

**EDAP BOARD MEETING  
WISH'N WELL CAFE  
AUGUST 16, 2011  
7:00 A.M.**

**AGENDA**

- I. CALL TO ORDER
- II. CONSENT AGENDA
  - A. Minutes (page 1)
- III. NEW BUSINESS
  - A. Discuss Airport Land – What type of business does EDAP envision there?
- IV. OLD BUSINESS
  - A. Incubator/Industrial Park
  - B. Economic Status Of Community - Update
  - C. Past Due Loans – Update
  - D. Geronimo Wind Energy – Donation Program – Update
- V. INFORMATIONAL
  - A. Revolving Loan Report (page 5)
- VI. ADJOURN

**\*\*\* Please call or email Renee at 320-243-3714 ext. 227 or at [renee@paynesvillemn.com](mailto:renee@paynesvillemn.com) if you are not able to attend the meeting.\*\*\***

**Members: Don Pietsch, Don Wiese, Bruce Stang, Chris Stanley, Alan Habben, Jean Soine and Gene Beavers. Advisory Member: Renee Eckerly.**

This agenda has been prepared to provide information regarding an upcoming meeting of the EDAP Board. This document does not claim to be complete and is subject to change.

**BARRIER FREE:** All EDAP Board meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

## REQUEST FOR COMMITTEE/COUNCIL ACTION

**COMMITTEE/COUNCIL NAME:** EDAP Board

Committee/Council Meeting Date: August 16, 2011

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

**ITEM DESCRIPTION:** Minutes

Prepared by: Staff

**COMMENTS:**

Please review the attached minutes from the June 21, 2011 EDAP Board meeting.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

Motion to approve the minutes from the June 21, 2011 EDAP Board meeting.

**MINUTES  
EDAP BOARD**

**JUNE 21, 2011**

The meeting was called to order by Bruce Stang at 7:00 a.m. Other members present were Don Pietsch, Jean Soine, Gene Beavers, and Chris Stanley. Don Wiese and Alan Habben were absent. Also present were Renee Eckerly, City Administrator; Todd Burlingame, Lew Storkamp, Bob Bowden, Mark Dingmann, Matt Quade, Steve Vaske, and Pat Flanders.

**Motion was made by Pietsch to approve the May 22, 2011 EDAP Board meeting minutes. Seconded by Soine and unanimously carried.**

**TIF – NELSON PLASTICS INC**

Eckerly reported that she had met with Wayne Nelson regarding his project to build a 22,500 square foot warehouse which would be built on the back of the new warehouse and attach it to the production building. This building will be sprinkled for fire suppression. Nelson is interested in utilizing Tax Increment Financing for the project.

The current building, excluding the warehouse, was built last year and is in TIF District 1-9. Nelson would remove the existing TIF a year before it expires. This property would then become the base property and go back on the tax rolls (taxes payable 2011). He would then like to have a new TIF for the new building with an approximate value of \$450,000.00 for 9 years. Nelson would like to start building in August so he could possibly have the building up before the end of the year.

Eckerly reported that she has already contacted Ed Tschida, Advance Resources for Development Inc. This is who the City has used in the past for TIF districts. His fee would be paid by Nelson Plastics. Tschida would come to the July 13, 2011 Council meeting to present the TIF plan, but he suggested that after EDAP reviewed the preliminary details, they could consider passing a motion to recommend to the City Council to consider the Tax Increment financing for Nelson Plastics Inc.

Eckerly would then request, if the Council would consider adding the item to their agenda tomorrow, to pass a motion to authorize Advance Resources for Development to prepare the Tax Increment Plan. This would allow notification to get to the School and Hospital district before the 30 days notice.

The Board asked what the tax impact was and Eckerly stated that Tschida was preparing that information, but she did not have it for this meeting. After a brief discussion,

**Motion was made by Soine to consider Tax Increment Financing for Wayne Nelson (Nelson Plastics, Inc.) and recommend such to the City Council. Seconded by Stang and unanimously carried. Stanley abstained.**

## ARMORY

Eckerly reported that over a year ago the Armory was closed and she had met with the school, City, Credit Union and Flanders to try to obtain the property for the Credit Union to develop. The property did not become available in time to be utilized for the Credit Union project. Now the property is in the process of being surplus by the Army. Eckerly has been in contact with Richard Balsano, GSA, Real Property Utilization & Disposal Division in Chicago on the process over the past year. The school came before the City Council in May and requested that the City decline interest in the property and allow the school to obtain it. The City Council would like a recommendation regarding potential economic development from the EDAP board on this property. Burlingame reported that the school has a plan to utilize the property and building for Early Childhood Development. Bowden questioned whether the City would be able to obtain the land for economic development.

The Board discussed that the City has other land in that area available for development and that it made economic development sense to allow the school to obtain the property. The school is part of economic growth. Flanders commented that the land to the south of the school has limited use due to the Airport Fly zone, so this would help replace the property. Bowden reported that the school would give a \$1.00 for the property and that the land cannot be resold for the next 30 years.

**Motion was made by Pietsch to defer the Armory land to the School District and recommend such to the City Council. Seconded by Stang and unanimously carried.**

## STREET VACATION - AMPI

Stang reported that the Board is to review the economic impact of the street closure on the downtown area. Quade distributed the diagram of the proposed street vacation. He reviewed the history of the request and the safety issues due to milk trucks getting bigger and longer. Dairy farms are getting larger so the milk haulers had to get larger trucks. The trucks get weighed, then cross Augusta Ave. and unload, and then they get reweighed. The trucks are too long to exit onto Railroad Street behind Stoneburners' office. With the temporary closure, the trucks can back onto the scales across Augusta Ave. after unloading and decrease the number of trucks in the downtown area. AMPI's intent is not to purchase all the property to James Street. AMPI plans to purchase the Wally Thyen and Tom Ahrens properties. AMPI's intention is to get more of the large trucks off the streets and in a parking area. If they expand it will be to the West down River Street.

The Board discussed the fact that the road closure would assist them economically to expand. AMPI was asked which they would prefer a long term temporary closure or the street vacation and would the temporary closure long term hurt their development. AMPI would prefer the street vacation. The temporary barriers give the assumption to the community that the barriers are going to go away someday.

The Board asked what is the Council's biggest issue regarding the petition. Beavers stated the issue for him is the closing of a public street for the benefit of one business in town. This is a huge request. AMPI stated the request is for 144 feet. The Board discussed AMPI being the

largest employer requesting the street vacation and they own the property on both of the sides and they pay good wages.

AMPI stated their competition is nationwide not just in Minnesota. Areas nationally take in 10 million pounds of milk a day. AMPI does 2.5 million pounds of milk a day. Other areas in the nation are paying \$2.50 less than the Midwest for milk which is 20 cents a pound on cheese which is a huge difference. Quade stated that this plant is very efficient to compete nationally. AMPI listed three other cities that have closed streets and that they have added 12 employees with the last addition.

Beavers mentioned looking at other ways of handling the backing up situation. Pietsch mentioned there are two issues including expansion and safety. Pietsch expressed it is economic to close it. Stanley commented does the City wait until someone is hurt and then close it. If they don't back up, they will have to go around downtown. EDAP is to consider the economic recommendation.

**Motion was made by Stanley for economic development reasons; EDAP recommends closing the street and recommends such to the City Council. Seconded by Pietsch and passed 3 in favor and 2 opposed (Stanley, yes; Pietsch, yes; Stang, yes; Beavers, no; and Soine, no).**

#### **PROPERTY AT 120 AUGUSTA AVE - UPDATE**

Flanders reported that Wendlandt has purchased the property and he wanted to continue the discussion of demolition by asking EDAP for financial assistance. The Board stated it would be setting a precedent to help with parking and they don't feel that is part of economic development, but it could be looked at by the City; maybe Planning & Zoning.

(Beavers left at 7:50 a.m.)

(Pietsch left at 7:58 a.m.)

#### **INCUBATOR/INDUSTRIAL PARK**

This item was tabled.

#### **ECONOMIC STATUS OF COMMUNITY - UPDATE**

This item was tabled.

#### **PAST DUE LOANS**

This item was tabled.

#### **GERONIMO WIND ENERGY**

This item was tabled.

There being no further business the meeting was adjourned at 8:05 a.m.

# REVOLVING LOAN STATUS REPORT

08/08/2011	BALANCE	PRINCIPAL	PAYMENT	LAST PMT. AMOUNT	DUE DATE
MIDWEST CYLINDER	\$ 224,284.14	1,469.29	07/06/11 7/11 PMT.	2,233.14	22ND
NELSON PLASTICS #2	\$ 21,131.94	706.11	08/03/2011 8/11 PMT.	798.26	1ST
SKINZ PROTECTIVE GEAR #3	\$ 94,636.02	233.21	07/20/2011 7/11 PMT.	732.84	10TH
PAYNESVILLE TOTAL ENT. CENTER	\$ 1,452.91	190.06	07/19/2011 7/11 PMT.	205.17	1ST
* QUEEN BEE'S BAR & GRILL INC.	\$ 91,161.46	137.06	08/03/2011 7/11 PMT.	775.30	20TH
FOUR VET PARTNERSHIPS	\$ -	120.37	07/26/2011 FINAL PMT.	110.00	1ST
JACOBSON, MIKE #1	\$ 123.74	109.17	08/08/2011 8/11 PMT.	110.00	1ST
JACOBSON, MIKE #2	\$ 123.83	109.17	08/08/2011 8/11 PMT.	110.00	1ST

5

PAGE 2 - RLF STATUS RPT.

08/08/2011	BALANCE	PRINCIPAL	PAYMENT	LAST PMT. AMOUNT	DUE DATE
* BLOOM CORNER FLORAL	\$ 23,700.23	213.63	08/08/2011 7/11 PMT.	314.54	1ST
BLOMGREN, KARL/MARGRET	\$ 444.18	108.18	08/04/2011 8/11 PMT.	110.00	1ST
SWYTER, DENNIS/CAROLYN	\$ 665.49	107.25	08/08/2011 8/11 PMT.	110.00	1ST
SCHRUPP, DAVID/PAMELA	\$ 875.51	107.09	07/27/2011 7/11 PMT.	110.00	26TH
STONEBURNER, ROBERT	\$ 1,305.52	104.83	07/11/2011 7/11 PMT.	110.00	1ST
JACKLITCH, RANDY & ANN	\$ 1,620.05	103.50	08/05/2011 8/11 PMT.	110.00	1ST
SKINZ #4	\$ 107,464.76	292.58	07/20/2011 7/11 PMT.	637.96	14TH
KORONIS LANES #2 *On hold until 10/11	\$ 9,010.02	174	03/02/2011 3/11 PMT.	110.00	1ST
<b>TOTAL</b>	<b>\$ 577,999.80</b>				
* Joint Loans w/Township					
<b>LATE PAYMENTS:</b>					
BLOOM CORNER FLORAL	\$ 314.54		8/11 PMT.		
PVILLE TOTAL ENT CTR	\$ 205.17		8/11 PMT.		
STONEBURNER	\$ 110.00		8/11 PMT.		
<b>TOTAL DELINQUENT</b>	<b>\$ 629.71</b>				
<b>CITY RLF BALANCE</b>		<b>\$459,779.36</b>	<b>06/15/2011</b>	<b>Unaudited</b>	
<b>CITY EDAP FUND</b>		<b>\$59,523.27</b>	<b>06/15/2011</b>	<b>Unaudited</b>	

6