

**VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY**  
**THURSDAY, October 6, 2016 – 8:00 A.M.**  
**Council Chambers (Second Floor), Virginia City Hall**

Present: Paulsen, Jorgensen, Bartovich, Guertin, Miskovich, Baranzelli

Absent: Tieberg

Also present: Wendy Summers, Sherry Erickson, Kris Johnson, Rudy Harvey-Virginia Foundation, Mike Stone-Revive Virginia, Whitney Ridlon- IRRRB, and Elizabeth Olivanti- Center for Economic Development

**I. Minutes Approval (August 4, 2016)**

Moved by Jorgensen, supported by Bartovich to approve the minutes of the August 4, 2016  
With the correction of the following statement:

Jorgensen stated that in 2015 there was \$1,500 in Business Development that should be moved to “Other Professional Services” in the 2017 budget to cover the miscellaneous fees that are occurred from loan transactions. This should be changed to state: Jorgensen noted that the current 2016 budget shows \$1500.00 expanded from the Business Development line item, since this was for UMD Center for Economic Development, this should have been charged to other professional services.

Motion Carried.

**II. Finance Reports-nothing to report for the month**

**1. Check Register**

Moved by Jorgensen and supported by Paulsen to approve payment of \$925.00 to the League of Minnesota Cities for insurance premiums. Motion carried.

**2. Budget Report**

Again Jorgensen stated that the correction above to be made to the August 4, 2016 minutes. Wendy Summers reviewed the outstanding loan payments. Kris Johnson was instructed to mail out a reminder to Mike Ralston requesting he bring his loan payments current.

Moved by Jorgensen and supported by Guertin to approve the budget appropriation report. Motion carried.

The City’s matching funds for the RBEG programs are in the City’s General Checking Account. Jorgensen stated that he will ask the City Council what will happen with these funds due to the RBEG Program expiring on September 30, 2016.

**3. Presidents Report**

Julianne Paulsen turned over her president report over to Mike Stone the Founder-President of Revive Virginia and Rudy Harvey the Director of the Virginia Foundation who appeared before the VEDA board with a presentation to work together on a revitalization project of the downtown area.

Revive Virginia and the Virginia Foundation are trying to come together to work on a project that would use EPA Brownfield Grants, IRRRB Grants, tax abatements, and in-kind services to fund projects that would improve the downtown area and surrounding neighborhood.

Mr. Stone presented their plan in three parts. Part one of the plan would be to rehabilitate one commercial building on Chestnut Street which would preferably have residential space above it. They would attempt to save one building this year and one building the next year with the potential to save multiple buildings in the following years.

- Their groups have toured buildings and have found that many are unsuitable for any use now due to condition.
- They will need to secure their first, rehab the building and finally lease or sell the property to an approved prospective business owner. Investing any rental or sale proceeds into another building.

Part two of the plan is to build a commerce center at the west end of Chestnut Street on the old ICO location to create a centralized location for downtown information, hosting a walking tour of the murals in town, music and or other local events. Mike envisions this as a rustic timber pavilion that could feature a drive up or walk up coffee house that would also serve as a revenue generating business investing back into Revive Virginia to be used for operational expenses and investments while starting out in rehabbing the first few years. This business would then be sold as a turnkey operation to provide additional funding. Currently the City owns this lot and the Foundation believes that when it is sold, the foundation will get these proceeds in the form of a donation. A concern he has is loitering and the debate on whether or not public restrooms should be installed.

Part three of the plan would be to sell the properties to prospective business owners on a contract for deed to tenants, setting requirements and expectations within this contract for deed that would hold the owner to maintain the property to the standards of the Property Maintenance Code and meet signage requirements, and curb appeal to reflect the style that Revive Virginia approves. The benefits to this are as follows: Offers a low risk to the new business owner, provides a model for downtown and future projects and gives some control on what business comes down town. Mike and Rudy explained that the positive effects this will have on our community:

- Invest locally by using local contractors and vendors during construction
- Keep the historical aspects of the downtown area
- Blight improvements
- Change the complexion of downtown
- Draw in new clientele into the downtown
- Increase tax dollars with improved properties
- Ultimately spur private development in the downtown area
- Make it more of an attractive location for residents

There are several grant sources available that can be applied for. November 30<sup>th</sup> is the deadline for application of the competitive IRRRB Downtown and Business Corridor application. Revive Virginia and the Foundation asks VEDA, the City and anyone else invested into the downtown area to come together now to work on the project together to endure the best outcome. This grant awards between \$12,500 and \$50,000 that requires a 50% investment of money or in-kind services within one year. Revive Virginia asked for VEDA to come together to assist them with the 50% cash and in-kind services for this application.

Julianne Paulsen also suggested that we include the project of having banners, benches and planters made for down town that Joe Guertin had originally proposed for the street aesthetics. She feels this should also be a part of the improvements that are included within the IRRRB Grant Application.

Whitney from IRRRB stated that there can be a mixture of improvements on the grant application; it does not need to be localized to one project.

Rudy Harvey questioned if a historical designation has already been done on the main street? Jorgensen stated he will bring it forward to the City Council to designate the main street as historical. He will also make sure they are all informed on Revive Virginia and will request a letter of support from the City Council. Jorgensen also stated that VEDA is able to buy and sell real estate, although the City may not be interested in taking on the business of owning real-estate but VEDA would be able to help out in taking on ownership until Revive Virginia is able to get their 503c completed.

Miskovich leaves at 8:57

The City of Virginia would need to find a minimum of \$25,000 to make the 50% contribute.

Joe Guertin also suggested asking the Public Utilities to help with some in-kind services when a rehab requires the repair of the underground infrastructure into the building.

It was agreed that all parties would meet again next week and proceed with making decisions on the first stage of the project for the grant application.

### **III. New Business**

#### **1. LEP Plan**

Moved by Jorgensen and supported by Baranzelli to approve the LEP Plan. Motion carried.

#### **2. Grant Application**

Moved by Jorgensen and supported by Paulsen to approve the Grant Application for Pohaki Lumber Company in the amount of \$5,000 toward the total project cost of \$14,434.92. Motion carried.

#### **3. AEOA Property Purchase Request**

City Administrator Britt See-Benes stated that AEOA did inquire about property to purchase south of the 6<sup>th</sup> Avenue Bridge where the old radio station was. However at this time they have inquired on other potential sites as well. Jorgensen stated that he had inquired if mining will be moving west in the future. If so it would that may affect any building within 500 feet of any potential blast. With this in mind the City may want to attempt to trade this land with RGGGS for another site that would be usable for the City. He was in question on what cleanup had been performed to this property and what would still need to be completed for environmental clearance.

Joe Guertin left the meeting at 9:15 a.m.

#### **IV. Old Business/Update**

##### **1. Policy and procedure guidelines for VEDA**

Jorgensen requested that these are reviewed and discussed at a later meeting. The City Council has asked the City Attorney to provide an enabling resolution to meet state statues of the EDA. Until that happens this will be tabled.

##### **2. City Update**

City Administrator Britt See-Benes reported on economic developments in town. She stated that there is potential development on 4<sup>th</sup> Street North on the 2.5 acers across from where the new Natural Harvest and a potential development where there was extensive clearing in Midway. She also reported that the remodel of the Kmart location will begin this winter to accommodate new businesses. Paulsen also stated that Hardees has opened along with the well needed Up North Dental on Chestnut Street.

##### **3. Completion Certificate Edwards Oil-Grant Payment Requested**

Due to a conflict of interest Bartovich had with the applicant he abstained from the vote leaving VEDA without a quorum. This has been tabled to the next meeting.

##### **4. Completion Certificate RMN Enterprises (Goodwill)-Grant Payment Requested**

Moved by Jorgensen and supported by Bartovich to approve the grant payment request in the amount of \$5,000.00 toward the final completed project costs of \$22,313.00. Motion carried.

##### **5. Completion Certificate MCCA Property Management, LLC-Grant Payment Requested**

Moved by Jorgensen and supported by Paulsen to approve the grant payment request in the amount of \$5,000 toward the final completed project costs of \$26,429.00. Motion carried.

##### **6. Completion Certificate Chestnut Burrow-Grant Payment**

The final paperwork has been received and looking back at the July 7, 2016 there was not a quorum to vote on this. At the August 4, 2016 Meeting a vote was not taken. Due to Miskovich and Guertin leaving the meeting early today and Bartovich having to abstain from the vote due to a conflict of interest there still is not a quorum. This will be placed on the agenda for the special meeting that will be held next week. Motion tabled.

#### **V. Information & Other- FYI**

Jorgensen reported that the Fountain Foundation has raised approximately \$180,000.00 in private money donations for the restoration of the Olcott Park Fountain. The goal is to get the fountain operational by the summer of 2017.

Bartovich requested the Lien Subordination request for Legacy Collision be placed on the Special Meeting Agenda for next week.

ADJORN 9:43 JULIANNE-BARTOVICH.

#### **VI. Adjourned at 9:43 a.m. the next regular meeting will be held on November 3, 2016.**