

**MINUTES  
CITY OF LONSDALE  
ECONOMIC DEVELOPMENT AUTHORITY  
JUNE 18, 2009**

**1. CALL TO ORDER**

Board member Duban called the meeting to order at 7:01 a.m. in the City Council Chambers at 415 Central St. W.

**MEMBERS PRESENT:**

Dietz, Furrer, Duban, Pierskalla, Smith and Lieske

**MEMBERS ABSENT:**

Kuchinka

**STAFF PRESENT:**

City Administrator Joel Erickson

**OTHERS PRESENT:**

Deanna Kuennen, Rice County Economic Development Director

**2. AGENDA**

Duban asked if anyone had any additions or deletions to the agenda. A motion was made by Furrer and seconded by Smith to approve the agenda as presented. Vote for: Furrer, Duban, Smith, Dietz and Pierskalla Against: None Vote 5-0. Motion carried.

**3. APPROVAL OF THE MINUTES FROM THE MAY 21, 2009 REGULAR MEETING**

Duban asked if anyone had any addition or deletions to the minutes. A motion was made by Smith and seconded by Dietz to approve the minutes of the May 21, 2009 regular meeting. Vote for: Furrer, Duban, Smith, Dietz and Pierskalla Against: None Vote 5-0. Motion carried.

**4. APPROVAL OF THE TREASURER'S REPORT**

Erickson reviewed the May 2009 Treasurer's report. He stated the beginning balance, revenues, expenditure and ending balance. A motion was made by Furrer and seconded by Pierskalla to approve the May 2009 Treasurer's Report. Vote for: Furrer, Duban, Smith, Dietz and Pierskalla Against: None Vote 5-0. Motion carried. Lieske attended the meeting.

**5. OLD BUSINESS**

a. Update on 2009 Small Cities Development Program Grant

Erickson said the two policies included in the packet need to be reviewed and a recommendation made to the City Council for consideration at their June 25<sup>th</sup> meeting. The board reviewed in detail the SCDP housing and commercial rehabilitation policies and procedures. Erickson said the board needed to make a

decision on a time frame after which bids are received and the applicant decides to begin the project. He said the proposal is eight months but recommended a much shorter timeframe because the City wants to spend the money as fast as possible to be able to apply for additional funding through a short form process. The Board decided the timeframe would be three months. A motion was made by Duban and seconded by Pierskalla to recommend approval the City's SCDP Housing Rehabilitation Policies and Procedures as presented with the exception of:

1. I.9 (5) to read three months instead of eight months.

Vote for: Furrer, Duban, Smith, Dietz, Lieske and Pierskalla Against: None Vote 6-0. Motion carried.

As far as the Commercial rehabilitation policy, the board reviewed it and discussed amending the time frame that the applicant has to decide to proceed with the project after bids are received. The board agreed the timeframe should be three months and not eight months. Also, the board decided the interest rate for an EDA installment loan will be 2% regardless of the principle amount. As it relates to the term of the loan, the board decided that for loans of \$2,000.00 or less, the term would be three years and for loans greater than \$2,000.00, the term would be seven years. The board also agreed the maximum loan amount will be \$8,000.00. A motion was made by Duban and seconded by Furrer to recommend approval of the SCDP Commercial Policies and Procedures as presented with the exception of:

1. installment loans of \$2,000.00 or less will have a term of three years;
2. installment loans of greater than \$2,000.00 will have a term of seven years;
3. the interest rate will be 2%; and
4. the maximum amount of an installment loan will be \$8,000.00

Vote for: Furrer, Duban, Smith, Dietz, Lieske and Pierskalla Against: None Vote 6-0. Motion carried.

Duban asked what the requirements of the Anti-Discrimination policy were. Erickson explained the reason for the policy and the possible impact on the City.

b. Update on Business Site Visits – RAI Stone Group, LLC and Klave Good Natured Games, LLC

Erickson, Furrer and Kuennen reviewed each of these business meetings. Furrer asked how the City compared presentation wise to Faribault and Northfield. Kuennen said Lonsdale does much more than Faribault but just less than Northfield. She said the only thing Northfield does more than Lonsdale is they provide a formal packet of information, which Lonsdale is currently working on.

## **6. NEW BUSINESS**

### **a. Lonsdale Area Chamber of Commerce Request for Funds for 2009 Chamber Book**

This agenda item was not discussed because there was no information submitted for consideration.

### **b. Deanna Kuennen – Rice County Economic Development Director**

Kuennen was present to update the board on the projects Rice County is working on. She said herself and Erickson have a meeting with a venture capitalist to discuss options for Rice County because the only venture capitalist group in Rice County is 3-C Capital in Northfield and typically if a local venture capitalist group gets involved, they want the business they invest in to locate in their community, which does not benefit Lonsdale. She reviewed the CVN program. Kuennen said Rice County will be putting on a economic development summit later this year for appointed and elected officials in Rice County. Kuennen asked if anyone had any questions or concerns. Erickson suggested that Rice County establish a revolving loan fund to make cities and the county more competitive in attracting new businesses to the area. Kuennen said Rice County does have a tax abatement policy.

### **c. Review of Marketing Inserts**

Erickson said a decision on the marketing inserts needs to be made at the meeting. The board reviewed the three proposed layouts based on discussions that the last meeting. Erickson said he preferred the “layered” option because it distinctively separates areas of information. Duban said family members she has shown them to preferred the “bars” or first option because of its simple, clean and professional look. After discussing the three layouts, the board directed staff to incorporate the “bounce” or two-tone color scheme into the “layered” option.

### **d. Discuss 2010 Budget**

Erickson said due to the reduction of State Aid to the City and the healthy fund balance in the EDA account, it was realistic that the EDA would not receive any funding in 2010. He said if there is funding available, it would be minimal.

## **7. OTHER BUSINESS**

- a. None

## **8. ADJOURNMENT**

A motion was made by Furrer and seconded by Duban to adjourn the meeting. Vote for: Furrer, Duban, Lieske and Pierskalla Against: None Vote 4-0. Motion carried. The meeting ended at 9:12 a.m.

Respectfully Submitted:

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Joel A. Erickson, City Administrator