

**MINUTES
CITY OF LONSDALE
ECONOMIC DEVELOPMENT AUTHORITY
SEPTEMBER 15, 2011**

1. CALL TO ORDER

President Lieske called the meeting to order at 7:02 am in the City Council Chambers at 415 Central St. W.

MEMBERS PRESENT:

Furrer, Dietz, Duban, Lieske, Kuchinka and Pierskalla

MEMBERS ABSENT:

Daleiden, Kuchinka and Pierskalla

STAFF PRESENT:

Joel Erickson, City Administrator

OTHERS PRESENT:

None

2. AGENDA

Lieske asked if there were any additions or deletions to the agenda. A motion was made by Duban and seconded by Furrer to approve the agenda. Vote for: Furrer, Duban, Lieske and Dietz. Against: None Vote 4-0. Motion carried.

3. APPROVAL OF THE MINUTES FROM THE AUGUST 18, 2011 REGULAR MEETING

Lieske asked if there were any additions or deletions to the minutes. A motion was made by Duban and seconded by Furrer to approve the minutes of the August 18, 2011 regular meeting. Vote for: Furrer, Duban, Lieske and Dietz. Against: None Vote 4-0. Motion carried.

4. TREASURER'S REPORT

Erickson said August had a beginning balance of \$235,564.81, revenues of \$1,071.62, which were loan payments and expenses of \$43.35 for an ending balance of \$236,593.08. He also said that there were two legal bills totaling \$707.40 pertaining to Heritage Heating & Air. Furrer asked if there would be additional legal bills pertaining to Heritage Heating & Air. Erickson said only if the Board decides to proceed with legal action. A motion was made by Furrer and seconded by Dietz to approve the August 2011 Treasurer's Report. Vote for: Furrer, Duban, Lieske and Dietz. Against: None Vote 4-0. Motion carried.

5. OLD BUSINESS

a. Update on Lonsdale Sign Adjacent to I-35

Erickson said he spoke to the Rice County Administrator regarding the sign and was told the sign can be constructed in compliance with the County Zoning Ordinance. He said he will submit the sign permit in compliance with the zoning code and go from there. He said he needs to get approval from Webster Township prior to submitting the permit application.

b. Update on Heritage Heating & Air / Duane Moe Delinquent Revolving Loan

Erickson said the two options available to the EDA are to: (1) make a claim against Heritage Heating & Air in conciliation court or (2) do nothing and hope Heritage Heating & Air begins to make payments. He said since the loan agreement did not contain an accelerator clause, only the past due amount can be claimed as delinquent. He said because there is a ceiling on the amount of a claim in conciliation court, the EDA will have to do this on a regular basis. Duban said the Board should approve bringing a claim in conciliation court. The Board discussed the two options and said Erickson should meet with Heritage Heating & Air to work a payment plan out and if not, bring a claim against Heritage Heating & Air in conciliation court.

c. Update on the Revolving Loan Fund Application Submitted by Children's Learning and Adventure Center

Erickson said he received a phone call from Children's Learning & Adventure Center stating they have decided to withdraw their loan application until they get further into the project.

6. NEW BUSINESS

a. Discuss Marketing Materials with Amcon – Jim Winkels

Jim Winkels with Amcon was present at the meeting to discuss progress made to date on the marketing of the City's lot in the industrial park. He provided background information on himself and Mike Mulrooney a partner in the project. Winkels said they have been working with Acadia Marketing to create the promotional brochure on the property. He said he has met with several large brokers/realtors from the metro area about Lonsdale. He said businesses that should be focused on are currently located in the south metro area. Winkels said the question from brokers/realtors has been "Where's Lonsdale?" He said the 2011 building market has been constant peaks and valleys, with the first quarter being slow and the second quarter started off good but with the State shutdown, everything dramatically slowed down. Winkels said the next ninety days should pick up and after that it will slow down due to the holidays. Winkels said SBA loan requests have picked up. He said they are working with three businesses regarding locating in Lonsdale that are currently located in the south metro. Winkels said the big question is "What businesses/industry should we be targeting?" He said it would be nice to focus on an industry such as the plastic/injection mold industry. In addition, Winkels said the "non-animal" food industry is starting to pick up as well. He said Amcon and the City need to be

cautious and look for companies with a good track record so the project works for all parties. He said the nice thing about Lonsdale, is that there a good story to tell.

b. Business Visits With Lonsdale Area Chamber of Commerce

Erickson said he would like to work with the Chamber of Commerce and conduct business visits. The Board agreed the Chamber should coordinate the visits.

Erickson commented on the purpose/goals of the visits.

7. OTHER BUSINESS

- a. Erickson asked the Board what items they wanted to discuss at the next meeting. The Board said an updated from Amcon, the Lonsdale 1st Program, Heritage Heating & Air, the Small Cities Development Program grant and business visits.

8. ADJOURNMENT

A motion was made by Furrer and seconded by Duban to adjourn the meeting at 8:19 am. Vote for: Furrer, Duban, Lieske and Dietz. Against: None Vote 4-0. Motion carried.

Respectfully Submitted:

Joel A. Erickson, City Administrator