



**Meeting of the Economic Development
Authority
Held at the Elk River City Hall
Monday, October 21, 2024**

Members Present: Chair Dan Tveite, Commissioners Cory Grupa, Matt Westgaard, Jeff Hartwig, Mike Beyer, Jennifer Wagner, and Charlie Blesener

Members Absent: None

Staff Present: Economic Development Brent O'Neil, Economic Development Specialist Joshua Mollan, and Recording Secretary Katie Porath

1. CALL MEETING TO ORDER

Pursuant to due call and notice thereof, the meeting was called to order at 5:30 PM.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

Moved by Commissioner Jennifer Wagner and seconded by Commissioner Matt Westgaard to approve the agenda. Motion Carried 7-0.

4. CONSENT AGENDA

Moved by Commissioner Cory Grupa and seconded by Commissioner Jeff Hartwig to approve the following consent items as outlined in their respective staff reports. Motion Carried 7-0.

4.1 Draft EDA Minutes - August 19, 2024 and September 16, 2024

4.2 Check Register

4.3 Balance Sheet

4.4 Revenue/Expenditure Reports

5. OPEN FORUM

No one appeared for Open Forum.

6. PUBLIC HEARINGS

There were no public hearings.

7. GENERAL BUSINESS

7.1 Loan Extension Request - Hemmer Companies

Mr. Mollan presented the staff report.

Moved by Commissioner Matt Westgaard and seconded by Commissioner Mike Beyer to adopt Resolution 24-06 approving the loan extension for Hemmer Companies (Distinctive Iron) and authorization to execute the amended loan documents as outlined in the staff report. Motion Carried 7-0.

7.2 Loan Request - Modern Construction of MN

Mr. O'Neil gave an update on the downtown development of Topsy Chicken. Owner Jesse Hartung has requested a Downtown Incentive program loan from the EDA but has not met some of the requirements. The program requires a 10% commitment from the owner, therefore, the amount of the recommended loan was reduced from \$75,000 to \$51,499. There are also requirements that the project does not begin before the loan is awarded and some work has been started.

Commissioner Grupa asked about the city's interest rate being at 3% whereas loan rates are currently around 11%.

Mr. O'Neil commented that it could be changed and the Joint Finance Committee has talked about recommending changes to the rate structure.

Commissioner Blesener stated that the purpose of the funds is to encourage small businesses and keeping the interest rate low would be more appealing. The EDA is not a bank, but the funds have been underutilized thus far.

Commissioner Beyer asked if Mr. Hartung had been informed of the change in the loan amount. Mr. O'Neil stated he had been informed.

Commissioner Wagner commented that the packet Staff Report stated the outlay would need to be repaid by December 31, 2023 and that should be corrected to 2029.

Moved by Commissioner Charlie Blesener and seconded by Commissioner Jeff Hartwig to adopt Resolution 24-07 approving a business microloan to Modern Construction of Minnesota in the amount of \$51,499 with a change to outlay repayment date from 2023 to 2029 as outlined in the staff report. Motion Carried 7-0.

7.3 General Updates

Mr. Mollan gave an update on the of the Beautification Award, with the committee recommending Wayne Swart State Farm Insurance Agency. A "Development Minute" segment was filmed at Thunderstruck Exteriors. The public art reveal at the Furniture and Things Community Event Center is currently scheduled for November 25, 2024 at 2:00 p.m.

Mr. O'Neil gave an update that staff is working on the closing of the Foxhaven property on 185th Street. Kwik Trip is looking at late 2025/2026 construction. He asked if the EDA may be available for a special EDA meeting on November 4, 2024 if needed to discuss the project. Mr. Mollan and Mr. O'Neil will be attending the Minnesota Commercial Association of Real Estate/Realtors (MNCAR) event where they have a booth and meet with area brokers about available properties in Elk River. They are also helping with the Chamber of Commerce "cool jobs tour".

8. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Jennifer Wagner and seconded by Commissioner Cory Grupa to adjourn the meeting. Motion Carried 7-0.

The meeting adjourned at 5:50 PM

Minutes prepared by Katie Porath.



Dan Tveite, EDA President



Tina Allard, City Clerk