit applications for grant funding to determine the needs of the business owner. Commissioner Doyle commented that funds have been disbursed for smaller, immediate projects and supported the larger, innovative ones. Commissioner Pressley would like to see more competitiveness in the award of funds.

In the interest of time, discussion on the FILP will be added to next month's work session agenda. Community Development Director Smith Strack stated that prior to next month's meeting, a reminder will be sent to the Commissioners regarding the FILP. The Commissioners are to come prepared to discuss whether there should be two programs (i.e. aesthetics vs. improvement); define a marketing strategy; and direction as to the elements of the guiding principles and/or policy.

Vice President Fahey adjourned the work session at 6:29 p.m.

Respectfully submitted,

Patricia Krings
Recording Secretary



MEMORANDUM

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

REQUEST: Motion to Approval Payment of Claims

GENERAL INFORMATION

Due to the fact I'm out of the office this week post-Council meeting, accounts payable for the EDA fund (801) and EDA Revolving Loan Fund (800) are not yet available. AP will be available prior to the meeting and will be distributed at the meeting for your review and approval.



CITY OF BELLE PLAINE
AP DEPARTMENT APPROVAL
AUGUST 2016

07/29/16 10:16 AM
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Act Code

Check Name

Amount Comments

FUND 801 ECONOMIC DEVELOPMENT AUTHORITY

DEPT 460500 DEVELOPMENT

801-460500-201000	OFFICE DEPOT, INC	\$41.50	EDA AD PAPER
801-460500-304000	KENNEDY & GRAVEN CHARTERED	\$57.00	EDA - RLF POLICY
801-460500-311000	ABDO, ABDO, EICK & MEYERS LLP	\$605.00	EDA - TIF REPORT
801-460500-351000	BELLE PLAINE HERALD -	\$198.38	EDA - 2015 ANNUAL DISCLOSUR
801-460500-570000	WELLS FARGO REMITTANCE CNTR	\$2.58	EDA - OFFICE EQUIP - CHAIR
801-460500-575000	PC2 SOLUTIONS	\$15.82	EDA - COMPUTERS
801-460500-575000	BANYON DATA SYSTEMS, INC.	\$12.13	EDA - POS ANNUAL SUPPORT

\$932.41

CLS
7-29-16



MEMORANDUM

DATE: August 8, 2016
TO: EDA President Krant, EDA Board Members, and Interim Administrator Meyer
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.

Facade Improvement Loan

Year to date expenditures under this program are currently at \$7,500.

Revolving Loan Fund

The current balance of Fund 800, Revolving Loan Fund, as of the date of this memo is \$151,455.01. The current outstanding principal is \$168,797.26 with outstanding interest of \$12,392.19. All loans are current.

ACTION

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



MEMORANDUM

DATE: August 8, 2016
TO: President Krant, Members of the EDA and Interim Administrator Meyer
FROM: Cynthia Smith Strack, Community Development Director
RE: Item 6.2 Director's Report

Design Committee

The Design Committee met August 1st.

- The DC conducted follow-up on a tour of downtown it conducted in June with a landscape architect. Uplighting from canisters in the boulevard concrete for four trees at intersection of Main/Meridian is favored for accent lighting and ambiance in the DT. The LED lights could be color-adjustable to create specific accents. The project is being supported, in part, by a donation from the Chamber of Commerce.
- The Design Committee made a recommendation to the City Council to approve an update of the Design Manual.

Planning Commission

The PC held public hearings on July 11th regarding:

- A CUP and non-conforming setback expansion permit for a detached garage at 140 Walnut Street South.
- Opting out of the temporary family health care dwelling unit law.

The PC Chair along with CC Representative Pingalore, two members of the Blakely Town Board, and Scott County Commissioner Tom Wolf met as the Blakeley Township Orderly Annexation Board and recommended approval of annexation of 43.29 acres of the Devine property (west of Edberg ravine and south of Scott CSAH 6) to allow for the establishment of a solar field.

The PC will meet August 8th directly following the EDA meeting. The PC will:

- Discuss parking pads and second driveways
- Discuss bluff encroachment/preservation standards

Episcopal Church Committee

The City was invited to submit a final application for grant assistance relating to restoration of the Church. The final application was submitted to the Minnesota Historical Society on July 29th.

Other

The City/Ridgeview closed on the RMC site on August 3rd. Building permit issuance is anticipated shortly. Work at the site is to commence the week of the 8th. EDA Members invited to a groundbreaking ceremony Thursday, August 11th from 8:30 to 9:30 at the site.