



ECONOMIC DEVELOPMENT AUTHORITY

CITY OF WELLS, MINNESOTA

Wells Economic Development Authority Mission Statement:
"To encourage, attract, promote and develop economically sound industry,
business and commerce within the City of Wells."

MINUTES

Regular Meeting - 5:00 pm

Tuesday, April 19, 2011

Conference Room, Wells City Hall

125 S. Broadway Wells, MN 56097

Call to Order / Roll Call

Chair Heggen called the meeting to order at 5:01 pm.

Members Present: Steve Burns, Jim Durfee, Brad Heggen, Darin Magnuson, Bruce Mandler, and Kim Sorenson.

Members Absent: Jim Heckman

Staff Present: Jeremy Germann, City Administrator. Christopher Elvebak, Community Development Director.

Guests Present: Linsey Warmka, Faribault County Development Commission. Christine Scheiber, MN Department of Employment & Economic Development.

Reading/Approval of Meeting Agenda

Commissioner Sorenson moved to add item H) Navy Parkview to Old Business and approve the agenda. Commissioner Magnuson seconded and the motion passed.

Reading/Approval of Meeting Minutes

Commissioner Sorenson asked the board about the minutes reflecting a consultation with the attorney. Commissioner Sorenson said he was under the impression that a letter was to be sent regardless. After discussion

Wells Economic Development Authority (WEDA) Membership:

President, Brad Heggen; Vice President, Kim Sorenson; Secretary/Treasurer, Darin Magnuson; Commissioners Jim Heckman and Bruce Mandler; Council Representatives Steve Burns and Jim Durfee.

amongst the members the Board decided by consensus to leave the minutes as presented.

Commissioner Sorenson called for a grammatical change under "Incubator Building" amending the term "wastewater" to "water." By consensus the membership agreed to the change.

Commissioner Sorenson proposed an amendment to the first sentence of the second paragraph under "Process & Procedures." The text should read, "Commissioner Sorenson said that the only reason Singleteary Food Solutions worked was because staff took action to get all appropriate parties to a meeting." By consensus the board approved the change.

Commissioner Sorenson moved to approve the minutes as amended. Commissioner Magnuson seconded and the motion passed.

Public Forum

Linsey Warmka of Faribault County Development Corporation addressed the board. She provided an update on recent activities such as business seminars for succession planning and two housing projects in Blue Earth. She also provided a summary survey of county businesses on workforce development.

Administrator Germann and Commissioner Sorenson asked that efforts towards improved communication and cooperation continue.

By consensus the board moved forward on the agenda to Old Business
A) Small Cities Development Program.

Christine Schieber of D.E.E.D. and the EDA membership introduced themselves to one another. Ms. Schieber reviewed the progress-to-date of the small cities development program. She informed the members of federal cuts to HUD which have impacted the program, roughly a 15% cut, to the \$20 million the state usually receives via community development block grants. She said her best guess at this point is that the appropriate will be reduced to roughly \$17 million and that would affect what DEED is able to distribute for the SCDP.

Ms. Schieber stated that during this round they have been contacting local officials who have strong applications to due some minor revisions and slight reductions in estimated funding. Others who don't have applications quite as strong may have to be rejected completely, although DEED is trying to avoid that if at all possible.

The Wells/Winnebago application is now at 18 housing and 5 commercial after cuts. While not ideal, Ms. Schieber asked the board to look at that as a positive action as Wells has completed strong projects in the past and has not been identified for any further reductions.

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After the final award is determined, and all required federal environmental reviews are completed, locally the EDA should look for any proposed projects that fall under historic preservation. Davis-Bacon requirements will apply for this program as well.

Report training for staff and some educating for local commercial recipients will come later as the appropriations are narrowed down at DEED. Additionally, because of the report requirements, local reviews, and establishing contracts this could take anywhere from three to six months to complete.

Ms. Schieber also briefly reviewed the innovative business program and public infrastructure programs that DEED runs. She distributed handouts to the members and encouraged them to keep these programs in mind as the board moves towards establishing an industrial park. She said the key will ultimately be having an end user on the hook with job creation or retention, but incrementally steps can be taken. She encouraged the members to relay any comments or questions through Chris Elvebak as they are in frequent contact with one another.

Christine Schieber and Linsey Warmka exited the meeting at 5:58 pm.

Financial Reports

- a. Bills:
 - Revised tax statements

- b. Statements:
 - Monthly Summary Statements
 - Profit & Loss Detail
 - EDA Checking Monthly Reconciliation
 - EDA Money Market Monthly Reconciliation
 - Deposit / Collateral Position

Commissioner Burns moved to pay the revised 2011 payable property tax statements. Commissioner Magnuson seconded and the motion passed.

Commissioner Burns moved to accept the financial statements as presented. Commissioner Durfee seconded and the motion passed.

Old Business

- b. Wildcats RLF

Dir. Elvebak said he was hoping to receive a formal letter from the attorney for this meeting regarding the Wildcats revolving loan fund. Unfortunately with his court schedule it wasn't completed in time for this

meeting. However, unofficial staff opinion is that enough materials have been collected to enable the members to call the loan if they so chose.

The membership reviewed actions to date and discussed what to do next. Administrator Germann suggested to the board that David Frundt send a letter to Ben Musser inviting him to attend the next EDA meeting in hopes of crafting a corrective action plan. By consensus the board agreed to extend the invitation.

c. Veterinarian Building & Property

Chair Heggen informed the board that the sale was complete and the _____ business could have up to twenty employees. While uncertain at this point, it appears unlikely that they would be looking to sell the vacant lots around them.

Commissioner Sorenson moved and Commissioner Magnuson seconded a motion to remove the item from the agenda. The motion passed unanimously.

d. Joe's Lawn & Sport Loan

Director Elvebak informed the members that Linsey Warmka was working with Region 9 on spurring them into collecting or closing the loan. He had checked with Region 9 on acquiring the Wells EDA portion of the debt the offer was declined.

e. Incubator Building (drain / window / lease)

Chair Heggen reported that he and Commissioner Durfee visited with the Schraders at the site. In his opinion the window does not require repair and the drain should continue as is. The lease expires at the end of May so the board will have to decide if they wish to extend the lease with Schrader Enterprises.

By consensus the board moved ahead on the agenda to New Business A) request for rent reduction / Schrader Enterprises.

The board was presented a request by Schrader Enterprises to reduce the rent from \$750 per month to \$500 per month due to the loss of mowing contracts with the City. The membership discussed the request.

Commissioner Magnuson exited the meeting at 6:25 p.m.

Commissioner Durfee moved to extend an offer for a one year lease at the incubator building to Schrader Enterprises at \$750 per month. Commissioner Sorenson seconded and the motion passed unanimously.

f. Account signature cards

Chair Heggen said he received complete signed signature cards for the EDA delivered to his home address. The other officers signed as well so a completed form was delivered to staff.

g. Policies & Procedures

The members received a handout consisting mostly of municipal EDA enabling statutes. Chair Heggen said this was likely a discussion that would continue in the coming months but that we would all move toward a resolution. His immediate thought was that completing applications and reports were all properly handled at City Hall, but that if a new or emerging business stepped forward the membership should know immediately. However, he didn't want any member to get into any perceived conflict of interest so he was curious if the board wanted to appoint a contact person that staff could inform and work with on these items.

Councilor Burns appreciated the fact that there are a variety of business experiences and felt that was important.

Administrator Germann said that most issues are handled best in house by staff as that is what they are paid to do. If there is a major item coming then certainly the board should get involved. He said he was concerned that he didn't want a situation created where only two or three members of the EDA were making the decisions. Bruce Mandler suggested he needs the board to trust staff to do their jobs and inform the entire board at meetings.

h. Navy Parkview

Commissioner Sorenson asked for an update on Navy Parkview Nursing Home. He had participated in an informational meeting with some representatives of the group with the Administrator and Community Development Director but hadn't heard anything since.

Staff informed the board that discussions continued with the representatives for a short time where they tried to facilitate identifying a suitable location. Negotiations had begun with a private party and the Navy Parkview representatives. Shortly thereafter, all communications ceased despite numerous attempts at continued discussions. It was currently staff opinion that the project is dead.

New Business

b. Safe Deposit Box

Director Elvebak asked the EDA to close the safe deposit box and deliver the contents to City Hall for safekeeping in the vault. He expressed a concern about records being kept at multiple locations and the inability for staff to respond to data requests or record searches.

Commissioner Mandler moved and Commissioner Durfee seconded a motion to close the safe deposit box at Paragon Bank. After discussion the motion passed by majority voice vote.

c. Business Subsidy Reports

Director Elvebak presented a letter from DEED indicating past due records related to various business subsidy agreements. Since the required documentation for these older agreements preceded his hire he asked the individual members to assist him in completing the reports if they possessed any information that could be beneficial. Mr. Elvebak also informed the board that Ed Hodder of DEED would give us the time needed to complete the reports.

d. MIF repayment

Administrator Germann told the board that the auditor has brought to his attention that Singleteary Food Solutions is past due on required monthly payments as agreed to in the Minnesota Investment Fund contract. Staff will contact Mr. Singleteary and have a meeting with him to form a corrective action plan. The results of that meeting will be brought back to the EDA to review.

Notices & Communications

a. Legislative Updates

Adjournment

Commissioner Sorenson moved to adjourn. Commissioner Burns seconded and the motion passed at 7:12 pm.

Respectfully Submitted:

Christopher Elvebak
Community Development Director

Attest:

Secretary/Treasurer