

CITY OF ST. CLOUD ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, July 11, 2017
4:00 p.m.
City Hall Conference Room 1

Roll Call

MEMBERS PRESENT: King Banaian, Steve Laraway, Alice Lenzmeier, John Libert, Tohow Siyad and Bernie Perryman
MEMBERS ABSENT: Chris Jacques
STAFF PRESENT: Cathy Mehelich, Tammy Campion and Ruth Wipper

Consent Agenda

APPROVAL OF MINUTES FROM THE JUNE 20, 2017 EDA BOARD MEETING
ACTION TAKEN: Laraway/Siyad/Approved (6-0)

New Business

APPROVE AND AUTHORIZE EXECUTION OF FARM LEASE WITH LEROY AND LLOYD GOHMAN FOR I-94 BUSINESS PARK
ACTION TAKEN: Lenzmeier/Perryman/Approved (6-0)

RESOLUTION APPROVING TRANSFER OF PROPERTY AND ASSIGNMENT OF AGREEMENT BETWEEN WELSH FINGERHUT LLC AND SIP ST CLOUD LESSEE, LLC
ACTION TAKEN: Laraway/Siyad/Approved (6-0)

Mehelich explained the HRA and Fingerhut Corporation entered into a contract for private development dated April 11, 1994. In that agreement, there was a requirement for HRA approval of the sale and conveyance in accordance with the terms, conditions and restrictions set forth in the assignment and assumption agreement. The purpose of the approval is to ensure that the property is being transferred to someone that would make sure the investment was protected through the life of the TIF District. Subsequently, the HRA approved sale and assignment in 2002 and 2006. In 2010 the City Council transferred economic development responsibilities from the HRA to the EDA, including control of tax increment financing projects. Staff recently received a request for the EDA's approval of the property sale and assignment of agreement between the current owner and proposed buyer. The attached Resolution authorizes the transfer of property and assignment of agreement between Welsh Fingerhut MN, LLC and SIP St. Cloud, LLC. The buyer, SIP, has indicated their intentions to continue to operation the property as a warehouse and distribution facility consistent with the permitted uses. The property is currently leased to Bluestem Brands, Inc. and is expected to continue for several years. The TIF for this project was established through special legislation in 1994. The final payment under the agreement is February 1, 2022 (from taxes paid in 2021).

Laraway made a motion to approve the resolution approving transfer of the property and assignment of agreement between Welsh Fingerhut LLC and SIP St. Cloud, LLC. The motion was seconded by Siyad and carried unanimously.

REVIEW PRELIMINARY 2018 ECONOMIC DEVELOPMENT BUDGET

ACTION TAKEN: None

Mehelich explained in accordance with the City's Enabling Resolution, the EDA follows the budget process established for other City Departments. The EDA serves as an advisory/recommending body to the Mayor and City Council with regards to the EDA budget and tax levy. Staff has prepared the preliminary budget for discussion with City Administration, Finance and Community Development on July 10. Next steps in the budget process include (1) August 1, 2017 - EDA Review and Resolution Adopting 2018 EDA Special Levy and Budget, (2) August 2017 - City Council Work Session Review of EDA Budget, and (3) September 2017 - City Council Resolution Adopting 2018 EDA Special Levy and Budget. Discussion occurred regarding the future of the St. Cloud Downtown Council and future investments in partnerships.

Other Business

DIRECTOR'S REPORT

ACTION TAKEN: None

- > 2017 Development Activity Report – June Month End Report
- > Status of City's Economic Development Revolving Loan Fund Program
- > AmeriCorps VISTA Project – Advancing Employment & Entrepreneurship
- > Next regular meeting is Tuesday, August 1 at 4:00 p.m.

Discussion occurred regarding if the EDA should be more involved in assisting Textron with workforce relocation efforts.

Discussion occurred regarding the recent St. Cloud Times articles related to Bob Abel's East Side Redevelopment Project. The 2006 Eastside Boosters Master Plan redevelopment concept was shared with the EDA.

Adjournment: There being no further business, the meeting was adjourned at 5:15 p.m.