

Minutes

Regular Meeting
Thursday, August 10, 2006
3:30 p.m.
Becker County Workshop, 1120 – 8th Street SE
Detroit Lakes, MN

Meeting called by:	Mike Metelak
Type of meeting:	Regular Meeting
Attendees:	Karen Mulari, Mike Metelak, Terry Johnson, Gerald Schram, Staff present: Jon Thomsen, Guy Fischer, Shawn Olson, Skip Carpenter Other Attendees: Dan Berg (Lakecrest Resort), Kelcey Klemm (City of Frazee)
Board Members Absent:	Harry Salminen, Dan Aune, Paul Joyce

Agenda topics

Tour of the Becker County Workshop Facility: Sheila Ojala spoke about the success of the Workshop as she led the tour of the facility.

- 1) **Call Regular Meeting to order:** M Metelak called the meeting to order at 3:40 p.m.
- 2) **Approval of Regular Meeting Agenda:** **Motion** and second to approve the Agenda as presented (G Schram, T Johnson), carried.
- 3) **Approval of Minutes from July Regular Meeting:** **Motion** and second to approve the Minutes of the July Regular Meeting (G Schram, K Mulari), carried.
- 4) **Financial Report:**
 - a) **Monthly Financial Report:** Staff presented the monthly financial report. **Motion** and second to accept the monthly financial report (T Johnson, G Schram), carried.
 - b) **FYE 6-30-2006 Housing Programs Annual Report:** The FYE 6-30-2006 Housing Program Financial Report was presented. Staff detailed the \$750,000 in state and federal funding the EDA received during the past 12 months; it was noted that 113 low to moderate income households were provided with affordable housing options and the EDA increased it's housing net assets over \$225,000. The report detailed over 4 million in funding related to the housing programs administered by the EDA. **Motion** and second to accept the annual housing report (G Schram, K Mulari), carried.
- 5) **Economic Development:**
 - a) **Skip Carpenter, Consultant – County Resort Improvements Loan Program:** G Fischer briefly referenced three draft program options (tax abatement, sales tax refund, and development of a loan pool) for consideration by the EDA Board. S Carpenter spoke about the items that must be considered when planning a business subsidy program and gave the EDA several options should they elect to support resorts in a manner similar to the former State of MN DEED program. Rather than make changes to the EDA's existing policy on Tax Abatements, it was recommended that the EDA partner with other

organizations and develop a loan pool or some type of loan participation program. Discussion followed on the EDA's limited capital relative to the potential needs of county resorts; state law dictates how to calculate the amount of property taxes that can be abated and that the amount may not be sufficient to encourage participation; whether the EDA would be able to develop an interim program that would stop a resort owner from selling and/or encourage other resorts to expand; and the need for DEED to re-institute its state funded program and or/have State Trade Associations involved. No action taken.

- b) City of Frazee – Swift Plant Joint Task Force:** K Klemm (City of Frazee) updated the Board on the activities of the Frazee Swift Task Force and how the plans have changed from a park setting to commercial use. The new use continues to serve a public purpose and Frazee submitted a grant for DEED funding for the project. If awarded, DEED funding would be combined with land donations, tax forfeiture funds, TIF revenue notes and public/private contributions. It was noted that there would be an Environmental Assessment conducted this fall; Frazee may have to apply for additional funding if contamination is found. K Klemm requested that the EDA Board consider contributing funds to the project, however, no action was required at this time. K Klemm announced that the City of Frazee approved their Comprehensive Plan and requested that the \$3,000 from the 1999 grant funded by St. Mary's and held by the EDA be disbursed. **Motion** and second to authorize the payment to the City of Frazee in the amount of \$3,000 (G Schram, K Mulari), carried.
- c) Monthly Report:** G Fischer reported on the Crookston Conference on Wind Power. Discussion followed on the potential of the EDA seeking grant funds and investing in wind energy for the purpose of creating a revenue stream for the EDA. It was noted that White Earth is looking at options/opportunities for creating an economic development organizational decision-making structure. Discussion followed on the future of biodiesel and the potential for a "mini-mill" in Becker County. It was noted that STS Trucking was recently awarded a county contract and is looking for financing to buy trucks.
- d) FYE 12-31-2006 Semi-Annual Report:** The Board's attention was directed to the written summary of activities; the report details G Fischer's networking activities and the type of information he has provided to other groups/organizations.

6) Monthly Housing Report:

- a) Monthly Report:** J Thomsen updated the EDA Board on the recent sale of two homes and the interest in the other homes that are for sale; the contract with Otter Tail Wadena Community Action Council has expired and is being re-negotiated; it was noted that there is a need for a licensed builder to work with the ICWC crew so that the EDA can begin construction on 3 homes. Discussion followed on the Audubon Lot Auction. J Thomsen reported that he would be scheduling a public hearing next month regarding the potential sale of a residential lot in Lake Park that may not be suitable to build a home on. J Thomsen reported that inter-agency funding from the EDA to the Housing Program might be needed to pay the ICWC bills. **Motion** and second to provide an inter-agency loan for the purpose of paying the monthly Inmate Construction Work Crew (ICWC) fees (K Mulari, T Johnson), carried.
- b) Partial Release of Becker County SCDP Lien:** J Thomsen reported on a homeowner that received funding from the HRA's housing rehabilitation program; the Housing Committee recommended that the EDA Board authorize a partial release of lien to allow the homeowner to sell 5 of their 80 acres. **Motion** and second to authorize a partial release of Lien #347058 (T Johnson, G Schram), carried.
- c) Approval of FYE 6-30-2007 Public Housing Operating Budget:** The Housing Committee had previously reviewed the Operating Budget for the Public Housing Program and recommends that the EDA Board retroactively adopt the budget. **Motion** and second

to retroactively adopt the FYE 6-30-2007 Public Housing Operating Budget as presented (T Johnson, G Schram), carried.

- d) **Public Housing Operating Subsidy "Stop Loss"**: Staff presented a report on the change in the formula for calculating the Operating Subsidy and the amount the agency stands to lose under the new formula. Rather than scale back services, staff is applying to HUD for "stop loss" funding.
- e) **2006 Section 8 Management Assessment Program Certification (SEMAP)**: The Housing Committee has reviewed the SEMAP submission and has recommended that the EDA Board approve the 2006 SEMAP Certification/Submission. **Motion** and second to approve the submission and adopt Resolution #08-10-06-2 (G Schram, K Mulari), carried.
- f) **2006 Public Housing Assessment System Management Operations Certification (MASS)**: The Housing Committee has reviewed the MASS submission and has recommended that the EDA Board approve the 2006 MASS Certification/Submission. **Motion** and second to approve the submission and adopt Resolution #08-10-06-3 (T Johnson, G Schram), carried.

7) 2007 Levy:

- a) **2007 Housing and Economic Development Administrative Budget**: Staff presented the administrative budget. **Motion** and second to recommend that the County Commissioners adopt the 2007 Housing and Economic Development Departmental Budget as presented (G Schram, T Johnson), carried.
- b) **2007 HRA Tax Levy**: Staff proposed a Tax Levy of \$175,633 for funding the housing and economic development related administrative activities. **Motion** and second to request and recommend to the Becker County Board of Commissioners to include a HRA Tax Levy in the amount of \$175,633 in the 2007 budget and adopt Resolution EDA #08-10-06-4 (T Johnson, G Schram), carried.

8) EDA Board – Open Forum: There being no further business brought before the Board,

9) Adjourn: **Motion** and second to adjourn the meeting at 5:30 p.m. (K Mulari, G Schram), carried.

ATTEST:

Respectfully submitted:

/s/ Jon Thomsen
Housing Director

/s/ Mike Metelak
EDA Board President