

**MINUTES
CITY OF LONSDALE
ECONOMIC DEVELOPMENT AUTHORITY
FEBRUARY 18, 2010**

1. CALL TO ORDER

President Lieske called the meeting to order at 7:00 a.m. in the City Council Chambers at 415 Central St. W.

MEMBERS PRESENT:

Dietz, Furrer, Duban, Lieske, Kuchinka, Pierskalla and Daleiden

MEMBERS ABSENT:

None

STAFF PRESENT:

City Administrator Joel Erickson

OTHERS PRESENT:

Lonsdale Area Chamber of Commerce President Andrea Nelson

2. AGENDA

Lieske asked if anyone had any additions or deletions to the agenda. Furrer requested adding review of the monthly bills before they are paid to the agenda. A motion was made by Furrer and seconded by Duban to approve the agenda as presented with the noted addition. Vote for: Dietz, Furrer, Duban, Lieske, Kuchinka, Pierskalla and Daleiden Against: None Vote 7-0. Motion carried.

3. APPROVAL OF THE MINUTES FROM THE JANUARY 21, 2010 REGULAR MEETING

Lieske asked if anyone had any additions or deletions to the minutes. A motion was made by Daleiden and seconded by Kuchinka to approve the minutes of the January 21, 2010 regular meeting. Vote for: Dietz, Furrer, Duban, Lieske, Kuchinka, Pierskalla and Daleiden Against: None Vote 7-0. Motion carried.

4. APPROVAL OF THE TREASURER'S REPORT

Erickson reviewed the January 2010 Treasurer's report. He stated the beginning balance, revenue(s), expenditure(s) and ending balance. Kuchinka asked what the bill for \$980.30 to Hillside Garden Center was for. Erickson said the bill is for three years of flowers for the Main St. planters. He said he spoke with Kristen Glockner of the Jaycees to make sure the invoices were accurate, which she said they were. Erickson said the City has not paid any of the invoices. A motion was made by Duban and seconded by Dietz to approve the January 2010 Treasurer's Report. Vote for: Dietz, Furrer, Duban, Lieske, Kuchinka, Pierskalla and Daleiden Against: None Vote 7-0. Motion carried.

5. OLD BUSINESS

a. Advertising

Erickson said he has contacted the City of Northfield and was forwarded to the Northfield Downtown Development Corporation but has not received a phone call back. Erickson asked if the Board wants to pursue the item further. Lieske said the Board should continue to pursue the item and staff should bring back more information to the next meeting so an informed decision can be made.

b. Update on Business Park Meeting

Erickson said he has been working with Doug Hughes of Steele Waseca Electric Cooperative on a performance spreadsheet, which will be distributed in the near future for review. He said once that information is reviewed and finalized, a meeting will be held.

- c. Discuss Purchase or Construction of an Incubator Building
Erickson said at the last meeting, the Board discussed the old R & L Woodcraft building as a possible incubator building. He said Daleiden contacted Randy Stangler but was informed they recently leased the building to Rice County Habitat for Humanity. Erickson said the Board has also reviewed the Vosejka building on Main St. He said the price has been reduced to just over \$200,000.00 but stated his concern over the permitted uses compared to the I-2 zoning district. The Board reviewed the zoning regulations for both the B-3 (Main St.) and the I-2 (Industrial) zoning districts. The Board discussed that the tenant would be responsible for making any required improvements to the inside of the building. There was discussion that an incubator building is for start up businesses and the cost of improvements might make the space unaffordable. Furrer asked if Sentence to Serve could frame the inside walls to save money. Erickson said he would check into it. Daleiden asked what the square footage of the building is and if it could be one open space and built to suit. The Board reviewed the size of the building and how to make improvements to the inside of the building. Dietz said she would like to see the inside of the building. Erickson said he would contact Lucy Kuchinka to schedule a tour of the building. Lieske asked if anyone has any more questions. He suggested looking at the Vosejka building first and moving on from there.

6. NEW BUSINESS

- a. Rice County Economic Development Update – Deanna Kuennen
Kuennen reviewed the Rice County work plan pertaining to Economic Development, which has not changed since she assumed the position. She said her main goal is to work with the communities to assist with economic development. She said recently she has been working with the communities to create relationships with venture capitalists / angel investors to fill financing gaps that occur when working with prospective businesses. She is also working on establishing relationships with the area technical schools and other funding sources such as the Southern MN Initiative Foundation. Kuennen said she has been working with a consultant to create marketing materials to give to prospective businesses at CVN, etc. She showed the Board an example of the marketing materials she expects to receive.

Economic Development Impact Analysis

Kuennen reviewed the report and said the County will be using it as a tool for marketing and recruiting businesses. She said the County will be completing a “visioning process” due to several proposals the County has received for development along I-35. She also said the study will assist in business retention. Kuennen said she has requested a revolving loan fund for Rice County but due to budget cuts, it has not happened and she does not expect it to happen for several years.

Daleiden said he was part of a taskforce to review the I-35 development four years ago and commented on it. He said when development occurs along I-35, it will create competition amongst the communities to provide utilities to the site. Kuennen said it might but at least a new business(es) would be located in Rice County. She said I-35 will provide a location for specific businesses that might not want to locate in a city given the use and proximity to the interstate. Duban said she was part of a task force for I-35 and discussion focused on locating a truck terminal along I-35. Kuennen said with the change in County Board members, the economy and given the time between then and now, the County Board needs to decide if the vision for land use along I-35 has changed in four years. Lieske asked if anyone had anything else to discuss. Kuennen recommended the EDA review the analysis to see how Lonsdale can use the information and fit with the EDA’s goals.

- b. Update on Business Meeting with ProfitSee
Erickson said a meeting was held with ProfitSee last week and reviewed the meeting. Daleiden asked if the possibility of the EDA purchasing an incubator building was discussed. Erickson said yes but the meeting was mainly a meet and

greet. Kuennen said an incubator building with cheap lease rates would be very attractive to ProfitSee. Daleiden suggested locating ProfitSee in the proposed industrial park, which will create a larger tax base for the City. Erickson said the lease rates would probably need to be subsidized with strings attached such as goals for job creation and capital investment in the community. If these goals were not met, the company would need to repay the subsidized lease rates.

- c. Consider Approval to Reserve and Staff a Booth at the Lonsdale Showcase 2010
Erickson said the EDA has had a booth at the Showcase each of the last two years that has been worked by Board members in addition to their own businesses booths. He said he makes copies of the EDA's information but only one or two are taken. There was general discussion on participating to show the EDA is part of the community and might not necessary receive any benefit from the Showcase. Daleiden said the public needs to be educated about the EDA. Pierskalla suggested businesses participating in the Lonsdale First Program put information about the program at their booths. Erickson said he would email the businesses the "participating businesses in the Lonsdale First Program" advertisement. The Board discussed if the EDA did not have a booth, they should be a sponsor. A motion was made by Daleiden and seconded by Pierskalla to be a sponsor of the Lonsdale Showcase in the amount of \$125.00. Vote for: Dietz, Furrer, Duban, Lieske, Kuchinka, Pierskalla and Daleiden Against: None Vote 7-0. Motion carried.
- d. Consider Approval to Purchase Flowers for the Sixteen (16) Flower Pots in the Not-To-Exceed Amount of \$500.00
The Board discussed the planters and the flowers planted last year. The Board discussed spending no more than \$500.00 on flowers and supplies. Furrer asked who will buy and plant the flowers. Erickson said in the past all the City has done is pay the bill and the flowers have been planted by the Jaycees, Girl Scouts and local gardening club. Kuchinka said the flowers planted year would have been good but they were planted too early. A motion was made by Daleiden and seconded by Kuchinka to spend no more than \$500.00 on flowers and supplies for the planters. Furrer recommended that since the EDA is purchasing the flowers, the EDA should coordinate the planting of the flowers with the Jaycees and other organizations. Erickson said by the EDA taking over the project, it might upset the Jaycees since this has been one of their ways of giving back to the community. Kuchinka said the flowers need to be purchased from Hillside Garden Center. Vote for: Dietz, Furrer, Duban, Lieske, Kuchinka, Pierskalla and Daleiden Against: None Vote 7-0. Motion carried.
- e. Review of monthly Bills
Furrer recommended that the bills be provided to the EDA for approval before they are paid. The Board agreed. Erickson said he would provide the bills to the EDA before they are paid.

7. OTHER BUSINESS

- a. Thursday Chat with the Chamber – 9:00 am After EDA Meeting
Lieske reminded everyone that the Chamber will be holding their "Thursday Chat with the Chamber" after the EDA meeting at 9:00 am

8. ADJOURNMENT

A motion was made by Furrer and seconded by Duban to adjourn the meeting. Vote for: Vote for: Dietz, Furrer, Duban, Lieske, Kuchinka, Pierskalla and Daleiden Against: None Vote 7-0. Motion carried. Against: None The meeting ended at 8:57 a.m.

Respectfully Submitted:

Joel A. Erickson, City Administrator