

CITY OF COTTAGE GROVE

ECONOMIC **D**EVELOPMENT **A**UTHORITY

MINUTES **January 13, 2004**

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held at City Hall, 7516 80th Street South, Cottage Grove, Minnesota on the 13th day of January 2004.

CALL TO ORDER

The meeting was called to order at 7:30 a.m. by EDA President Jim Wolcott.

ROLL CALL

Members Present: Jim Wolcott, EDA President
Gerry Weingartner, Authority Member
Glen Kleven, Authority Member
Sandy Shiely, EDA Vice-President
Mike Wennen, Authority Member
Al Boche, Authority Member
Dick Pederson, Authority Member

Members Absent:

Others Present: Ryan Schroeder, City Administrator
Scott Johnson, Management Analyst
Colby Johnson, South Washington County Bulletin

APPROVAL OF MINUTES

Authority Member Sandy Shiely moved to approve the November 9, 2003 and December 14, 2003 EDA Minutes. Dick Pederson seconded the motion and the motion carried unanimously.

PROJECT UPDATES

Scott Johnson updated the EDA on project ED-03-018, which is for an auto body repair shop in the Industrial Park. The auto body shop owner is working on preliminary plans for the Planning Commission and the City Council. The EDA was also informed that Latte Dah Coffee House in the G-Will Mall has filed for bankruptcy.

GATEWAY UPDATE

Ryan Schroeder informed the EDA that Oppidan is currently working on a sketch plan for a 14,700 square foot building next to the Ruby Tuesday's site. They may build two separate buildings to allow for more end cap businesses on the site. Ruby Tuesday's would like to close sometime in April on the property. However, a large amount of dirt still needs to be removed from the site and the contractor has until June 1st to finish the project. Ruby Tuesday's wants to build their new restaurant as soon as possible.

GROVE PLAZA

Remodeling is 41% complete on the small tenant space.

BRUHN/STOLTZ PROPERTY

In January or February the Planning Commission will receive a proposal on this property. The City Council will receive the proposal sometime in February or March.

COTTAGE SQUARE

A signed purchase agreement is expected in the next few days on this project. The City will send out letters to Cottage Square tenants once the purchase agreement has been signed.

EAST RAVINE STUDY UPDATE

An open house was held on January 8th. Approximately 100 to 150 people attended. Surveys were handed out to all citizens that attended the meeting. The East Ravine Market Study showed a strong commercial demand in this area. The study showed that bringing Kohls Department Store to Cottage Grove has expanded the market area. Additional open houses will be held in the near future.

BUSINESS BREAKFAST

Scott Johnson informed the EDA that the Business Breakfast has been changed to January 26th, but will be held at the same time and location. Also, Tom Hesse will speak instead of Bill Blazar at the event.

2004 MARKETING AND ADVERTISING

Glen Kleven thought the cut to the budget for 2004 marketing and advertising is too severe for the EDA. He asked staff to look into finding more funding for 2004. He also mentioned that the price for the postcards seemed high and asked staff to look into another printer for the postcards. Ryan Schroeder asked the EDA members which option they preferred from the three that were provided in the memo. Mr. Schroeder

also mentioned that he preferred the direct mail postcard approach because people on the mailing list will call and comment on the latest postcard. He also mentioned that he has never received a phone call on an ad in the Business Journal or the Real Estate Journal. Al Boche asked if the postcards and ads are placed in a time sensitive manner.

Ryan Schroeder informed the EDA that they are placed in the spring before construction season, during the summer, and in the fall. The ads and postcards are timed around EDAM and other trade shows. Mike Wennen commented that he does not know how to decide because he does not know what advertising reaches the most people. Jim Wolcott asked if the theme of the postcards would change in 2004. Ryan said that a new photo shoot will take place with the new employees in Finance and Administrative Services and Community Development.

Gerry Weingartner mentioned that he preferred the repeat ads in the Real Estate Journal and the two postcards. Mr. Schroeder mentioned that the City does get more out of advertising in the Real Estate Journal over the Business Journal because of its professional economic development audience. Mayor Shiely asked if the City would have a better chance of receiving publicity in an article through either publication. Ryan Schroeder mentioned that the Real Estate Journal has written a few articles about the City. Mayor Shiely thought an article on the East Ravine project would be appropriate. Mr. Schroeder explained that the Real Estate Journal usually does an article on an area and not just one specific City. Glen Kleven informed the EDA that the Real Estate Journal has written an article on the Industrial Park. Jim Wolcott thought the EDA should do the maximum amount of direct mailing and participate in area trade shows. He is not strong on advertising in publications and does not know how effective this type of advertising is for bringing new business to Cottage Grove. Ryan Schroeder informed the EDA that staff would include the budget numbers in the next packet and look for more money for advertising in 2004.

GROVE PLAZA PARCEL

EBL&S, the owners of Grove Plaza, are selling the former Wells Fargo Bank location to Mainstreet Bank. Until Grove Plaza receives their Certificate of Completion for the minimum improvements on the Mall they need the permission of the EDA to sell the property under the development agreement. A request has been made to reduce the value of the Grove Plaza assessment agreement by the amount of the value of the Mainstreet Bank parcel. Staff recommends a partial reduction absent an agreement with Mainstreet Bank. Severance of the Mainstreet Bank parcel would reduce the amount of taxes paid in 2006 because Mainstreet Bank is not a party to the assessment agreement. Also, the City would have no recourse if Mainstreet Bank abated its taxes.

Washington County estimated the values of the parcel at \$712,400. Mainstreet Bank is buying the parcel with intentions of remodeling the building. Mike Wennen made a motion to approve the sale of the property to Mainstreet Bank. Gerry Weingartner seconded the motion and the motion carried unanimously. Glen Kleven made a motion to approve the severance of the property from Grove Plaza. Gerry Weingartner seconded the motion and the motion carried unanimously. Al Boche made a motion to

approve the reduction of the minimum assessment agreement for Grove Plaza. Gerry Weingartner seconded the motion and the motion carried unanimously. Mike Wennen asked if Mainstreet Bank was approached about this situation. Ryan Schroeder explained that he had discussed this with the bank even though Mainstreet Bank is not a part of the purchase agreement. He thought some amount of consideration would be factored into the purchase agreement between Mainstreet Bank and EBL&S for the minimum assessment agreement.

AREA CHAMBER & TRADE SHOW

Mike Wennen informed the EDA that Mary Slusser and other Chamber Ambassadors are looking at putting together a trade show at River Oaks. There is a \$700 fee to rent the space at the River Oaks Golf Course and there are concerns about the event being successful financially because of the fee. Mike Wennen asked the EDA if they would be interested in partnering with the Cottage Grove Area Chamber of Commerce for the event and covering the \$700 cost for renting River Oaks. Mayor Shiely thought it would be a logical thing and in the best interest of the EDA to sponsor the event. Mike Wennen also thought it would be a good opportunity to support local business. Al Boche asked what the Chamber goal was for the event. Mr. Wennen informed the EDA that the event would bring local businesses and citizens together. The evening event would last three to four hours. Ryan Schroeder mentioned that it would be a good idea to coordinate with another event. Jim Wolcott thought a sign-up for another activity would draw people to the event. Al Boche said the Chamber should contact Al Winter at the CGAA about setting up a sports sign-up with the event. Mike Wennen further explained that the event will take place in April or May. Mayor Shiely made a motion for the EDA to co-sponsor the trade show at River Oaks and pay the \$700 fee to rent River Oaks for the event. Gerry Weingartner seconded the motion and the motion carried unanimously.

CALENDAR

Annual Business Recognition Breakfast	January 26th
EDA Meeting	February 10
EDA Meeting	March 9

MISC

Mike Wennen informed the EDA that the “Stuff for School” program will move under the Crime Board because of its non-profit status. This will allow businesses to donate more money and qualifies the program for grant money.

ADJOURN

The EDA adjourned at 8:30 a.m.

Respectfully submitted,

Scott Johnson
Management Analyst