

VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY
THURSDAY, MAY 1, 2014 – 8:00 A.M.
Council Chambers (Second Floor), Virginia City Hall

Present: Rob Marwick, Mike Ralston, Larry Cuffe, John Tourville, Michael Harvey, Kim Culbert-Blaeser, Julianne Paulsen, Jim Tieberg

Absent: None

Also Present: Bernie Collins, Laurentian Chamber; Wendy Summers, Accounting Clerk; Lois Roskoski, City Clerk

Jim Tieberg called the meeting to order.

I. Minutes Approval (March 6, 2014)

Moved by Marwick and supported by Cuffe to approve the minutes from the meeting held on March 6, 2014. Motion carried.

II. Finance Reports

Wendy Summers, Accounting Clerk, reviewed the Check Register and Revolving Loan Fund, as of March 31, 2014.

Moved by Marwick and supported by Cuffe to approve the payment to the UMD Center for Economic Development in the amount of \$1,500, for the first quarter of 2014. Motion carried.

Moved by Marwick and supported by Paulsen to approve the financial reports through March 31, 2014, as presented. Motion carried.

Rob Marwick reviewed the proposed 2014 budget, with net revenues under expenditures of \$6,450.00. Larry Cuffe stated the City would be responsible for VEDA's bills, once the funds are depleted.

Moved by Marwick and supported to approve the 2014 budget, as presented by Wendy Summers, Accounting Clerk. Motion carried.

Mike Ralston stated the City Council would like VEDA to explore an economic development levy. City Administrator Tourville recommended that a subcommittee be formed to set the ground rules and review requests on a case by case basis. City Administrator Tourville also suggested that VEDA meet with Paul Steinman of Springsted, City's financial consultant, to discuss specifics of an EDA levy.

Moved by Cuffe and supported by Blaeser to appoint John Tourville, Rob Marwick and Mike Ralston to serve on a subcommittee to explore the specifics of an EDA levy. Motion carried.

III. President's Report

Jim Tieberg stated he attended the School Board meeting where the proposed colocation of a new high school was discussed. Larry Cuffe stated the proposed joint powers agreement was no longer valid. In the event the Mt. Iron School Board did not approve the colocation plan, the Virginia and Eveleth school boards would review additional sites for a new high school. All entities have been requested to send a list of available land within their city, plus acquisition costs, to the school by May 6th.

Larry Cuffe expressed concerns as a VEDA board member, citizen and City Councillor, on the adverse effects to Virginia if the legislation is passed to fund the high school colocation plan. The legislation includes language that would divert the fiscal disparities funds, which are currently allocated to the IRRRB, to the school fund. The proposed legislation would allow any school in Minnesota that collaborates to be entitled to the funding. Part of the proposed legislation has been

passed and signed by the Governor, but the other portion is in the Senate. Larry Cuffe recommended that VEDA send a strong message in support of Virginia's existing high school campus as the preferred site for the new joint high school. He also stated the City Council accepted the proposal from Springsted to prepare a Fiscal Impact Analysis on the proposed relocation of the Virginia high school.

Moved by Paulsen and supported by Tieberg to send a letter in support of the City of Virginia obtaining an economic impact study to determine the effects of relocating the Virginia high school to Mt. Iron. Motion carried.

City Administrator Tourville stated the Finance Committee will discuss hiring a tax attorney to review the fiscal disparities tax.

IV. New Business

City Administrator Tourville stated Fourth Street North, between 6th and 9th Avenues, will be totally rebuilt, with the construction project to begin after the Land of the Loon Festival. He also stated the Virginia Coop Credit Union has acquired the Northwynd Canine Center. Virginia will provide the infrastructure through grant funds received from the IRRRB.

V. Old Business/Updates

1. VEEDA Update

Larry Cuffe stated VEEDA is working to fill the vacant space created by the closing of Meyers telemarketers. The IRRRB is working with Jerry Samargia, who has an affiliation with Meyers, on a financing plan to allow him to take over the building and continue as a telemarketing business with fewer employees. VEEDA accepted the proposal from Jerry Samargia at a special meeting.

Larry Cuffe also noted the City of Eveleth is moving forward to sever the ties with VEEDA, but no official action has been taken.

2. City Update

City Administrator Tourville provided a City update, as follows:

- A grant application will be submitted to the IRRRB to update Virginia's comprehensive plan.
- Tritec will be expanding their business to manufacture boxes for production trucks. Fifty new employees are anticipated.
- The former Staver Foundry will be demolished in the near future.
- Ulland Brothers will be finalizing a development agreement with the City for a new facility on Highway 135.
- The City is working with the Laborer's and Carpenter's Unions to build new union offices on the former Seppi site on Silver Lake.
- The City is working with Essentia to convey the former East Range Clinic building to the City. The property would be redeployed to another successful business for expansion purposes.
- Joy Global has plans to expand their facility.
- A business is interested in developing on the Inland Haul Road.
- Three new retail businesses will be developing in the Thunderbird Mall area.
- AEOA/Range Mental Health are working on a new joint facility.
- City is considering the acquisition and demolition of the Manseau building on Chestnut Street.
- Virginia may be hosting the Coalition of Greater Minnesota Cities conference in August of 2015.

VI. Information & Other – FYI

VII. Adjournment to next meeting

Meeting adjourned at 9:20 A.M.