

## PROCEEDINGS OF THE ST. CLOUD ECONOMIC DEVELOPMENT AUTHORITY BOARD

A meeting of the St. Cloud Economic Development Authority Board was held on September 2, 2014, at 4:30 p.m. in City Hall Conference Room 1.

**ROLL CALL:** Members present were Banaian, Gruenes, Lenzmeier (at 4:34 p.m.), Libert and Masters. Siyad was absent. Staff present were Tammy Campion, Cathy Mehelich, Ashley Skaggs and Ruth Wipper.

### **Consent Agenda:**

ACTION TAKEN: Libert/Masters/Approved (4-0, Lenzmeier absent) as follows:

APPROVAL OF MINUTES FROM THE AUGUST 5, 2014 EDA BOARD MEETING  
APPROVAL OF THE EDA REVENUE/EXPENDITURE REPORT AS OF JULY 31, 2014  
APPROVAL OF THE EDA BALANCE SHEET AS OF JULY 31, 2014

### **Public Hearings:**

**CONSIDERATION OF A PROPOSED BUSINESS SUBSIDY AGREEMENT WITH CMMB, LLLP AND PARK INDUSTRIES, INC.**

ACTION TAKEN: None

In accordance with state statutes, the EDA is required to take public comment and testimony through a public hearing prior to approval of a business subsidy agreement.

Gruenes opened the public hearing and invited testimony. There being no one wishing to speak, the public hearing was closed.

### **New Business:**

**RESOLUTION APPROVING A MODIFICATION OF THE REDEVELOPMENT PLAN FOR MUNICIPAL REDEVELOPMENT PROJECT NO. 3 AND THE CREATION OF A TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 11 (PARK INDUSTRIES II)**

ACTION TAKEN: Libert/Lenzmeier/Approved (5-0)

Mehelich provided background information regarding the modification of the redevelopment plan for Municipal Redevelopment Project No. 3 and the creation of a Tax Increment Financing Plan for Tax Increment Financing District No. 11.

Libert made a motion to approve the resolution approving a modification of the redevelopment plan for Municipal Redevelopment Project No. 3 and the creation of a Tax Increment Financing Plan for Tax Increment Financing District No. 11 (Park Industries II). The motion was seconded by Lenzmeier and carried unanimously.

**RESOLUTION APPROVING A DEVELOPMENT AGREEMENT AND A BUSINESS SUBSIDY AGREEMENT WITH CMMB, LLLP AND PARK INDUSTRIES, INC.**

ACTION TAKEN: Masters/Lenzmeier/Approved (5-0)

Mehelich introduced a resolution to approve a development agreement and a business subsidy agreement with CMMB, LLLP and Park Industries, Inc.

Masters made a motion to approve a resolution approving a development agreement and a business subsidy agreement with CMMB, LLLP and Park Industries, Inc. The motion was seconded by Lenzmeier and carried unanimously.

**RESOLUTION APPROVING THE TERMS OF A \$50,000 TAX INCREMENT INTERFUND LOAN IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 11 (PARK INDUSTRIES II)**

ACTION TAKEN: Lenzmeier/Banaian/Approved (5-0)

Mehelich introduced Jason Aarsvold of Ehlers & Associates. Aarsvold explained the purpose and terms of the interfund loan.

Lenzmeier made a motion to approve a resolution approving the terms of a \$50,000 Tax Increment Interfund Loan in connection with Tax Increment Financing District No. 11 (Park Industries II). The motion was seconded by Banaian and carried unanimously.

**RESOLUTION APPROVING A TERMINATION OF CONTRACT FOR PRIVATE DEVELOPMENT WITH 5<sup>TH</sup> AVENUE DEVELOPMENT, LLC**

ACTION TAKEN: Masters/Lenzmeier/Approved (4-0-1, Banaian abstaining)

Banaian noted that he would abstain from discussion and voting due to the relationship of the properties in question with his employer.

In 2009, the St. Cloud HRA created a TIF Redevelopment District and entered into a Contract for Private Development with 5<sup>th</sup> Avenue Development, LLC. The project consisted of three phases of specific redevelopment improvements and completion dates. None of the phases of improvements described in the contract have been commenced, and no proposed changes to the contract have been approved by the HRA or EDA prior to the commencement of the proposed improvements.

Since the completion dates for the phases have elapsed, and due to TIF statutory limitations, staff has been advised by both legal and financial counsel that the contract be terminated. The EDA and staff may continue to entertain options to assist the developer to complete redevelopment improvements in the area which would require a newly established TIF redevelopment district and development agreement.

Board members discussed at length the termination of the contract for private development and the process to continue with the redevelopment project in the future. Masters made a motion to approve a resolution approving a termination of Contract for Private Development with 5<sup>th</sup> Avenue Development, LLC. The motion was seconded by Lenzmeier and carried (4-0-1, Banaian abstaining).

**Old Business:**

**2014 COMPREHENSIVE PLAN AND ECONOMIC DEVELOPMENT STRATEGIC PLAN**

ACTION TAKEN: None

Mehelich noted a tentative schedule for the 2014 Comprehensive Plan and Economic Development Strategic Plan.

**DIRECTOR'S REPORT**

ACTION TAKEN: None

Campion provided an update on City development activities.

Campion noted that the City's first Photo Contest recently concluded. The contest was widely successful with over 150 entries. The photos will be used in various marketing materials.

Mehelich reminded Board members of the EDAM Fall Forum on September 18 at River’s Edge Convention Center.

Mehelich was invited by the Minnesota Shopping Center Association to participate in a panel discussion with Duluth and Rochester.

**Adjournment:** There being no further business, the meeting was adjourned at 5:40 p.m.