

PROCEEDINGS OF THE ST. CLOUD ECONOMIC DEVELOPMENT AUTHORITY BOARD

A meeting of the St. Cloud Economic Development Authority Board was held on Tuesday, July 7, 2015 at 4:30 p.m. in City Hall Conference Room 1.

ROLL CALL: Members present were Banaian, Jacques, Libert, Masters and Siyad. Lenzmeier was absent. Staff present were Tammy Campion, Cathy Mehelich and Ashley Skaggs.

Consent Agenda:

APPROVAL OF MINUTES FROM THE MAY 5, 2015 EDA BOARD MEETING
APPROVAL OF THE EDA REVENUE/EXPENDITURE REPORT AS OF APRIL 30, 2015
APPROVAL OF THE EDA REVENUE/EXPENDITURE REPORT AS OF MAY 31, 2015
ACTION TAKEN: Libert/Masters/Approved (5-0)

Mayor Kleis joined the meeting to announce that he and Mehelich had just attended the signing ceremony for the Minnesota Job Skills Partnership Program between St. Cloud State University and Grede Foundries. The partnership was awarded a \$335,000 grant from DEED, the second largest grant awarded in the program's history, to develop customized training along three tracks.

Mayor Kleis welcomed new board member Chris Jacques and thanked all board members for their service and dedication.

New Business:

RESOLUTION RECOMMENDING TO THE CITY COUNCIL TO APPROVE AN APPLICATION TO THE MINNESOTA INVESTMENT FUND FOR A PROPOSED PROJECT BY ARCTIC CAT, INC
ACTION TAKEN: Masters/Siyad/Approved (5-0)

Mehelich explained a request to recommend to City Council to approve an application to the Minnesota Investment Fund for a proposed project by Arctic Cat, Inc. Earlier this year the City participated with the MN Department of Employment & Economic Development (DEED) on a multi-state competitive process to support the expansion of Arctic Cat at its two Minnesota manufacturing locations. In addition to an expansion in Thief River Falls, the company indicated its intention to add a new engine assembly line to the St. Cloud facility. The project is proposed to be supported by a \$150,000 MN Investment Fund loan toward equipment. The loan is forgivable upon retention of all Minnesota-based employees and the creation of up to 10 new full-time equivalent jobs at an hourly wage not less than \$13.46 within two years. The City would facilitate the application and administration of the funds from DEED. The application requires a City Council public hearing and resolution of support, in addition to a loan agreement with the City.

Mehelich introduced Scott Doyle of Arctic Cat, Inc. and Gregg Fuerstenberg of Jones Lang LaSalle, Inc. Doyle and Fuerstenberg explained the scope of the project along with the site selection process that took place. Mehelich noted that the City will likely use the loan agreement provided by the state. Draft agreements will be available after the City Council public hearing.

Masters made a motion to approve a resolution recommending to the City Council to approve an application to the Minnesota Investment Fund for a proposed project by Arctic Cat, Inc. The motion was seconded by Siyad and carried unanimously.

RESOLUTION APPROVING THE SECOND REVISED DEVELOPMENT AGREEMENT WITH CITY OF ST. CLOUD, ST. CLOUD OPPORTUNITIES, INC AND SEA DEVELOPMENTS, LLC

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

Mehelich explained that the EDA is party to development agreements with the three entities with respect to the sale and development of the St. Cloud I-94 Business Park. For convenience of the parties, the properties are titled to the EDA. Decisions about the property are guided by the Development Agreement and a Project Advisory Committee, which includes representatives from the EDA, City, SCO and SEA.

St. Cloud Opportunities, City of St. Cloud and SEA Development would like to transfer a 17.9 acre parcel to the EDA in the I-94 Business Park that was recently acquired through a property transaction with Anderson Trucking. The property is being transferred at no cost to the EDA. Any expenses related to the property are handled through a dedicated I-94 Business Park account that is managed by the City.

Mehelich introduced former board member and SEA representative Dave Gruenes. Gruenes explained the details of the request. Mehelich explained the process for marketing EDA managed properties.

Libert made a motion to approve the second revised development agreement with City of St. Cloud, St. Cloud Opportunities, Inc. and SEA Developments, LLC. The motion was seconded by Jacques and carried unanimously.

Other Business:

COMPREHENSIVE PLAN & ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

ACTION TAKEN: None

Houseal Lavigne will return to town July 23-24 for initial review of the draft plan. Board members will be notified of upcoming meetings and open houses.

DIRECTOR'S REPORT

ACTION TAKEN: None

The Lofts project is moving forward after recently receiving approval from the Heritage Preservation Commission for exterior design of the building. Developers have indicated anticipation of an October ground breaking.

Dubow Textiles has received approval of their Job Creation Fund application that was supported by the EDA and City Council in May.

Campion provided the 2015 Development Activity Report as of May 31, 2015 and highlighted several new projects of interest.

The City is holding its second photo/video contest. The first contest was very well received and staff is anticipating another good turnout.

Staff is working on budgets for administration. Draft budgets will be presented in August.

The EDA has been invited to tour the New Flyer facility. Board members discussed possible dates and times.

Adjournment: There being no further business, the meeting was adjourned at 5:39 p.m.