

Meeting Minutes
New Prague Economic Development Authority
Wednesday, April 14, 2010

1. Call Meeting to Order

The meeting was called to order at 7:30 a.m. by Dirk Berger with the following members present: Dirk Berger, Pete Sletten, Andrea Burkhardtsmeier, and Nick Slavik. Absent: Mayor Bink Bender, Bruce Wolf, and Kristin Guerrette.

City Staff Present: Executive Director Michael Johnson and City Planner Renee Christianson.

2. Minutes / Financials

- a) The March, 2010 minutes were not available for approval.
- b) It was moved by Slavik, seconded by Sletten to approve four claims for payment totaling \$470.71. Motion carried (4-0)
- c) The financial reports which included the Income Statement and Balance Sheet were accepted as submitted.

3. Review “Plan for 2010” – Taken From Strategic Plan

Renee Christianson noted that some of the EDA members wanted to confirm that the EDA was on track for addressing the 2010 goals from the Strategic Plan, so this was scheduled as an agenda item to discuss the individual goals and progress.

a) Establish permanent and reliable funding source for the EDA

Renee introduced this topic by noting that the current cash on hand in the EDA checking and savings accounts totals \$29,921.23, and the EDA budget for 2010 shows net expenditures of \$8,932. The 2010 budget does not account for any staffing costs, which are being donated by the City for 2010. Three options to fund the ongoing EDA operations developed by city staff are: 1) allocate an annual operating budget to the EDA from the general levy of the City, 2) levy a separate tax pursuant to Minnesota Statutes 469.107, or 3) have the EDA go ‘dormant’ or ‘inactive’ until such time as funding becomes available.

There was substantial discussion among the board members about this topic. Discussion regarding EDA funding led to significant discussions regarding development of the industrial park. The City Council has identified the development of additional industrial land as their highest priority during recent visioning sessions, and the EDA also identified this as a short term goal. It is reasonable that the EDA would take the lead in facilitating this project. Because the EDA currently has little to no funding or revenue stream, it is impossible for them to do the legwork necessary to begin investigation or development of the industrial property.

Pete Sletten suggested selling the property currently rented by Genex to fund continued operations. Nick Slavik stated that the EDA should be self sustaining, without having to ask the taxpayers for money. Andrea Burkhardtsmeier asked if it should be the EDA that facilitates the industrial development. Director Johnson stated that it would be in the EDA’s purview to do such a project.

Director Johnson explained the current financial issues facing the City, which primarily result from a loss of state aid. The loss in revenue, along with levy limitations, will make it especially difficult to try to provide new funds to the EDA at this time.

Executive Director Johnson suggested an alternative to the three options presented by staff, to utilize existing cash on hand funds that the city has to fund the EDA operations for 2011/2012, to the tune of \$25,000 or \$30,000. The EDA will make a formal recommendation to the City Council by July so that they can work any funding request into the proposed 2011 budget.

b) Create new and improve existing marketing material

Renee noted that there have been some updates to the City's web site to improve marketing of commercial/industrial properties in New Prague. Further printed marketing materials can be developed once the EDA establishes the loan programs that they are working on.

c) Determine viability of new business park versus other options

Nick Slavik noted that city staff had developed an outline of the steps which needed to be taken to develop the additional industrial property, and that just the planning process would require more funding than the EDA currently has available. Renee suggested going ahead with step one, which was to obtain a feasibility study, as the cost of the feasibility study has been planned for and budgeted in the 2010 EDA budget. This is also a key step in determining the costs of developing the property.

After discussion, it was moved by Slavik, seconded by Sletten, to direct staff to develop a Request for Proposal and obtain bids for obtaining a feasibility study to outline issues related to the development of additional industrial property. There was \$10,000 budgeted for such engineering services in the 2010 budget. Motion carried 4-0.

The EDA also discussed whether or not there would be a market for industrial property if it was developed. Renee noted that it took nearly twenty years to sell the property in the current industrial park, and Director Johnson reiterated that industrial developments are long term investments. He noted that if the private development community isn't doing anything to create industrial land, and the City doesn't take any action to facilitate industrial development, you will miss the opportunity if there is someone looking to locate in New Prague. It was moved by Berger, seconded by Burkhardtsmeier, to direct staff to look into the development of a market analysis for industrial property in New Prague. Motion carried, 4-0.

4. Review "EDA Goals" – Taken From Strategic Plan

This item was not discussed due to timing, and will be continued to a future meeting agenda.

5. New Prague Opportunities Donation

Director Johnson stated that the \$40,000 donation from New Prague Opportunities was not formally accepted by resolution of the EDA or City Council, and Minnesota Statute requires the donation to be accepted by resolution. A resolution will be presented for adoption at the next meeting. Further discussion on this topic was delayed due to the meeting time running late.

6. Small Cities Revolving Loan Fund

This agenda item was not discussed due to the meeting time running late, and will be rescheduled at a future meeting.

7. Monthly Updates and Business Inquiries

Renee Christianson updated the EDA on the status of certain projects in the City, business inquiries the City has received, and commercial / industrial properties that are currently on the market.

8. Executive Director's Report

Director Johnson reiterated the difficult financial position the City is in relative to the state budget cuts.

9. Miscellaneous

It was moved by Slavik, seconded by Burkhardtsmeier to get a quotation for the cost of an appraisal of the Genex property. Motion carried, 4-0.

It was moved by Slavik, seconded by Sletten to adjourn at 8:58 p.m.

Respectfully submitted,

Renee L. Christianson
City Planner