

AGENDA
MAPLE PLAIN ECONOMIC DEVELOPMENT AUTHORITY
MAPLE PLAIN CITY HALL
May 11, 2015
5:30 PM

- I. CALL TO ORDER**
- II. ADOPT AGENDA**
- III. APPROVAL OF MINUTES**
 - A. July 14 EDA Minutes
- IV. OLD BUSINESS**
 - A. Downtown Redevelopment Update
- V. NEW BUSINESS**
 - A. Dynamic Innovations
- VI. OTHER BUSINESS**
- VII. ADJOURNMENT**

**Meeting of the Maple Plain Economic Development Authority
Meeting Minutes
July 14, 2014
Maple Plain City Hall
5:30 PM**

1. CALL TO ORDER

Chair Hackbarth called the meeting to order at 5:35 p.m.

Present: Members Michael DeLuca, Jerry Young, Dave Eisinger, Justin McCoy and Jack Henrich; City Administrator Tessia Melvin and City Planner Mark Kaltsas.

2. ADOPT AGENDA

Eisinger moved to adopt the Agenda; McCoy seconded. Motion passed 5-0.

3. APPROVAL OF THE MINUTES

McCoy moved to adopt the June 9 EDA Minutes; Young seconded. Motion passed 5-0.

4. ADMINISTRATIVE REPORTS

There was no Administrative Report.

5. OLD BUSINESS

A. Downtown Redevelopment: City Museum Location

McCoy moved to table this topic until the July 14 meeting as the volunteers of the Museum were unable to attend; Young seconded. Motion passed 5-0.

6. NEW BUSINESS

A. Pavement Program

Melvin presented the pavement program to the City Council and asked for direction from the Council. Melvin reported that the City had evaluated the pavement conditions in 2008 and all streets were ranked in the order of their condition. In addition, the City Engineer rated the existing sanitary sewer and watermain to various streets. Melvin provided the EDA in their packets with the following: pavement management rating system, reconstruction conditions of roads, map of rated streets, spreadsheets of rated streets (including the cost estimates and project deadlines), a description of streets and a list of the infrastructure history of City utilities. Councilmember Eisinger asked that Melvin work with the Public Works and Stantek to create a priority list. Once this is created, the EDA and City Council can approve.

B. Potential Business Retention Program

Melvin reported to the EDA that a Business Retention and Expansion (BRE) program is a key element to local economic development. Melvin reported that commonly, more jobs are created by business expansion than by new business start-ups. In addition a BRE program is designed to provide information to City Council and staff members on the community's strengths and weaknesses.

Melvin reported that there are both short-term and long-term objectives of a BRE Program:

Short-term objectives include: 1) To demonstrate support for local businesses and 2) To help solve immediate business concerns.

Long-term objectives include: 1) To increase a local businesses' ability to compete in the global economy, 2) To establish and implement a strategic plan for economic development and 3) To build community capacity to sustain growth and development.

Melvin presented two options to the EDA:

Option One: The City collaborate with the University of Minnesota Extension Office. With the help of University of Minnesota Extension expertise, the community personally interviews local businesses and analyzes the results. The resulting report provides valuable information and ideas to invigorate the local economy through targeted action. BR&E reports don't sit on a shelf. Because the BR&E process leads the community through three major steps - Research, Prioritize, Implement - ideas turn into action.

The BR&E Strategies Program helps make local businesses be more competitive by evaluating and addressing some of their key needs and concerns. By addressing common business concerns, the community ensures a healthier future for itself. Businesses that stay competitive are more likely to remain in the community and possibly expand. The program also establishes an economic development plan for the community and a broad-based community coalition to sustain long term economic development efforts.

The BR&E Strategies Program focuses on both short-term and long-term objectives. This contract for services is priced at \$7,000 and \$15,000, depending upon location and complexity of the program.

Option Two: Staff create an internal BRE program. Melvin included in the packet a list of policies, goals and objectives that would be addressed by an internal BRE program. EDA members discussed and agreed that the key to this program is to begin business visits and help owners. Melvin agreed to create a draft program for the August EDA meeting.

The EDA directed Melvin to continue creating a BRE program for the City.

C. Potential Business Development Loan Program

Melvin began the discussion with the \$25,000 that has been levied for the EDA, but not spent. She suggested that the EDA consider a business loan program. Melvin presented information on the City of Watertown's Central Business District Loan Program, which was created to support façade improvements in Watertown. The program was created to add value to the downtown commercial stock.

Watertown's current loan provides funding for the following eligible projects:

- Window Replacement
- Exterior Painting
- Tuck Pointing
- Awning Replacement
- Sign Replacement
- Streetscape improvements

Melvin provided the following examples of what the grant could look like:

Loan: \$5,000 (5 year loan, 3% interest)

Grant: \$2,500

Example 1

\$15,000 property owner investment

\$5,000 EDA Loan

\$2,500 EDA Grant

Example 2

\$5,000 Property Owner Investment

\$1,660 EDA Loan

\$833 EDA Grant

The Loan must be repaid in monthly installments. The EDA's contribution to projects is intended to supplement local investment. As a matter of practice, funds will be released upon completion of the projects.

Requests must include:

- Detailed project plan
- Detailed project cost estimates, including bids from contractors
- Information about current building use, including lease term if applicable

- Completed Loan Application
- \$50 application fee

City Planner Kaltsas added that the program has been very successful for the City of Watertown. The EDA discussed the loan program idea and shared much support. Member McCoy added that it would also make sense to include the elimination of WAC and SAC fees, if possible.

The EDA agreed to have Melvin create a draft template of the loan program and an application and present it at the August meeting. Their timeline would include a November-December timeframe of applications.

OTHER BUSINESS

No other business was discussed.

7. ADJOURNMENT

Young moved to adjourn; Henrich seconded. Motion passed 5-0. Meeting adjourned at 6:58 p.m.

Prepared by
Tessia Melvin, City Administrator

Memorandum

To: Economic Development Authority Members
From: Tessia Melvin, City Administrator
Date: May 11, 2015
Re: Dynamic Innovations

BACKGROUND

In February 2015, staff met with the owners of Dynamic Innovations, Daryl and Darlene Kiefer to discuss their current business plan. They are located at 5445 Pioneer Creek Drive, Maple Plain. They rent the space and the current property owner is behind in property taxes and may face foreclosure.

HISTORY

The company started as a contract laser machining business with an emphasis on laser welding. It has since grown to include laser ablation, and laser marking. We have also expanded our business to include contract medical device assembly. The business moved into a new facility designed specifically for the manufacturing of medical devices. The 12,000sqft facility includes 2000sqft of class 10000 / ISO 7 clean room space, and 4000sqft of tech space which can easily be converted to cleanroom space in a very short amount of time.

They are dedicated to providing superior quality and service to the medical device industry through dedicated partnerships with their customers.

RECOMMENDATION

Daryl and Darlene are looking for the City to assist in some form as they would like to buy the building but cannot finance it. Currently the owner is asking \$1.8 million for the building. They are looking to expand from 4 employees to potentially 80 employees.

Staff is looking for EDA direction on any assistance available.