



CHEDA Board Meeting Minutes
Tuesday, March 20, 2018, 7:00 a.m. † VTP

Present: Kurt Heldstab, Craig Morgan, Paul Eickhof, Steve Erickson, Leon Kremeier, Tom Vedbraaten and Lee Meier

Liaisons to the Board: Dale Stainbrook, and Angelica Weasner

CHEDA Staff: Craig Hoiseth, Theresa Sandness and Theresa Tahran

Others present: Wayne Melbye, Mike Christopherson, Kristi Thorfinnson, Terri Heggie, and Shannon Stassen.

Absent: Chris Bates

The promotional video that is located on the CHEDA Website was played for 5:07 Minutes.

- 1) President Heldstab called the meeting to order at 7:05 a.m.
- 2) PUBLIC FORUM - None
- 3) *Motion: Member Vedbraaten moved to approve the March 20, 2018 CHEDA Board Meeting Agenda as presented, second by Kremeier. Motion carried unanimously.*
- 4) *Motion: Member Erickson moved to approve the January 23, 2018 Annual Board Meeting Minutes as presented, second by Eickhof. Motion carried unanimously.*
- 5) **Consent Agenda**

Motion: Member Kremeier moved to approve the consent agenda, second by Morgan. Motion carried unanimously.

- a) CHEDA Bills Payable (Check43832-44082, Totaling \$284,674.57)

6) Main Agenda

- a) **Business Improvement Program (Building Better Business)**—Hoiseth introduced the Building Better Business Draft, currently being labeled as "3B" or "B3". At the City Council strategy session it was discussed that Crookston should consider having more business incentives available. Councilman Fee reiterated his "pro-business" mentality and that the City should formalize this with dollars that could fund a new program. Hoiseth met with Fee to gain insight to his thoughts and gain input for the crafting of the 3B draft. Hoiseth strongly welcomes comments, input and edits from the CHEDA Board, City Council, any interested

and various stakeholders, as well as getting the idea out to the entire community for additional input. This is only a draft, and although some research regarding MN statutes has been performed by staff, this document has not gone out to our economic development legal counsel yet. Our research thus far has been incorporated into the guidelines set forth. As we obtain further input and will continue building on the program for greater and more in-depth discussion, perhaps as early as the April CHEDA Board meeting. Although it is likely we continue to shape the program details for our May Board meeting, we do not want to rush it too quickly without consideration of various angles, so it is likely not to be seeking any approvals until summer. Erickson commented he would like to see some added incentive for those moving into Crookston as well, not just extra for being a graduate of Crookston. Stainbrook asked if this program is the same as SBDC. Hoiseth stated the SBDC is more introductory than this typically, and while it could compliment the SBDC efforts. The SBDC itself does not have funding mechanisms themselves, only look to help businesses find such funding streams.

b) Intern- Hoiseth informed the Board that he is looking at creating an intern position with money received from applying for and being successful with an economic development grant from MN Economic Development Foundation. He would like to add \$1000.00 from EDA and \$1000.00 from Crox Jobs. He stated the staff has been very consumed by housing and the EDA administrative dollars are in our approved 2018 budget. Perhaps, additional partners could be found as well. This intern would be heavily focused on the BR&E program, which is one piece of our Economic Development Planning efforts. Having researched various BR&E plans, they all come with hefty price tags and resource commitments. Kremeier asked if this is a paid position. Hoiseth said that he was looking at \$10/hour for the 300 hour commitment (\$3000). UMC is currently evaluating our proposal and will formally approve this in the coming weeks. It may be possible to build in an extra incentive for exceeding the intern requirements. Heldstab stated that Hoiseth should move forward with the Intern and the Board agreed no motion was necessary to authorize this position.

c) Housing Study – Hoiseth stated the Housing Study was very recently received towards the end of last week. He said it was looking like originally the 41 Multi Family unit being brought online did, as anticipated, add a little pressure to the rental market. The current landlords are now stating that pressure is starting to ease off and several vacancies are being filled. Some landlords are testifying to having hefty waiting lists. When the first draft of the Housing Study came out, it contained end September data, and Hoiseth asked Community Partners to go back and update this at year end to have more contemporary data. The final report showed a filling of some vacancies, and staff took to the phones after getting final copy last week for an even more up to date status report. There is definitely a filling of vacancies happening, slowly but surely. However, with the Agassiz Townhomes project now underway, we will see an additional 30 units come online later this year, so we will not be recommending any new multi-family construction until those are added to the housing stock in town. Eickhof brought up the Woods addition and was hoping there would be some incentive to make a more appealing

neighborhood. Meier was anticipating a look more into the housing study because he is seeing a 20% vacancy average on some of their properties. Hoiseth is requesting Community Partners to come and present the Housing Study next month. Looking at possibly April 17th for our next Board meeting. Stainbrook requested to coordinate with the city council so their members could be offered attendance for the presentation also.

7) Other Business

- a) Restaurant Consultant-** Hoiseth stated that a Restaurant Consultant from the Boston area, came and spent a week in Crookston and started out unannounced and simply was treated as a regular customer and then revealed himself after a couple of days. He sat down with the owners and talked with them and gave them feedback on ways to improve business and better their services. He was impressed by the hospitality of the Restaurant owners. He has sent a draft of his consultation and will be providing further details. Vedbraaten asked if the Restaurant owners were receptive. Hoiseth said they were very receptive and seemed to appreciate the input and feedback. The next step will include Hoiseth meeting with each owner for discussions on the opportunity to incorporate some new ideas.
- b) Idea Circle –** Hoiseth stated that Mary Eaton of the Idea Circle and the Minnesota Innovation Institute will be here tomorrow morning. The Crookston manufacturers and others interested are invited to learn what MI2 has available for workforce training opportunities. We are looking forward to trying to include our educational partners as well, and Mary has suggested there are dollars available to help with or even perhaps cover the training expenses.
- c) Hoven Lane lots-**Hoiseth brought forth that, in reference to the Hoven Lane lots, he sat in on a closed meeting with the City Council and that no offers had been provided by the realtor since this listing in the fall. The asking price for the individual lots were then reduced in early February, but still there has not been any offers. Intentionally, we leaked it out that CHEDA was interested in buying these lots and that drew out an inquiry, but in the end no offers were forthcoming. Our partnership with the NWMHC has led to discussions where we are confident that together we can commit to building three new homes on these Hoven Lane lots in the next three years (or less). The City Council seemed to enthusiastically embrace this idea, and many thought having CHEDA pay for the lots wasn't necessary as long as the realtor was properly compensated. The primary thought here is it is already getting to be late March, and it is typical that contractor selection is underway by now and if we do not move forward, we could lose this first building cycle. Our thought is if CHEDA purchased the lots that they could get tax base increase quickly and if the lot prices were offered low enough, we could even consider the two year tax abatement possibly being removed. It is likely that under this scenario we could have a secured lot for the partnership with the school and build a CT house the following year. Much discussion ensued. The CHEDA board would like this to be an all around positive impact on the city of Crookston.

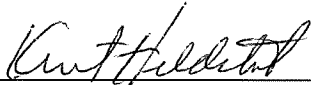
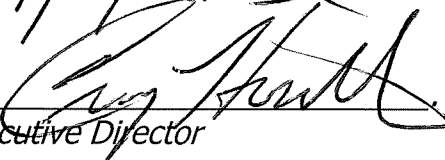
It was determined, regardless of the actual sale price of the lots, that the Century 21 Realtor would get his commission based on a twelve thousand dollar sale price. The board gave Hoiseth the approval to make an offer on the lots to get the ball rolling. Stassen asked if any other developers besides Jeff were allowed to be partnered with CHEDA on future development. Hoiseth said, "absolutely, we welcome it". The Board was in agreement that CHEDA should move forward with the purchase of the three lots.

Board Reports

There were no Board reports

There being no further business to come before the board, President Heldstab adjourned the meeting at 8:30 a.m.

These minutes were officially approved on 04/17/2018, 20

Attest:  and 
Board President Executive Director