



**ECONOMIC DEVELOPMENT AUTHORITY  
MINUTES  
November 21, 2011**

Pursuant to call and notice the Montrose Economic Development Authority met in regular session on Monday, November 21, 2011 at 6:00p.m. Those present were President Scott Jensen, EDA Members Ryan Andreae, Scott Czanstkowski, Roy Henry and Andy Kauffman. Barb Swanson, City Administrator, was also present. Commissioners Glen Ross and Roger Ruhr were absent.

**Agenda**

Motion by Kauffman, seconded by Henry to approve the agenda. Motion carried 5-0.

**Minutes**

Motion by Andreae, seconded by Kauffman to approve the minutes with corrections as noted; Andreae abstained from the approval of the minutes because he was not present and the motion to adjourn was made by Andreae and seconded by Ross. Motion carried 5-0.

**Accounts Payable and Financial Report**

Motion by Andreae, seconded by Henry to approve the accounts payable and the financial report. Motion carried 5-0.

**Wright County Economic Development Partnership**

Ted LaFrance, the new director of Wright County EDP, introduced himself and reviewed the objectives of the partnership.

**Grant Request TIF 2-1 F: JC Clark LLC**

**Request:** Christina and Jason Clark, representing JC Clark LLC have requested a grant through the EDA's TIF 2-1 Fund, in the amount of \$20,000 or the fund balance available. Following is background information on the request:

**Use of Funds:** JC Clark LLC is the owner of the SNAP Fitness building located at 125 Nelson Boulevard in Montrose. They are proposing an addition to the building to accommodate additional space needs for SNAP Fitness, O' Brothers Liquors and planning a phase II expansion to accommodate additional businesses. JC Clark LLC's attached application indicates a project cost of \$200,000. The requested dollars (less than 10% of the total project cost) would be used for the brick veneer on the proposed construction, to help meet the Highway 12 Design Guidelines. This meets the program requirements for new commercial construction.

**Source of Funds ~TIF 2-1 Fund:** The City of Montrose, upon recommendation of the EDA, approved a TIF 2-1 Spending Plan on February 1, 2011. Minnesota Statutes 469.176 was amended in 2010 to allow “Temporary authority to stimulate construction” providing municipalities with the authority to use tax increment fund balances in any TIF District to provide for improvement loans, interest reductions or any assistance to private development if it resulted in job creation (including construction) or job retention. The funds were originally required to be spent by December 31, 2011. This year legislation was approved to extend this to December, 2012.

**Amount of Request:** JC Clark LLC has requested a grant up to \$20,000 (previously estimated fund balance). The current fund balance in TIF 1-2 is \$18,143.32; however, we anticipate additional expenses from this fund for management fees from Ehlers & Associates for TIF Reporting. We would recommend a grant of \$17,000, or the December 2012 fund balance - if that is greater.

**Other Financing Programs:** This request will deplete the TIF 2-1 Fund, which needs to be used or returned by December 31, 2012. The EDA has not had any other requests for these dollars. There are other funding programs available to assist other businesses, should a request be made. These include the EDA’s matching grant program (\$2500 per grant), the low interest loan program (fund balance \$260,700) and \$15,000 in a Small Cities Grant Program fund.

**Job Creation/Retention Requirement:** As a part of the legislation and the City’s TIF Spending Plan, the recipient of the financial incentive is required to retain or expand jobs within the community. JC Clark LLC proposes to add on to their existing structure and provide additional space for new retail/service businesses. They project 10 to 15 jobs will be created in the next two years as a result of the project. The EDA’s low interest loan program requires one new job for each \$15,000 of assistance. For consistency, the Finance Committee recommends requiring **two** full time equivalent jobs be created over the next two years.

**Business Establishment:** SNAP Fitness has been an established business in Montrose for several years. JC Clark LLC owns and operates SNAP Fitness facilities in other communities as well. They currently own the building in which the addition is proposed.

Motion by Andreae, seconded by Kauffman to approve a \$17,000 grant to JC Clark LLC contingent upon the following:

- A letter of commitment from their financial institution for the primary financing.
- The creation of two jobs within two years, with JC Clark LLC agreeing to provide required job and wage information for required state financial assistance reports.

- The funding being provided as payment directly to the contractor completing the brick veneer, upon completion and inspection of the work.
- The construction and draws on the fund being completed by December 31, 2012.

Motion carried 5-0.

### HCP Steering

- **HCP Steering Committee** -The Annual Meeting was held on Wednesday, October 12, 2011 at the Community Center. Approximately 40 people attended the event. The next HCP Steering Committee meeting is Wednesday, December 14, 2011 at 6 p.m. at City Hall.

We have received the first \$5000 for 2011 and completed the 2011 Grant Report for the Initiative Foundation for the second \$5000 to support consulting, planning and engineering expenses associated with business recruitment and Highway 12 Redevelopment implementation.

Motion by Kauffman, seconded by Andreae to approve the contents of the application and submit for \$10,000 to the Initiative Foundation for 2012. Motion carried 5-0.

- **Community Pride/Park and Recreation:** The movie in the Community Center was held on October 15, 2011. The next event is the Breakfast with Santa which will be held on Saturday, December 3, 2011. January 13, 2012 Community Pride will host a movie in the community center. The Nice Rink has been ordered and is expected to arrive this month. Discussion at the monthly Park & Rec meeting included snow sculpting and disc golf.
- **Highway 12 Task Force** - The Highway 12 Task Force did not meet in October due to a lack of a quorum.

Several members of the Highway 12 Task Force and Park and Recreation Committee completed the MnDOT Cooperative Landscape Grant planting in front of the C-Store on Saturday, October 22, 2011. Volunteers included: Graham Sones, Ellen Sones, Hal Gallus, Marcie Jordan, Mike Duebal, Paula Thompson and Andy Kaufman. Wayne and Jo also assisted from the City.

The Highway 12 Task Force will be meeting on Tuesday, November 18, 2011 at 6:30 p.m. The next phase for the landscape grant through MNDOT, iron wrought fencing, benches and flower pots for 2012 implementation will be discussed.

The committee is also looking into signage at the intersection of Garfield Avenue South and U.S. Highway 12 for a wheel chair crossing.

### Business Recruitment

Following are updates on Business Recruitment/Expansion for the past month:

- **Homes by Joe Site** - We met with a business interested in the Homes by Joe site. City consultants (Planner, Engineer, Economic Development) and staff will meet with the business later this month to review proposed plans for development on the site.
- **Daycare** - An individual interested in opening a daycare facility was provided information on starting a business, business plans and financial planning, financing sources, zoning, etc. Staff will be meeting with the person later this month after they meet with the owner of a building they are considering.

#### **Best of 12**

The Best of 12 Committee met in October and hired Runs with Scissors to assist with branding and a marketing campaign.

#### **Montrose - Waverly Chamber of Commerce**

There was no update.

#### **2011 Work Plan**

The EDA reviewed the work plan as provided by Joanne Foust.

#### **Adjournment**

Motion by Andreae, seconded by Kauffman to adjourn at 6:35p.m. Motion carried 5-0.

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Scott Jensen, President

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Barbara Thwing-Swanson, Administrator