

PROCEEDINGS OF THE ST. CLOUD ECONOMIC DEVELOPMENT AUTHORITY BOARD

A meeting of the St. Cloud Economic Development Authority Board was held on July 3, 2013, at 11:30 a.m. in City Hall Conference Room 1. Members present were Euerle, Gruenes, Lawson, Lenzmeier, Libert and Siyad. Masters was absent. Staff present were Cathy Mehelich and Tammy Campion, Ruth Wipper and Ashley Skaggs.

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

Approval of June 5, 2013 EDA Board Meeting Minutes

Approval of EDA Revenue/Expenditure Report as of May 31, 2013

The motion was seconded by Lawson and carried unanimously.

Resolution Recommending City Council Approve Laws of Minnesota 2013, Chapter 143, Article 9, Section 14 (Regarding Tax Increment Financing District No. 2): Mehelich explained a change in Tax Increment Financing (TIF) law that affects TIF District Number 2, commonly referred to as the 'Norwest District'. In order for the law to become effective, the City Council must adopt a resolution approving and accepting the Special Act and the City Clerk must file a Certificate of Approval of Special Law with the Secretary of State. As the Authority of the City's TIF districts, the EDA is asked to review and recommend City Council's approval of the resolution.

Libert made a motion to approve a Resolution Recommending City Council Approve Laws of Minnesota 2013, Chapter 143, Article 9, Section 14. The motion was seconded by Lenzmeier and carried unanimously.

Resolution Recommending to City Council to Approve an Application to the MN Department of Employment & Economic Development (MN DEED) for a Grant under the Redevelopment Grant Program for a Proposed Project by Redevelopment Holdings One, LLC:

Mehelich gave an introduction on a proposed redevelopment of the former Granite Bowl property

located at 1740 St. Germain St W by Redevelopment Holdings One, LLC. In order for the proposed redevelopment to be financially feasible, the developer is requesting financial assistance from the EDA in the form of a TIF redevelopment district and an application to the MN DEED for a grant under its Redevelopment Grant Program in which the grant will pay up to half of redevelopment costs with a 50% local match. Upon notice of a grant award, the EDA will proceed with the statutory process to establish a TIF Redevelopment District and prepare a Development Agreement. Staff is supportive of the proposal as it supports redevelopment in the highly visible west gateway to downtown area.

Marshall Weems of Redevelopment Holdings One, LLC asked the EDA to consider approving the application to MN DEED and explained the timeline for the project. Board members agreed that the resolution should state the EDA will consider awarding TIF funds 'up to' \$365,000. Libert noted that he would abstain from voting so that he may vote with a clean slate when more details about the financing needs is received by City Council. Gruenes clarified that there is no certainty that the TIF will be approved, but the Board will allow the developer to proceed with the grant application with the understanding that they must come back at a later date to determine an appropriate amount of TIF, if any. Mehelich indicated that the City's financial advisors, Ehlers & Associates will be asked to conduct a due diligence review of the TIF cash flow analysis and make recommendations on the financing request in time for the City Council consideration.

Lawson made a motion to approve a Resolution Recommending to City Council to Approve an Application to the MN DEED for a Grant under the Redevelopment Grant Program for a Proposed Project by Redevelopment Holdings One, LLC with an amendment to Section 1.03 stating that the EDA will consider awarding TIF funds 'up to' \$365,000. The motion was seconded by Lenzmeier and the motion carried (5-0-1, Libert abstaining).

Proposed 2014 EDA Budget: Mehelich introduced the preliminary budget proposed by staff for the 2014 year. The Board discussed the break out of distribution for the Publishing & Marketing fund. Libert suggested raising the levy to aggressively promote the City and to address the need for more market rate housing development.

Presentation by The Center for Innovative Communities of New Markets Tax Credit

Project: Dr. Earl Potter of the Greater St. Cloud Development Corp. introduced Sean Allen of The Center for Innovative Communities. Allen presented the report and recommendations to the EDA regarding New Markets Tax Credit. The Board and Allen discussed the proposed recommendations. Mehelich indicated staff will continue to work closely with the GSDC and Downtown Council on the recommendations and next steps.

Adjournment: There being no further business, the meeting was adjourned at 1:04 p.m.

Ashley Skaggs, EDA Secretary