

# — PINE ISLAND —

ECONOMIC DEVELOPMENT AUTHORITY

EST 1993

BOARD OF COMMISSIONERS

THURSDAY OCTOBER 27TH 2022

TIME 5:30PM

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## OCTOBER BOARD MEETING AGENDA

- CALL TO ORDER
- DEVELOPMENT PLAN
- APPROVAL OF SEPTEMBER MINUTES
- FINANCIAL REPORT
- REVOLVING LOAN REPORT
- CEDA CONTRACT
- NOVEMBER MEETING
- EXPLORE PINE ISLAND
- DIRECTORS REPORT
- ADJOURN MEETING

## Meeting Minutes August 25 2022

### CALL TO ORDER

Meeting called to order at 5:34pm by Ann Fahy-Gust

### KAATS

Kathy Nelson of KAATS Gymnastics presented on her upcoming expansion plans to the gym. Soil samples came back and will need remediation which is not a planned expense. She is still waiting to hear from the bank if they will be able to finance the entire project.

### DEVELOPMENT PLAN

Mitch and Elizabeth informed the Board that there is progress being made on the Walter Property. More to come on this at the next city council meeting.

### APPROVAL OF AUGUST MINUTES

Motion made by David Frieze to approve minutes, second by Melissa Haller. Vote 4-0

### FINANCIAL REPORT

Motion to approve made by David Frieze, second by Melissa Haller. Vote 4-0

### REVOLVING LOAN REPORT

Motion made by David Frieze to approve loan report, second by Melissa Haller. Vote 4-0

### PREMIUM SUPPORT PRESENTATION

Melissa Leuning presented the spreadsheet that was created to give to Pine Island businesses from a grant received through SMIF. This spreadsheet is best for small businesses with minimal accounting needs.

### RAEDI

Mitch presented the invoice from RAEDI of \$3,150 to continue being part of RAEDI in 2023. The board discussed what RAEDI has done including assisting the city with doing a commercial rent study and gathering information on available property. David Frieze motioned to approve the investment and to continue discussions about follow through from RAEDI in the future support of Pine Island. Second by Melissa Haller. Vote 4-0

### BUSINESS AFTER-HOURS

Confirmed October 19<sup>th</sup> at Island Tool from 5-7pm. David Frieze motioned to approve expenditure of up to \$500 to host the event. Second by Melissa Haller. Vote 4-0

Melissa Haller motioned to approve the purchase of cocktail tables for the event and future events. Second by David Friese. Vote 4-0

#### EXPLORE PINE ISLAND

Sandra updated the board on her recent activities including adding information for businesses to Explore MN as well as obtaining more signatures from businesses. She has been adding content for channel 7 and editing current posts. She is creating an organized plan for social media postings. Lastly, she has been collecting photos of the community.

#### DIRECTOR'S REPORT

Mitch updated the board on his work for the Walter Property. Mitch, Elizabeth, and Mike met with a developer interested in purchasing 150 acres for a mixed-use development. The community foundation has officially been accepted to be part of SMIF and the board will take over all duties. Additionally, he is researching grant opportunities for accessible parks. Lastly, he is working on some presentations for manufacturing week.

#### ADJOURN MEETING

Motion to adjourn by David Friese, second by Melissa Haller 6:50pm

Members Present: Ann  
Fahy-Gust, Lee Swanson,  
David Friese, Melissa  
Haller

Guest: Sandra Drees,  
Elizabeth Howard,  
Melissa Leuning, Kathy  
Nelson

**CITY OF PINE ISLAND**  
**Expenditure Guideline - EDA**

Account Descr	October 2022 Amt	2022 YTD Amt	2022 YTD Budget	Balance	% of Budget	Dept Descr
Dept Descr Economic Development						
FUND 255 ECONOMIC DEV. AUTHORITY						
E 255-41590-101 Full-Time Wages	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-121 PERA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-122 FICA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-125 Medicare Contributions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-131 Employer Paid Health	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-151 Worker s Comp Insurance Prem	\$0.00	\$0.00	\$400.00	\$400.00	0.00%	Economic Develop
E 255-41590-201 Office Supplies	\$0.00	\$185.92	\$200.00	\$14.08	92.96%	Economic Develop
E 255-41590-209 Newspapers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-211 Cleaning Supplies	\$0.00	\$0.00	\$50.00	\$50.00	0.00%	Economic Develop
E 255-41590-231 Farmer s Market	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-255 Confections	\$0.00	\$250.65	\$200.00	-\$50.65	125.33%	Economic Develop
E 255-41590-260 Bank Service Charges	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-290 Cleaning Services	\$0.00	\$0.00	\$650.00	\$650.00	0.00%	Economic Develop
E 255-41590-300 Professional Svcs (GENERAL)	\$0.00	\$5,000.00	\$300.00	-\$4,700.00	1666.67%	Economic Develop
E 255-41590-303 Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-304 Legal Fees	\$0.00	\$1,689.50	\$2,500.00	\$810.50	67.58%	Economic Develop
E 255-41590-308 Consultant Fees	\$19,438.75	\$75,245.83	\$77,755.00	\$2,509.17	96.77%	Economic Develop
E 255-41590-310 Recording Fees	\$0.00	\$0.00	\$300.00	\$300.00	0.00%	Economic Develop
E 255-41590-321 Telephone	\$114.50	\$1,149.36	\$2,500.00	\$1,350.64	45.97%	Economic Develop
E 255-41590-322 Postage	\$0.00	\$3.09	\$0.00	-\$3.09	0.00%	Economic Develop
E 255-41590-331 Travel Expenses	\$0.00	\$0.00	\$500.00	\$500.00	0.00%	Economic Develop
E 255-41590-340 Advertising	\$591.12	\$2,596.09	\$6,000.00	\$3,403.91	43.27%	Economic Develop
E 255-41590-342 Project Events - Advertising	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-343 Promotions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-352 General Notices and Pub Info	\$0.00	\$0.00	\$300.00	\$300.00	0.00%	Economic Develop
E 255-41590-361 General Liability Ins	\$0.00	\$71.00	\$500.00	\$429.00	14.20%	Economic Develop
E 255-41590-404 Repairs/Maint Machinery/Equip	\$0.00	\$0.00	\$100.00	\$100.00	0.00%	Economic Develop
E 255-41590-415 Contracted Services	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-433 Dues and Subscriptions	\$0.00	\$6,749.45	\$4,000.00	-\$2,749.45	168.74%	Economic Develop
E 255-41590-435 Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
E 255-41590-439 Seminar Registration	\$0.00	\$0.00	\$500.00	\$500.00	0.00%	Economic Develop
E 255-41590-720 Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Economic Develop
Dept Descr Economic Development	\$20,144.37	\$92,940.89	\$96,755.00	\$3,814.11		
	\$20,144.37	\$92,940.89	\$96,755.00	\$3,814.11		

**CITY OF PINE ISLAND**  
**Balance Sheet Fund-EDA 260, 261**

Account Descr	Current Balance
<b>FUND 260 PI REVOLVING LOAN FUND</b>	
G 260-10100 Cash - Pine Island Bank	\$118,384.75
G 260-10430 CD-T Kuball Spruce Up Program	\$31,157.64
G 260-11716 Note Receivable - KAATS	\$4,274.21
G 260-11720 Note Receivable - Lets Go Taco	\$6,337.93
G 260-25300 Unreserved Fund Balance	-\$160,154.53
<b>FUND 260 PI REVOLVING LOAN FUND</b>	<u>\$0.00</u>
<b>FUND 261 EDA - REV LOAN FUND</b>	
G 261-10100 Cash - Pine Island Bank	\$280,744.07
G 261-11721 Note Receivable - Douglas	\$16,270.34
G 261-11738 Note Receivable-Renken, J & K	\$22,358.48
G 261-25300 Unreserved Fund Balance	-\$319,372.89
<b>FUND 261 EDA - REV LOAN FUND</b>	<u>\$0.00</u>
	<u>\$0.00</u>

**CITY OF PINE ISLAND**  
**Revenue Guideline - EDA**

Account Descr	October 2022 Amt	2022 YTD Amt	2022 YTD Budget	Balance	% of Budget
Fund 255 ECONOMIC DEV. AUTHORITY					
R 255-32100 Business Licenses/Permi	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
R 255-33100 Federal Grants and Aids	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
R 255-33650 Refund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
R 255-34000 Charges for Services	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
R 255-34304 Street Signs	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
R 255-34950 Other Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
R 255-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
R 255-36210 Interest Earnings	\$0.00	\$5.96	\$100.00	\$94.04	5.96%
R 255-37550 TIF Admin/Projects	\$0.00	\$0.00	\$4,000.00	\$4,000.00	0.00%
R 255-39202 Transfers In	\$0.00	\$91,655.00	\$91,655.00	\$0.00	100.00%
R 255-39341 Grants - SMIF	\$0.00	\$5,500.00	\$0.00	-\$5,500.00	0.00%
Fund 255 ECONOMIC DEV. AUTHORI	\$0.00	\$97,160.96	\$96,755.00	-\$405.96	
	\$0.00	\$97,160.96	\$96,755.00	-\$405.96	

# Contract for Professional Services

This contract is made and entered into by Community and Economic Development Associates, a Minnesota nonprofit corporation, hereafter “CEDA”, and the Economic Development Authority of the City of Pine Island, a political subdivision of the State of Minnesota, hereafter “the Authority”, to define the terms by which CEDA shall provide technical and management expertise services to the Authority.

**I. Agreement scope and purpose.** The Authority hereby retains CEDA to perform to its benefit the services described in paragraph II, to the end of the Authority more effectively accomplishing:

- \* Prevention and/or combat of community and neighborhood deterioration and revitalization of deteriorated neighborhoods;
- \* Attraction and/or retention of businesses that would not, but for the assistance provided, choose to locate/remain in the area;
- \* The securing of businesses who will be required to provide jobs for unemployed and underemployed residents of the community; and
- \* The expansion of business opportunities for minority entrepreneurs and other entrepreneurs that are viable business opportunities to enhance the well being of the community and/or for businesses who are unable to obtain financing from conventional sources

**II. Services to be provided by CEDA.** CEDA agrees to provide technical and management expertise in the form of staff and materials to the Authority. Staff’s services, and associated materials, will be provided in order to facilitate and support the accomplishment of the Authority’s undertakings to the ends described in the preceding paragraph. CEDA’s staff and materials shall be made available toward efforts in the following specific arenas of the Authority’s needs and operations:

- \* Accessing of grantor funding for the Authority’s economic development programming
- \* Providing loan packaging services for the Authority’s business assistance programs
- \* Administering local, regional and state revolving loan funds, if appropriate
- \* Drafting the Authority’s Economic Development Annual Work Plan(s)
- \* Planning, facilitating, and/or directly conducting the Authority’s community and business development projects, including as necessary, staffing those projects as directed by the Authority in consultation with CEDA. These efforts shall include (but are not limited to), the following:
  - \* seeking city and county involvement
  - \* developing relationships and partnerships to enhance the Authority’s goals
  - \* preparing economic development guidelines
  - \* promoting the use of local assets to support and promote value-added processes and unique based businesses
- \* Assisting with local surveys related to business and industry, community, and land and buildings
- \* Assisting with the Authority’s economic development marketing efforts and coordination through website development and maintenance
- \* Coordinating and hosting forums in which the Authority’s economic development programming are open for the public’s review

**III. Obligations of the Authority.**

- A. The Authority shall pay \$20,410.50 per quarter (\$81,642.00 annually) to reimburse CEDA. CEDA is to provide a monthly report at the monthly EDA Board meeting. This payment amount is based on an expectation that CEDA will provide, on average, thirty-two hours of work per week.
- B. Materials, conferences, meetings and the like shall be paid for on a unit basis agreed to by the Authority in writing prior to the provision of the materials.

C. The Authority shall be responsible to provide payment to CEDA within 30 days of the submission of each invoice provided by CEDA.

**IV. Obligations of CEDA.**

A. CEDA is performing services as an independent contractor. Accordingly, the provision of staff by CEDA to provide technical and management expertise to the Authority under this Agreement neither creates a release of CEDA staff to employment at the Authority nor makes such staff subject to supervision by the Authority.

B. CEDA has no authority or right, express or implied, to assume or create any obligation or responsibility on behalf of the Authority or to bind the Authority in any manner. CEDA will not represent the contrary, either expressly or implicitly, to anyone.

C. CEDA is solely responsible for payroll tax responsibilities related to each of its staff persons whose time is provided under this Agreement and shall acquire and maintain necessary insurance related to their efforts under this Agreement, including carrying workers' compensation insurance coverage at all times. CEDA shall supply the Authority with certification of such coverage.

D. CEDA shall be responsible to invoice the Authority for staff time and materials provided under this Agreement on a periodic basis, no less frequently than quarterly.

E. CEDA shall, at all times, maintain a policy of comprehensive general liability insurance with limits of at least \$1,500,000 for each occurrence. The Authority shall be provided with a certificate of insurance which certificate shall provide for 30 days' notice to the Authority in the event of cancellation or non-renewal.

F. CEDA shall indemnify, hold harmless and defend the Authority, and its officials, agents, and employees, from and against all claims, damages, losses, and expenses, including attorney fees arising out of or resulting from the performance or non-performance of its obligations under this Agreement provided; however, that nothing herein limits the Authority's limitations on or immunities from liability under Minnesota Statutes, Chapter 466, or other applicable law, including any available recreational use immunities. This indemnification obligation shall survive the termination of this Agreement.

**V. Period/Termination.** The term of this Agreement is thru December 31, 2023, commencing January 1, 2023. The Agreement may be terminated earlier in its term upon 30 days' written notice by CEDA to the Authority or by the Authority to CEDA. Upon termination, the Authority shall be liable to pay CEDA for services performed at the rate of \$20,410.50 per quarter (pro-rated) and materials provided under this Agreement prior to and through the effective date of termination, unless otherwise specifically agreed by the parties in writing.



**VI. Construction of Agreement.** This Agreement is to be performed and construed under Minnesota law, and supersedes any and all prior agreements and contains the entire agreement of the parties.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF PINE ISLAND**

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

**COMMUNITY AND ECONOMIC DEVELOPMENT ASSOCIATES**

By     *Ron Ziegler*    

Its     CEO/President    

Date     October 22, 2022

# Director's Report

## Work Plan

- Land Development
  - Documents should be drawn up and presented to City Council for approval in November.
- Housing Developments
  - In discussions with developer who has done multi-family housing in Owatonna who is looking for new projects.
  - Have spoken with multiple developers who are still interested in developing in Pine Island. Perhaps upwards of 40 units if they can find the right piece of property
  - Spoke with realtor representing developer looking to purchase 150 acres for development. He is working on setting up a second meeting with the developer and the city.
- Community Foundation
  - I have handed this off to the Foundation Board to complete the foundation set up. They have been accepted to be part of SMIF.

## Business Contact

- KAATS has determined the gap for financing. I am waiting for her to provide me with financials and then will set up a meeting with the loan committee.
- Completed manufacturing visits and provided certificate of appreciation to our manufacturers for manufacturing month.
- Working with business and the bank on potential financing for a building purchase

## Potential Grants/Financial Assistance

- Applied for a SMIF grant for \$20,000 for use on the accessible playground for
- DEED Infrastructure Grant
  - Offers grant of 50% of project costs up to \$2,000,000 every two years
  - Can be used for WAC and SAC, streets, etc.
  - For Economic Development purposes (i.e., establishing or expanding a business/industrial park)

## Miscellaneous

- Working with Scheels and SHIP to obtain some ice skates for the ice rink.
- Explore Pine Island – Sandra Drees will be managing this project
  - The Chamber has decided to remove us from posting information on Explore MN on their behalf. They will now be doing this again.
- EDA sign is completed.
- Moderated both Sheriff and City Council/Mayoral forums
- Attended multiple in-person sessions with USDA/DEED/elected officials

**Sandra's Report:**

- Channel 7 Content
- Google Business Page
- Pine Island Asset Photo's
- Brainstorming Park Scavenger Hunt Events