

PROCEEDINGS OF THE ST. CLOUD ECONOMIC DEVELOPMENT AUTHORITY BOARD

A meeting of the St. Cloud Economic Development Authority Board was held on January 2, 2013, at 11:30 a.m. in City Hall Conference Room 1. Members present were Euerle, Lawson, Lenzmeier, Libert and Siyad. Gruenes was absent. Staff present were Cathy Mehelich, Tammy Campion and Matt Glaesman.

Consent Agenda: Libert moved to approve the consent agenda as follows:

Approval of November 7, 2012 EDA Board Meeting Minutes

Approval of November 30, 2012 EDA Revenue/Expenditure Report

Designate St. Cloud Times as Official Newspaper for EDA Legal Notices

Appoint Cathy Mehelich as EDA Executive Director

Designate Time and Place for 2013 EDA Regular Meetings

Siyad seconded the motion and it carried unanimously.

Annual Meeting Business / Election of Officers: Cathy Mehelich, Economic Development Director, explained that the bylaws recommend an annual EDA election of officers. The current slate of officers are Dave Gruenes, President; Diana Lawson, Vice President; Preston Euerle, Treasurer; John Norman, Assistant Treasurer; and, Ashley Skaggs, Secretary.

Lawson called for the nomination of officers three times. Hearing none, Lenzmeier made a motion to adopt the current slate of officers. The motion was seconded by Siyad and carried unanimously.

Resolution Authorizing Execution and Delivery of a Certificate of Completion and Execution and Directing Delivery of a Tax Increment Revenue Note, Series 2013

(Microbiologics, Inc. Project): Cathy Mehelich, Economic Development Director, stated in September 2011 the City and EDA approved a Contract for Private Development with Microbiologics, Inc. to provide financial assistance in the form of Tax Increment Financing to support the demolition of five existing structures, renovation of an existing building, and the construction of a new building. The

Contract for Private Development requires the EDA to approve and provide a Certificate of Completion upon compliance with the construction of the Minimum Improvements. A Certificate of Completion was issued by the City Building Department and satisfies the completion of the Minimum Improvements.

Libert moved to approve the Resolution Authorizing Execution and Delivery of a Certificate of Completion and Execution and Directing Delivery of a Tax Increment Revenue Note, Series 2013. The motion was seconded by Euerle and carried unanimously.

Resolution Approving an Amendment to the Contract for Private Development with P-IKE Investments, LLC: Cathy Mehelich, Economic Development Director, stated in 2005 the HRA Board approved a land sale and Contract for Private Development to P-IKE Investments, LLC for property in the Airport Business Park. The Contract established a substantial completion date of September 1, 2007 for the proposed 20,000 sq. ft. building. In 2007 the HRA approved a 2-year extension of the building completion date to September 1, 2009. In 2009 the owner requested a 3-year extension, which the HRA approved, citing the economic downturn as a factor in securing a tenant for the proposed building. This extension expired September 1, 2012. The owners of P-IKE Investments, LLC provided a letter citing recent attempts to market the building project and requesting another 3-year extension until December 26, 2015. The Airport Business Park Partner Advisory Committee discussed the request and recommends the EDA's approval.

Euerle commented that it is good to hear that P-IKE Investments still has interest in developing the property, and he is in favor of approving the request. Mehelich stated the Economic Development department is working with P-IKE Investments, who is paying taxes on the property, on prospective buyers.

Euerle made a motion to approve the amendment to the Contract for Private Development. Siyad stated he would be in favor of the motion. The motion was seconded by Lenzmeier and carried unanimously.

Authorize EDA budgeted funds for contract with The Lakota Group for professional

services associated with city branding and placemaking: Matt Glaesman, Community Development Director, stated that placemaking was selected as one of 10 Community Priorities during a community visioning process led by the Central MN Community Foundation and Initiative Foundation. This initiative is intended to revisit prior placemaking concepts, facilitate new ideas, and establish an implementation strategy for short-term and long-term projects that enhance the community's quality of life. During the recent EDA Board strategic planning process, branding was identified as a core objective. A branding initiative will revisit the brand and means of enhancing the city's image. Originally envisioned as separated initiatives, an RFQ was published in September 2012 seeking consultants interested in assisting with the placemaking project. Four firms were interviewed from a total of 13 respondents. The Lakota Group was selected by a community-panel based upon their experiences with similar placemaking and branding tasks in regional centers across the country. There are considerable synergies and savings in combining the two initiatives. Cost for the combined branding and placemaking contract will approximately \$75,000. Placemaking is being undertaken by the approximately \$50,000 from City Arts Commission, Planning Commission, Community Priorities and other grants and donations. The EDA is being asked to participate up to \$25,000 of the its branding budget (\$38,000) to combine these efforts.

Euerle asked if a decision was needed today. Glaesman stated The Lakota Group will be coming to town the fourth week in January, but there is no reason the branding portion cannot be put on hold. Euerle stated it is important to understand the process that took place since this is the first the EDA has heard of this project. He asked if local firms were given the opportunity to provide their expertise. Glaesman stated the process began as placemaking, and the RFQ was published nationally. Hiring an outside consultant was intentional to give a fresh perspective of the City. Lenzmeier asked if the EDA could commit to the smaller amount now and wait to decide on the larger amount after hearing from The Lakota Group. Glaesman stated that was a possibility. Lenzmeier stated she agrees with hiring an outside firm, and she asked if \$75,000 is a realistic expectation.

Glaesman stated the goal is \$75,000 with the contribution from the EDA. The placemaking project will continue regardless, but without funding from the EDA, the branding portion will not take place.

Lawson stated she understands the original idea was placemaking only. The consulting firm added branding to complement placemaking, and it makes sense to involve the EDA. She stated she supports Euerle's position asking for more time to review the request. Based on personal experience with branding, the actual implementation of branding will require substantial additional funding. She asked where the funding for the actual implementation will come from and if the EDA will be expected to fund the majority. Glaesman suggested that branding implementation initiatives are the responsibility of the organizations using the brand. Lawson asked how the costs involved with implementation will be managed so that everyone that needs to is willing to accept the branding guidelines and use them. The EDA doesn't have the authority to tell the different organizations and city departments/divisions what to use for branding. Glaesman stated the community will be engaged to create support on the backend when it comes to implementation. The City is committed to making the change in branding. Mehelich added that many stakeholders will be involved in the advisory committees. This branding is for the entire City organization, not just for Economic Development Department. Most departments have a budget for printing or advertising. Changes will be incorporated into existing budgets, but there will be some things that are not budgeted for, which will be phased addressed in the implementation plan.

Lawson agreed that branding and placemaking coincide with one another. She questioned what the long-term impact will be on the EDA. She also added there are a lot of opportunities for local agencies to add their expertise with implementation. Glaesman stated that local agencies will be brought on board during the implementation process to lend their expertise in more detailed work. Lenzmeier asked how the City Council has already approved this project. Glaesman stated the City Council has approved placemaking and branding up to \$75,000 through the Development Fund and Arts Commission Fund and outside contributions. Mehelich stated if the EDA decided not to contribute funds, the project would move forward as placemaking only. Euerle asked which piece The

Lakota Group will begin with. Glaesman stated placemaking and branding begin at the same time with the initial community engagement process. Euerle asked if the EDA could give their commitment at the February meeting. Lawson commented that there was discussion of a special meeting to be held in mid-January and asked if a decision could be made at that meeting. Euerle stated he would like to have more time to think over the request. Lenzmeier stated she believes in the need for the project but would like to proceed with caution so it is done correctly. Lawson stated the use of funds is necessary, but will take away from other Economic Development items. Mehelich clarified that the funds for branding have already been budgeted. She asked the Board if there are any additional materials they would need to make a decision. Libert stated he has no issues with contributing the funds. A local firm was used when branding for the River's Edge Convention Center in which there was no clear explanation of where the money was used. He stated he would rather have an outside company create the implementation plan, and then local companies, with the City's control of spending, could help implement the plan. Lenzmeier agreed with bringing in an outside company as the City has struggled with branding for many years. She stated this is a great opportunity but agrees it is a lot to take in. Euerle stated he is in full support of hiring the best qualified firm for the job. He is concerned with not exploring the opportunities of who is qualified and who is not. Libert commented that the use of local firms is not being eliminated, but an outside firm is essential in creating fresh ideas.

Siyad stated he supports the idea as an EDA member and as a business owner. He stated there is not time to wait until the February meeting, and the EDA should either decide now whether to fund the project or meet in mid-January to decide. Mehelich suggested adding this item to a mid-January special meeting. Lenzmeier stated she would not be available to attend a mid-January meeting, but if she were to vote today, it would be to commit to the minimal amount and look at the item again in February. Euerle commented that there are too many questions regarding the request to be able to vote today. Lawson asked if there is more detail regarding what the group proposed to do for the branding side of the project. Glaesman stated there is a separate placemaking scope

proposal that accompanies the branding scope proposal. Lawson asked what the role of the EDA would be during this process. Glaesman stated there will be community meetings, advisory committees and a City staff committee. The EDA and its staff will be involved throughout, with members of the Board participating in meetings if the EDA chooses to contribute. Mehelich commented that another firm submitted an unsolicited proposal for just an EDA branding effort for \$30,000. The current Lakota proposal achieves is a City-wide branding effort with an EDA contribution of \$25,000. Lenzmeier asked if the Greater St. Cloud Development Corp (GSDC) will be on board with this rebranding. Glaesman stated the rebranding will consist of defining identity and brand for the City of St. Cloud's geographic boundary at this time but the scope of work could be expanded for a regional brand.

Euerle made a motion to table the item until the next meeting. The motion was seconded by Libert. Glaesman stated The Lakota Group will still anticipate a start date of January 28, 2013 for placemaking, but if the EDA chooses not to participate, the branding piece will be left out. Lawson called for a vote and the motion to table carried unanimously.

Review EDA Goals and Work Plan for 2013: Cathy Mehelich, Economic Development Director, stated the City of St. Cloud Economic Development Strategic Plan was developed in November 2011 with input provided by its public/private partners. The EDA is asked to revisit the goals and strategies outlined in the Strategic Plan for any revisions or additions. Lawson suggested modifying the work plan item 'Develop and implement a new unified brand image for the City of St. Cloud' to 'Participate in implementing a new unified brand image for the City of St. Cloud'.

Update on the Construction Assistance Program (CAP): Tammy Campion, Senior Planner, announced that all three CAP projects have been completed. There were 24 inquiries into the program, of which 4 were approved to proceed. The project that did not move forward was J.F. Kruse Jewelers as a result of land assembly issues. Mehelich noted that staff followed up with the other inquiries that were made and found that many had proceeded without the assistance. Euerle asked if there is any chance the program will be continued. Mehelich stated it is a possibility if the 2010 Jobs Bill provisions are extended by the Legislature.

Director's Report: Cathy Mehelich, Economic Development Director, presented the 2011-2012 St. Cloud EDA Annual Report. A joint meeting with the City Council is tentatively scheduled for Monday, February 4, 2013 at 6:00 p.m. Lenzemeir thanked Mehelich for her work as Director of the Economic Development department. Libert commented on the Geringhoff summary by the GSDC. He stated the project would not have been possible if not for the partnerships and marketing efforts of the Economic Development department.

Other Business: The EDA approved the sale and transfer of the old TriCap building to MTC last year, but the transfer is not yet completed. Staff is still in contact with MTC, and they are working diligently to obtain the authorization for FTA funding. In the mean-time, MTC has been maintaining utility costs.

The State of MN offered MN Investment Fund (MIF) forgivable loan up to \$500,000, as well as JOBZ assistance to Geringhoff. The MIF is a grant provided to the City and structured as a forgivable loan that is made to the company with conditions for job creation goals. Staff has received the applications from Geringhoff and will request City Council to hold a public hearing on January 28, 2013 with anticipation of a mid-January special EDA meeting to review the applications and make a recommendation to the Council.

There are currently two farm leases maintained for the Airport Business Park. They have recently been renewed with the same farmer as in the past. The Airport Business Park Partner's Advisory Committee met in November and would like to bid out the farm leases similar to what the airport recently did with positive results. Staff will work with the City Attorney's office to undertake this process for the 2013 or 2014 crop year.

Staff is working with New Flyer on a number of expansion options. Additional details will be available in the future.

Adjournment: There being no further business, the meeting was adjourned at 1:45 p.m.

Ashley Skaggs, EDA Secretary