

CITY OF COTTAGE GROVE

ECONOMIC DEVELOPMENT AUTHORITY

MINUTES February 9, 2010

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held at Cottage Grove City Hall, 7516 80th St. S., Cottage Grove, Minnesota 55016 on the 9th day of February 2010.

CALL TO ORDER

The meeting was called to order at 7:34 a.m. by EDA President Bailey.

ROLL CALL

Members Present: Myron Bailey, EDA President
Tony Jurgens, EDA Member
Justin Olsen, EDA Vice President
Craig Patterson, EDA Member
Paul Poncin, EDA Secretary/Treasurer
Chris Reese, EDA Member
Richard Remackel, EDA Member

Members Absent:

Staff Present: Howard Blin, Community Development Director
Ryan Schroeder, EDA Executive Director
Ken Smith, Communications Coordinator
Jesse Swenson, Economic Development Coordinator

Others Present: Jon Avise, South Washington County Bulletin
Andrea Brennan, Washington County HRA
Barbara Dacy, Washington County HRA

APPROVAL OF MINUTES

A motion was made by EDA Secretary/Treasurer Poncin to approve the January 12, 2010 Economic Development Authority minutes. Seconded by EDA Member Remackel, all present in favor.

DEVELOPMENT UPDATE / BR&E UPDATE / BUSINESS LEADS

EDA Executive Director Schroeder gave the EDA a development update. The Business Park closing on 3.5 acres next to the Hemingway Business Center has not occurred yet. Staff expects the closing to happen within the next month. The idea behind this purchase is that the City could trade this parcel of land at a later date for another piece of available land in the Business Park. This land purchase will also directly affect a lease agreement the City is entering into with Glendenning Farms where the City will rent land from Glendenning behind the Self Storage lot on West Point Douglas and use the land for a dog park. In the future if someone wants to buy the land from Glendenning Farms the City will move the dog park to a different location. This new lease agreement is similar to the lease agreement the City has with Glendenning Farms for the compost site.

The Home Depot auction occurred in January and did not meet the minimum reserve. The City expects an update from the leasing agent in the next month or two.

In January there were 3 new home permits with an average value of \$291,400 and there were also 59 remodeling permits totaling \$1.2 million.

MNDOT's \$26 million Hwy 61 overlay project is moving forward with construction occurring in the summer of 2010. From June to October there will be limited access to businesses especially south of Keats Ave, which will have right in/right out turns only for 2 months. City staff has been working with MNDOT to inform the business community of this issue. A business meeting will be scheduled for March.

Staff is still working with two end users in the Business Park and staff continues to be in contact with two potential retailers in the Gateway North area. EDA Vice President Olsen asked how staff has been contacting prospective leads. Economic Development Coordinator Swenson indicated that staff identified the 2008 and 2009 leads that should be followed-up with and have since made several phone/email/in-person contacts with these leads.

EDA Member Jurgens noted that he had recently been to Pinz in Oakdale and believes a similar type of business would do well in Cottage Grove. Staff has been looking into a similar type of project.

WASHINGTON COUNTY HRA FORECLOSURE PROGRAM UPDATE

Andrea Brennan and Barbara Dacy from the Washington County HRA presented to the EDA and update on the Neighborhood Stabilization Program (NSP) that was kicked off in 2009. Foreclosures in Cottage Grove remained constant from 2008 to 2009 with over 200 foreclosures making Cottage Grove the second highest city for foreclosures in Washington County. Market data highlights regarding foreclosures from 2009 include: prices continue to decline, homes "priced right" sold quickly, and the market is responding better than expected to foreclosure homes. The NSP program has been limited by few bank-owned homes in the target area, the focus has been on homes that need substantial work, and the purchase offer must be 1% less than the appraised value. From June 2009 to January 2010 the HRA looked at over 100 properties and purchased one home at 6601 Hyde. Offers were made at three other homes, but were either sold to a higher bidder or the offer was not accepted. There are two other properties in the target area that they are currently pursuing. The funds have to be obligated by

August 2010, and if the funds go un-used the HRA is mandated to return the funds, and no extensions are granted.

EDA President Bailey asked if the HRA is concerned with the current target area and whether they could expand the area. The HRA has been concerned about it and has spoken with MN Housing who has indicated that the target area can shift, but cannot be expanded because they want to focus the impact of the program. In the meantime the HRA proactively has sent out an RFP for services to area realtors for acquisitions.

EDA Vice President Olsen asked if the program is stabilizing the market like they believed it would a year ago. The HRA believes that the one home that was purchased and rehabbed does fit the purpose of the program, but in some cases the market has corrected itself.

EDA Member Remackel asked how Washington County compared to the other counties that have the NSP program. Washington County has had very similar results to Carver County, while Dakota County and Scott County are not comparable due to the fact that they initiated different NSP programs.

The EDA suggested that the HRA use our local cable commission and newspaper to advertise the current home they are trying to sell.

BUS BENCHES

Community Development Director Blin asked for EDA direction on whether or not the City should remove the 21 bus benches that are in town. A private firm, U.S. Bench Company, owns the bus benches and receives advertising revenue through leasing of the billboard space on the back of the bench. The item was tabled until the March EDA meeting.

HOLIDAY BANNERS UPDATE

EDA Executive Director Schroeder informed the EDA that staff determined that the metal street light poles in the business area do not have outlets and are 240v, however the concrete street light poles do have outlets. Staff will bring in vendors for EDA representatives to look at holiday lighting and non-lit displays to purchase.

SHOPQA

Economic Development Coordinator Swenson asked for EDA direction on whether or not to pursue a contract with ShopQA. As part of the Shop Local ideology staff has been pondering how best to improve communication to the public informing them of just what local venues actually exist. Recently staff became aware that GovQA, the leader in Citizen Request Management (CRM) and host of the City's "Ask the City" page on our web site, has a new online program known as ShopQA (governments supporting businesses). ShopQA creates a vibrant online support platform where local businesses can continually update information, news and coupon listing while taking customer inquiries and assembling customer lists. The three main elements of ShopQA are: find information about retailer, submit questions to retailer, and sign up for retailer eNews. In effect, it can become a one-stop shopping site to access every retailer within the community. The initial cost to the City would be \$2,000 plus a monthly fee of \$250. There would be no cost to any of the businesses that we list on the site. The initial

contract is for a 3 year term. To expand the presence staff would intend to link this site at the Chamber and would solicit Chamber marketing of the opportunity.

EDA Member Patterson stated that he believed staff could utilize these funds more efficiently by hosting their own similar web page and not do it through ShopQA. EDA Member Reese commented that staff should approach the Chamber of Commerce to pay for a portion of the cost.

EDA President Bailey and EDA Vice President Olsen stated that they were both in support of the online system.

EDA Vice President Olsen moved to accept the contract with ShopQA, but directed staff to ask for a lower initial price and lower monthly fee. Seconded by EDA Member Reese, upon vote being taken motion passed 4-3 (Patterson, Jurgens, Remackel voted nay).

EDA ANNUAL REPORT

Economic Development Coordinator Swenson presented a draft of the 2009 EDA Annual Report and asked the members to review the document and forward any comments or recommendations to her or Executive Director Schroeder.

GOLF TOURNAMENT UPDATE

Economic Development Coordinator Swenson noted that "save the date" postcards for the EDA's golf tournament were mailed the week of February 1st.

CROSS COUNTRY SKIING AT RIVER OAKS GOLF COURSE

Communications Coordinator Smith presented the EDA will information regarding cross country skiing at River Oaks Golf Course. Golf Manager, Bruce Anderson, has researched this venture in the past and it is not a revenue neutral activity for the golf course to enter into.

CALENDAR

The EDA members were reminded of upcoming meetings and events. A reminder was given that there is a joint EDA/City Council meeting scheduled for Wednesday, February 17, 2010 at 6:00 P.M.

MISCELLANEOUS BUSINESS ITEMS

ADJOURN

EDA Vice President Olsen moved to adjourn the meeting. Seconded by EDA Member Jurgens, all present in favor. The meeting adjourned at 9:00 AM.

Respectfully Submitted,
Jesse Swenson
Economic Development Coordinator