

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**January 11, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Chairman Chad Forkrud on Monday, January 11, 2016, at 12:09 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chad Forkrud, Chip Goeman, Robert Schwitters, Joe Thissen, Jim Thein, and Windy Block

Members absent: Gary Nelson

Staff present: Gene Wenstrom.

Also present: Josie Oliver (Clara City Herald) and Jeff Lopez (Chippewa County Commissioner)

The Chair declared a Quorum of the members to be present.

Chair Forkrud asked City Administrator Block to administer the Oath of Office for Robert Schwitters, who was recently reappointed by Mayor Sparks and ratified by the City Council to fill a five-year term as EDA Commissioner, such term ending January 2021. Following the completion of the Oath of Office, Schwitters was subsequently congratulated by his fellow Commissioners.

The next order of business was the reorganization and election of the Officers for 2016, including President, Vice President, Treasurer, and Secretary. The Chair first validated that by the EDA's own bylaws, the Secretary is automatically the City Administrator and the Treasurer is the City Clerk's Office. Upon hearing a call for nominations for Chairman from the Chair Forkrud, *it was moved by Thein and seconded by Nelson that nominations be closed and that the secretary record a unanimous ballot for the existing slate of 2015 Officers for their continued service in the same capacities for 2016. As such, the 2016 Officers are: Chad Forkrud as President, William G. "Chip" Goeman as Vice President, the City Clerk's Office as Treasurer, and the City Administrator as Secretary. The motion was passed unanimously.*

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, *Chair Forkrud declared the Agenda for this meeting to be approved as presented.*

At Agenda Item No. 3, there were two sets of meeting minutes to be considered. Following an opportunity for review and comment, *it was moved by Schwitters and seconded by Goeman to approve the Minutes of the Regular EDA Meeting of December 7, 2015, as presented. The motion carried unanimously.*

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for December 31, 2015 revealed an EDA Money Market balance of approximately \$101,000. Staff also reported that there were no loan servicing requests to consider at this meeting.

At No. 6 "Reports from Staff and Administrative Officers," Gene Wenstrom, Economic Development Director, presented his report for January 2016 and reviewed it for the members. The report included: 1) Update on Kay's Naturals and their prospects for continued expansion of their sales; 2) Updates on the firms of Swift Manufacturing/Northern Gran/CC Diamond and their business outlook; 3) Status update on the project underway to construct a new grocery store and facilitate it's operations; and 4) A brief reminder of the upcoming meeting regarding the development of a community foundation. No specific action was requested or taken.

Under Agenda Item No. 7 (A), consideration was given to receiving a progress report from staff regarding the operations phase of the Assisted Living Facility at 200 East Wachtler Avenue. Block provided information on the

operations as had been forwarded to him by Mike Stordahl. He also reviewed for the Board details of the Payment Request No. 19 FINAL PAYMENT, dated December 29, 2015, regarding the construction phase of the facility, and explained how the City had forwarded payment for the \$(23,227.57) of construction overrun with the expectation that the City will be paid back from future profits of the Assisted Living Facility. No action was requested or taken.

At Agenda Item No. 7 (B), consideration was given to receiving an update report on the EDA/City's efforts for acquiring Tax Parcel No. 30-130-2440, also known as 28 E. Center Avenue, from Randy Harguth, d/b/a Clara City Electric, in order to facilitate the City's ultimate goal of developing a 50-space hard-surfaced public parking lot in Block 1 of TIF District No. 4-1. Staff informed the Board that there were now two plans of action to consider, illustrated by the two Memorandums of Understanding (MOU) and which are labeled as No. 7 B-1 and No. 7 B-2. Following a review of both MOU's and additional questions and discussion, *it was moved by Schwitters and seconded by Thein to endorse the execution and implementation of the MOU labeled as No. 7 (B-2), wherein the City/EDA would purchase the property (PIN # 30-130-1125) as owned by Curtis Meints at 14 NW 2nd Avenue for the sum of \$39,500 and then immediately participate in a 1031 like-kind of property exchange with Randy & Jovita Harguth for their property (PIN # 30-130-2440) at 28 East Center Ave., and further, that the two parties (the City and the Harguth's) would cooperatively and collaboratively work to remove the existing wooden warehouse structure as it currently exists on Tax Parcel NO. 30-060-082 . The motion passed 6-0.*

At Agenda Item No. 7 (C), consideration was next given to receiving an update report regarding ongoing efforts for the construction and operation of the new grocery store in Block 1 of TIF District No. 4-1. Staff reported that the new grocer, Brett Almich of Granite Falls, appears eager and ready for the challenge. Following the update, Chairman Forkrud inquired if it would be acceptable to the members if the topic of the EDA's purchase of the Rhode Grocery Store were to be considered at the February 2016 meeting of the EDA? Following discussion, *it was the consensus of the members that it would be appropriate to consider the purchase of the Rhode grocery property at the February 2016 EDA meeting and directed staff to prepare the facts and figures for such consideration.*

Under Agenda Item No. 7 (D), the Board considered receiving an update regarding the implementation of a Community Foundation for the City of Clara City via collaboration with the Southwest MN Initiative Foundation (SWIF). Staff informed the Board that SWIF would be making their initial presentation on this process at the February 8, 2016 regular meeting of the EDA and that members should plan on a session of 1 & 1/2 – 2 hours of time from their schedules for such presentation. It was directed that staff should have SWIF come at 12:30 p.m. that day in order to allow the EDA Board the opportunity to complete its other business first.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, February 8, 2016, at City Hall.

The Chair also announced that immediately following the adjournment of this meeting, the Commissioners and any other meeting attendees are invited by Chairman Forkrud to walk over to the new Citizen Alliance Bank Building, 140 NW First Avenue, for a viewing and walk-through of this recently completed facility. This structure will serve as the home office for the Forstrom Bros. Investment Corporation businesses and also as the new medical health clinic facility under a lease arrangement by and between Citizen's Alliance Bank and the Chippewa County-Montevideo Hospital & Clinic. He requested participants to meet at the door on the west side of the building.

Upon recognizing the completion of the EDA's intended business, *Chairman Forkrud declared, without objection, that the meeting was adjourned at 12:52 P.M.* The members and guests then journeyed over to the new building for an introductory tour.

APPROVED: 2-8-2016
Date

ATTEST: 
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**February 8, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Vice Chairman Chip Goeman on Monday, February 8, 2016, at 12:01 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chip Goeman, Robert Schwitters, Gary Nelson, Jim Thein, and Windy Block

Members absent: Joe Thissen (excused) and Chad Forkrud (excused).

Staff present: None.

Also present: Josie Oliver (Clara City Herald), Jeff Lopez (Chippewa County Commissioner), Mindie Nurmi (Prairie Park Place), Michael Stordahl (Care Center), Liz Cheney (SWIF), and Jeffrey Vetsch (SWIF)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, *Chair Goeman declared the Agenda for this meeting to be approved as presented.*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and comment, *it was moved by Thein and seconded by Schwitters to approve the Minutes of the Regular EDA Meeting of January 11, 2016, as presented. The motion carried unanimously.*

Under Agenda Section No. 4 "Communications/Notices," staff informed the Board that the City of Clara City had received a \$2,720 reimbursement from Chippewa County in recognition of the City's efforts of creating economic development opportunity, and further, specifically acknowledged the efforts of Commissioner Jeffrey Lopez for helping the City procure this reimbursement.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for January 31, 2016 revealed an EDA Money Market balance of approximately \$110,000. Staff also reported that there were no loan servicing requests to consider at this meeting.

At No. 6 "Reports from Staff and Administrative Officers," the report for February 2016, as authored by Gene Wenstrom, Economic Development Director, was presented in his absence and briefly reviewed by the Commissioners. The report included: 1) status update on the project underway to construct a new grocery store and facilitate it's operations; 2) update on the firms of Swift Manufacturing and Northern Grain and their business outlook; 3) update on Kay's Naturals and their prospects for continued expansion of their sales; and 4) a positive comment regarding the development of a community foundation. No specific action was requested or taken.

Under Agenda Item No. 7 (A), consideration was given to receiving a progress report from staff regarding the Final Contractor Billing for the Assisted Living Facility at 200 East Wachtler Avenue. Block provided a Construction Statement which revealed that the total cost of the facility's construction ended up at \$3,291,131.85 as compared to the original projection of \$3,261,208.50. Michael Stordahl briefly reviewed the Income & Disbursement Statement, dated December 31, 2015, for the Assisted Living Facility. This report revealed an unaudited operating loss for the first partial calendar year of operation of \$(52,732). There was discussion only with no action being requested or taken.

At Agenda Item No. 7 (B), Block provided a verbal update report on the EDA/City's efforts for acquiring Tax Parcel No. 30-130-2440, also known as 28 E. Center Avenue, from Randy Harguth, d/b/a Clara City Electric, in order to facilitate the City's ultimate goal of developing a 50-space hard-surfaced public parking lot in Block 1 of TIF District No. 4-1. Staff informed the Board that the plan as approved by the EDA at the previous meeting has been fully

executed and was now simply awaiting the vacation of the Sparks Industry Building for further activity. No additional action was requested or need at this time.

At Agenda Item No. 7 (C), Block provided a brief update report regarding ongoing efforts for the construction and operation of the new grocery store in Block 1 of TIF District No. 4-1. Staff reported that the new grocer, Brett Almich of Granite Falls, appears eager and ready for the challenge. No specific action was needed at this time.

Under Agenda Item No. 7 (D), the Board next received a presentation and workshop from Liz Cheney and Jeffrey Vetsch, SWIF, regarding the proposed implementation of a Community Foundation for the City of Clara City in collaboration with the Southwest MN Initiative Foundation (SWIF). This segment of the meeting lasted approximately 1 and ½ hours, and included the following SWIF Agenda topics:


1. Introductions
2. History and Background
3. Any Burning Questions?
4. "Community" – what is our working geographic/service area?
5. Recruitment of Advisory Board
 - a. Brainstorming and prioritizing using SWIF's Participant Planner Tool
 - b. Who do approach to serve?
 - c. Who approaches them and how?
6. Minimum \$ to Initiate Partnership with SWIF
7. Next Steps and Timeline

Following the completion of the workshop, *it was the consensus of the Board that they agreed with the challenge as put forth by Cheney and Vetsch for the City's raising of \$5,000 in initial donations and for taking responsibility for the solicitation of approximately 18 committed persons who will agree to attend an introductory session for the creation of an Advisory Board for the Community Foundation, such meeting to be tentatively held on Tuesday, April 5, 2016, 6:30 P.M., at the City Hall. This challenge is to be reviewed as to its completion at the March 7, 2016, meeting of the EDA. Thereafter a decision will be made as to whether or not the process will move forward.*

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, March 7, 2016, 12:00 Noon, at City Hall. In addition, Block announced that there would be a public reception held on Thursday, February 25th, from 2:00 – 4:00 P.M., at the City Hall, in recognition of Roger Knapper's retirement from 26-years of employment with the City

Upon recognizing the completion of the EDA's intended business, *Chair Goeman declared, without objection, that the meeting was adjourned at 2:24 P.M.*

APPROVED: 3-7-2016
Date

ATTEST: 
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**March 7, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Chairman Chad Forkrud on Monday, March 7, 2016, at 12:01 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chad Forkrud, Chip Goeman, Robert Schwitters, Gary Nelson, and Windy Block

Members absent: Joe Thissen (excused) and Jim Thein (excused)

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, *it was moved by Goeman and seconded by Nelson to declare the Agenda for this meeting to be approved as presented. Motion passed 5-0.*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and comment, *it was moved by Goeman and seconded by Schwitters to approve the Minutes of the Regular EDA Meeting of February 8, 2016, as presented. The motion carried 5-0.*

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for February 29, 2016 revealed an EDA Money Market balance of approximately \$120,000. Staff also reported that there were no finalized loan servicing requests to consider at this meeting.

At No. 6 "Reports from Staff and Administrative Officers," the report for March 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and reviewed by the Commissioners. Subjects of the report included: 1) status update on the business activity at Sugar and Spice; 2) update on the firms of Swift Manufacturing and Northern Grain and their business outlook; 3) update on Kay's Naturals and their prospects for continued expansion of their sales; and 4) status update on the project underway to construct a new grocery store and commence operations. No specific action was requested or taken.

Under Agenda Item No. 7 (A), consideration was given to how often the Board would like to receive financial reporting for the Assisted Living Facility at 200 East Wachtler Avenue. Following discussion, it was the consensus of the Commissioners present to notify the Care Center Administrator that the EDA Board will expect to receive quarterly reporting from the appropriate Care Center staff and to begin such reporting at the next EDA meeting on April 11, 2016.

At Agenda Item No. 7 (B), staff provided a brief update report regarding ongoing efforts for the construction and operation of the new grocery store in Block 1 of TIF District No. 4-1. Wenstrom reported that good progress is being made in formalizing the construction plans and that the selected grocer, Brett Almich, is aggressively preparing his part of the deal. No specific action was needed at this time.

Under Agenda Item No. 7 (C), the Board next reviewed the presentation and workshop from Liz Cheney and Jeffrey Vetsch, SWIF, regarding the proposed implementation of a Community Foundation for the City of Clara City in collaboration with the Southwest MN Initiative Foundation (SWIF). Staff reminded the Board that the immediate challenge is to raise \$5,000 or more as a positive indicator to SWIF of the community's commitment to have a successful launching of the Community Foundation and to secure SWIF's commitment for their presentation to a group of recruits regarding their possible service on an Advisory Board for the Community Foundation. This next

presentation has been tentatively scheduled for Tuesday, April 5, 2016, 6:30 P.M., at City Hall. Following discussion and an update from staff, *it was the consensus of the Commissioners that staff should notify SWIF that the initial \$5,000 of required contributions has been collected and that 14 of the 18 advisory board candidates have been solicited for the initial meeting with a commitment that an additional four persons will be invited to the meeting to fulfill the goal of having a total of 18 prospective advisory board members in attendance.* No additional action was needed at this time.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, April 11, 2016, 12:00 Noon, at City Hall. In addition, Block announced that there is a public meeting being sponsored by the Swimming Pool Steering Committee on Tuesday, March 15th, 7:00 P.M., at the Community Center, to introduce a possible design and details of a new swimming pool. All were encouraged to attend.

Upon recognizing the completion of the EDA's intended business, *it was moved by Schwitters and seconded by Goeman to adjourn the meeting. Upon a 5-0 vote, Chairman Forkrud declared the meeting to be adjourned at 12:50 P.M.*

APPROVED: _____
Date

ATTEST: _____
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**April 11, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Chairman Chad Forkrud on Monday, April 11, 2016, at 12:00 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chad Forkrud, Chip Goeman, Robert Schwitters, Gary Nelson, Joe Thissen, and Windy Block

Members absent: Jim Thein

Staff present: Gene Wenstrom, Michael Stordahl

Also present: Josie Oliver (Clara City Herald), Jeff Lopez (Chippewa County Commissioner)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, *Chairman Forkrud, without objection, declared the Agenda for this meeting to be approved as presented.*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, *it was moved by Schwitters and seconded by Thissen to approve the Minutes of the Regular EDA Meeting of March 7, 2016, as presented. The motion carried 6-0.*

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for March 31, 2016 revealed an EDA Money Market balance of approximately \$104,000. Staff further reported that there are currently two borrowers who are lagging behind in their loan repayment obligations to the EDA. These include the Green meadow Inn and Sugar & Spice. It was agreed that Gene Wenstrom would make contact with both borrowers in an attempt to develop a cure for their loan payment deficiencies. Staff also reported that there were no loan servicing requests to consider at this meeting.

At No. 6 "Reports from Staff and Administrative Officers," the report for April 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and reviewed by the Commissioners. Subjects of the report included: 1) Status update on the firms of Swift Manufacturing and Northern Grain and their business outlook. All of their loans are currently up-to-date; 2) Update on Kay's Naturals and the activity that is ongoing regarding a possible loan from the USDA via their Worthington, MN loan office; and 3) Status update on the project which is now underway to construct a new grocery store in the downtown area. No specific action was requested or taken on any of the issues covered.

Under Agenda Item No. 7 (A), consideration was given to receiving Quarter #1 financial and occupancy reporting for the Assisted Living Facility at 200 East Wachtler Avenue. Michael Stordahl, Care Center Administrator, presented the occupancy statistics which revealed that 16 of the 24 units are currently rented. As for the financial, he indicated that the figures are showing a near break-even performance which should, henceforth, enable the facility to begin paying back some of its early losses which were incurred during the rent-up period.

At Agenda Item No. 7 (B), staff provided a brief update report regarding ongoing efforts for the construction and operation of the new grocery store in Block 1 of TIF District No. 4-1. Wenstrom reported that good progress continues to be made in formalizing the construction plans, and that the selected grocer, Brett Almich, is actively preparing for his part of the operations. Chip Goeman offered to forward some antique photos that will assist Almich and his marketing firm in their preparation of the store's interior design. No specific action was needed at this time.

Under Agenda Item No. 7 (C), the Board next reviewed the results of the workshop as presented by Liz Cheney and Jeffrey Vetsch, SWIF, on Tuesday, April 5, 2016, regarding the implementation of a Community Foundation for the City of Clara City in collaboration with the Southwest MN Initiative Foundation (SWIF). Staff reported that the immediate goal of raising \$5,000 or more had been successfully attained, with special help from Commissioner Chip Goeman, in the form of \$5,925.00 towards the endowment silo and its ultimate goal of \$25,000 in donations. These initial endowment contributions up to \$25,000 will be matched 50/50 by SWIF. They will also serve as a positive indicator to SWIF of the community's commitment to having a successful Community Foundation and to secure SWIF's commitment for their presentation to a group of recruits regarding their possible service on an Advisory Board for the Community Foundation. In addition, staff reported that 17 of the 18 advisory board candidates who had been initially solicited for this first meeting were in attendance. Finally, it was reported that 11 of the 17 attendees had volunteered to be participants of an initial Advisory Board for the Greater Clara City Area Foundation. They will now be meeting monthly over the coming twelve months to organize and solidify this new foundation. As this was reporting only, no official action was needed at this time.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, May 9, 2016, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Schwitters and seconded by Goeman to adjourn the meeting. Upon recognizing a 6-0 vote for the motion, Chairman Forkrud declared the meeting to be adjourned at 12:36 P.M.*

APPROVED: _____
Date *May 9, 2016*

ATTEST: _____
Winthro C. Block
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**May 9, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Vice Chairman Chip Goeman on Monday, May 9, 2016, at 12:00 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chip Goeman, Jim Thein, Robert Schwitters, Gary Nelson, Joe Thissen, and Windy Block

Members absent: Chad Forkrud (excused)

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald), Jeff Lopez (Chippewa County Commissioner)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, *Chair Goeman, without objection, declared the Agenda for this meeting to be approved as presented.*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, *it was moved by Thein and seconded by Schwitters to approve the Minutes of the Regular EDA Meeting of April 11, 2016, as presented. The motion carried 6-0.*

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for April 30, 2016 revealed a balance in the EDA's Money Market Account of approximately \$133,000. Staff also reported that there were no loan servicing requests to consider.

At No. 6 "Reports from Staff and Administrative Officers," the report for May 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and reviewed by the Commissioners. Subjects of the report included: 1) Status update on the firms of Swift Manufacturing/Northern Grain and the business outlook. Owner Kelly Pauling has expressed his concerns about finding qualified workers; 2) Update on Kay's Naturals and their continued expansion of new products; 3) The proposed closure and sale of Sugar and Spice and the impact on the EDA business loan; and 4) Status update on the project which is now underway in the construction of a new grocery store in the downtown area. No specific action was requested or taken on any of the issues covered.

Under Agenda Item No. 7 (A), consideration was given to approving a proposed Purchase Agreement between Rhode Properties, LLP (Seller) and the Clara City Economic Development Authority (Buyer) for the sale from the Seller to the Buyer of Lot 8, 9 and 10, Block 24, Original Plat of the City of Clara City, at the purchase price of \$118,800.00 and with Buyer's assumption of all special assessments currently owed upon the property, with said closing to occur when the new grocery store has been constructed and is ready to open. Staff reviewed the basics of the attached Purchase Agreement document. It was also explained that the Planning Commission had reviewed this proposed purchase and found it to be in concert with the City's Comprehensive Plan. Following discussion, *it was moved by Thein and seconded by Nelson to authorize the execution of the Purchase Agreement between Rhode Properties, LLP (Seller) and the Clara City Economic Development Authority (Buyer) for the sale from the Seller to the Buyer of Lot 8, 9 and 10, Block 24, Original Plat of the City of Clara City, at the purchase price of \$118,800.00 and with Buyer's assumption of all special assessments currently owed upon the property, with said closing to occur when the new grocery store has been constructed and is ready to open. The motion passed 6-0.*

At Agenda Item No. 7 (B), staff provided a brief update report regarding ongoing efforts for the construction and operation of the new grocery store in Block 1 of TIF District No. 4-1. Wenstrom reported that good progress continues

to be made on the construction. Staff further reported that the Harguth property has now been officially acquired and that the purchase of the parcel from the Forstrom Bros. Investment Group appears to be all set to transact. This was informational only and no specific action was needed at this time.

Under Agenda Item No. 7 (C), the Board next reviewed an update on the progress that has been made regarding the implementation of a Community Foundation for the City of Clara City in collaboration with the Southwest MN Initiative Foundation (SWIF). The first official meeting of the Advisory Board had been held on Tuesday, May 3, 2016, 6:30 P.M., at City Hall. Inasmuch as this involved reporting only, no official action was needed or taken at this time.

At Agenda Item No. 7 (D), consideration was given to receiving update reports on two projects under consideration for construction regarding certain substantial capital improvements within the community, including:

1. The replacement of the failed Clara City Swimming Pool—Staff reported that the process of building a new swimming pool has begun.
2. The utility and street improvements proposed for the South Hawk Creek Business Park.—Staff reported that there is an important Public Hearing scheduled for this project at the City Council meeting on May 10, 2016.

The Chair next reminded the Commissioners that, following the adjournment of this meeting at approximately 12:35 P.M., all Board members and guests are invited and encouraged to attend a ground breaking ceremony at the construction site of the proposed new grocery store, 34 E. Center Avenue. This brief ground breaking event is scheduled to begin at 12:45 P.M.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, June 13, 2016, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Thein and seconded by Schwitters to adjourn the meeting. Upon recognizing a 6-0 vote for the motion, Chair Goeman declared the meeting to be adjourned at 12:36 P.M.*

APPROVED: _____ June 13, 2016 _____
Date

ATTEST: _____
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**June 13, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Chairman Chad Forkrud on Monday, June 13, 2016, at 12:00 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chad Forkrud, Chip Goeman, Joe Thissen, and Windy Block

Members absent: Robert Schwitters (excused), Gary Nelson (excused), and James Thein

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald), Jeff Lopez (Chippewa County Commissioner), Brett Almich (Almich's Market)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, ***Chairman Forkrud, without objection, declared the Agenda for this meeting to be approved as presented.***

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, ***it was moved by Goeman and seconded by Thissen to approve the Minutes of the Regular EDA Meeting of May 9, 2016, as presented. The motion carried 4-0.***

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for May 31, 2016 revealed a balance in the EDA's Money Market Account of approximately \$141,000. Staff also reported that there were no loan servicing requests to consider.

At No. 6 "Reports from Staff and Administrative Officers," the report for June 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and reviewed by Wenstrom for the Commissioners. Subjects of the report included: 1) The proposed closure and/or sale of Sugar and Spice and its potential impact on the EDA business loan; 2) The continued struggles of the Green Meadow Inn, noting that they had increased their loan repayment from \$50.00 per month to \$100.00 per month; 3) The continued sales success of Kay's Naturals and its search for additional working capital; 4) Status update on the project which is underway with the construction of a new grocery store in the downtown area; and 5) Wenstrom's continued communication with Swift Manufacturing/Northern Grain and Owner Kelly Pauling's expression of optimism for good sales and profits in 2016. No specific action was requested or taken on any of the issues covered.

Under Agenda Item No. 7 (A), consideration was given to approving and recommending the same to the City Council for the execution of the proposed Purchase Agreement between Forstrom Brothers Investment Corp (Seller) and the Clara City Economic Development Authority (Buyer) for the sale from the Seller to the Buyer of Lot 7, Block 24, Original Plat of the City of Clara City, at the purchase price of \$30,610 and with Buyer's assumption of any outstanding special assessments currently owed upon the property, with said closing to occur on June 30, 2016. Following a review and discussion of the Purchase Agreement, ***it was moved by Thissen and seconded by Goeman to authorize the execution of the Purchase Agreement between Forstrom Brothers Investment Corp (Seller) and the Clara City Economic Development Authority (Buyer) for the sale from the Seller to the Buyer of Lot 7, Block 24, Original Plat of the City of Clara City, at the purchase price of \$30,600 and with Buyer's assumption of all special assessments currently owed upon the property, with said closing to occur on or about June 30, 2016. The motion passed 3-0-1 (Forkrud abstained due to his potential for a conflict of interest stemming from his employment at Citizens Alliance Bank).***

At Agenda Item No. 7 (B), Chair Forkrud introduced Brett Almich, Almich's Market of Granite Falls and the designated operator of the new grocery store in Clara City. Almich provided his view and brief update regarding the successful efforts for the construction and operation of the new grocery store in Block 1 of TIF District No. 4-1. Staff reported that the remaining parcels were in the process of being acquired and being made ready for demolition. Mr. Almich encouraged the EDA and City to move forward as rapidly as possible with the proposed demolition and construction of a new public parking lot. This was informational only and no specific action was needed at this time.

Under Agenda Item No. 7 (C), consideration was given to receiving update reports on two projects under consideration for construction regarding certain substantial capital improvements within the community, including:

1. The replacement of the failed Clara City Swimming Pool—Goeman reported that the process of soliciting donations for a new swimming pool has begun.
2. The startup of the Greater Clara City Area Foundation—Goeman reported that things are moving along well.
3. The utility and street improvements proposed for the South Hawk Creek Business Park.—Staff reported that the project had survived a public hearing and is moving forward for construction.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, July 11, 2016, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Goeman and seconded by Thissen to adjourn the meeting. Upon recognizing a 4-0 vote for the motion, Chairman Forkrud declared the meeting to be adjourned at 12:42 P.M.*

APPROVED: _____ 7-11-2016 _____
Date

ATTEST: _____
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**July 11, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Vice Chairman Chip Goeman on Monday, July 11, 2016, at 12:00 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chip Goeman, James Thein, Robert Schwitters, Gary Nelson, and Windy Block

Members absent: Chad Forkrud (excused) and Joe Thissen (excused)

Staff present: Gene Wenstrom and Michael Stordahl (Care Center Administrator)

Also present: Josie Oliver (Clara City Herald), Jeff Lopez (Chippewa County Commissioner), and Brett Almich (Almich's Market)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, *Chairman Goeman, without objection, declared the Agenda for this meeting to be approved as presented.*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, *it was moved by Thein and seconded by Schwitters to approve the Minutes of the Regular EDA Meeting of June 13, 2016, as presented. The motion carried 5-0.*

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for June 30, 2016 revealed a balance in the EDA's Money Market Account of approximately \$131,000. Staff also reported that there were no loan servicing requests to consider.

At No. 6 "Reports from Staff and Administrative Officers," the EDA Report for July 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and reviewed by Wenstrom for the Commissioners. Subjects of the report included: 1) The status of the closure and/or sale of Sugar and Spice; 2) The continued efforts of locating new bank financing for Kay's Naturals and the ongoing search for additional working capital to make business expansion easier in the future; 3) Status update on the project which is underway with the construction of a new grocery store in the downtown area; 4) The development of a public parking lot in Block 1 of TIF No. 4-1; and 5) Verbal report by Wenstrom regarding his continued communication with Swift Manufacturing/Northern Grain. No specific action was requested or taken on any of the issues covered.

In recognition of the attendance at this meeting of Brett Almich, who is the named operator of the new grocery store in downtown Clara City, Chairman Goeman requested that Agenda Item No. 7 (B) be moved forward in the agenda. As such, Goeman next introduced Brett Almich, Almich's Market of Granite Falls, and the designated operator of the new grocery store in Clara City. Almich provided a brief update regarding the successful efforts about the construction and upcoming operation of the new grocery store in Block 1 of TIF District No. 4-1. He stated that September 1, 2016, was now the target date for the opening of the new store. Mr. Almich also encouraged the EDA and City to move forward as rapidly as possible with the proposed building demolition and construction of a new public parking lot in Block 1 of TIF No. 4-1, stating that his preference was for the selection of Design Option C as the best configuration for the new parking lot. This was informational only and no specific action was needed at this time.

Under Agenda Item No. 7 (A), consideration was given to receiving and approving the Quarter #2 Report for the Assisted Living Facility's Operations as prepared by and reported on by Michael Stordahl, Care Center Administrator. The report revealed that 15 of the 16 traditional units and 6 of the 8 memory care units are currently rented out with a

total of 23 occupying residents. Also presented was an unaudited balance and income statement, dated June 30, 2016, that showed a loss for the six months ending June 30, 2016 of \$(43,160). Following questions and discussion, *it was moved by Thein and seconded by Schwitters to accept and acknowledge the occupancy and financial reporting for Quarter # 2 of the Assisted Living Facility as prepared and reported by Michael Stordahl, Care Center Administrator. The motion passed 5-0.*

Under Agenda Item No. 7 (C), consideration was given to receiving update reports, without any requested action, on three projects under consideration for construction regarding certain vital capital improvements within the community, including:

1. The replacement project of the failed Clara City Swimming Pool — Goeman and Thein reported that the process of soliciting donations for a new swimming pool has begun and that the effort is moving along quite well.
2. The demolition of the existing structures and redevelopment as a public parking lot in Block 1 of TIF No. 4-1 — Staff reported that the properties have been acquired and that the demolition bidding process was currently underway. Copies of each of the four basic parking lot design options were distributed and comments were expressed by several Commissioners.
3. The utility and street improvements as proposed for the South Hawk Creek Business Park.—Staff reported that the project was moving forward towards construction with the receipt of bids and then an assessment hearing being held as the next critical step.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, August 8, 2016, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Nelson and seconded by Thein to adjourn the meeting. The motion was passed 5-0 and Chairman Goeman declared the meeting to be adjourned at 1:09 P.M.*

APPROVED: _____ August 8, 2016 _____
Date

ATTEST: _____ Winthro C. Block _____
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**August 8, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Vice Chairman Chip Goeman on Monday, August 8, 2016, at 12:02 pm in the Council Chambers of City Hall in Clara City, MN.

Members present: Chip Goeman, James Thein, Robert Schwitters, Joe Thissen, and Windy Block

Members absent: Chad Forkrud (excused) and Gary Nelson (excused)

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald), Jeff Lopez (Chippewa County Commissioner), and John Gill (Citizen's Alliance Bank)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, ***Chairman Goeman, without objection, declared the Agenda for this meeting to be approved as presented.***

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, ***it was moved by Thein and seconded by Thissen to approve the Minutes of the Regular EDA Meeting of July 11, 2016, as presented. The motion carried 5-0.***

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for July 31, 2016 revealed a balance in the EDA's Money Market Account of approximately \$120,000. Staff also reported that there were no loan servicing requests to consider.

At No. 6 "Reports from Staff and Administrative Officers," the EDA Report for August 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and reviewed by Wenstrom for the Commissioners. Subjects of the report included: 1) The status of the closure and/or sale of Sugar and Spice; 2) The possible relocation of Trish's Catering and their need for a new space; 3) A report by Wenstrom regarding his continued communication with Swift Manufacturing/Northern Grain and the outlook for their future; 4) The continued efforts of locating new bank financing for Kay's Naturals and the ongoing search for additional working capital to make business expansion easier in the future; and 5) Status update on the project which is underway with the construction of a new grocery store in the downtown area. No specific action was requested or taken on any of the issues covered.

Under Agenda Item No. 7 (A), consideration was given to discussing the future need of the City in ensuring the availability of adequate, affordable, and suitable housing for the residents of the City. Staff shared that the Planning Commission was in the process of attempting to initiate a Comprehensive Housing Study for Clara City. Following questions and discussion, ***it was moved by Thein and seconded by Schwitters to recommend to the City Council that it look favorable on the project being initiated by the Planning Commission for the conducting of a Comprehensive Housing Study for the community. The motion passed 5-0.***

Under Agenda Item No. 7 (B), consideration was given to receiving an update report regarding ongoing efforts related to the construction and opening of a new grocery store in Block 1 of TIF District No. 4-1. Staff mentioned the difficulties that the project contractor has experienced in getting Xcel Energy to deliver on its promises of providing adequate electrical service to the new store. This was informational only and no action was needed nor taken.

Under Agenda Item No. 7 (C), consideration was given to receiving update reports, without any requested action, on three projects under consideration for construction regarding certain vital capital improvements within the community, including:

1. The replacement project of the failed Clara City Swimming Pool — Goeman and Thein reported that the process of soliciting donations has created a fund of \$186,000 as of August 8, 2016. Work will continue!
2. The demolition of the existing structures and redevelopment as a public parking lot in Block 1 of TIF No. 4-1 – Staff reported that the properties have been acquired and that the demolition bidding process was currently underway. A timeline of construction activity was shared by staff.
3. The utility and street improvements as proposed for Center Avenue East, 2nd Avenue SE, from 1st St. SE to Main Street, and the South Hawk Creek Business Park—Staff reported that the project was beginning to move forward and seemed on a positive track for making good progress this late summer and into the fall.

Guest John Gill was introduced and asked questions about the availability of pledging for use with the swimming pool donation process. Staff will check into this, as the consensus appeared to be that it would be a good idea.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, September 12, 2016, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Thein and seconded by Schwitters to adjourn the meeting. The motion was passed 5-0 and Chairman Goeman declared the meeting to be adjourned at 12:43 P.M.*

APPROVED: _____
Date

ATTEST: _____
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**September 12, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Chairman Chad Forkrud on Monday, September 12, 2016, at 12:01 pm in the Council Chambers of City Hall in Clara City, MN.

Members present: Chad Forkrud, Chip Goeman, Robert Schwitters, Joe Thissen, Gary Nelson, and Windy Block

Members absent: James Thein

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald) and Jeff Lopez (Chippewa County Commissioner)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and hearing none, ***Chairman Forkrud, without objection, declared the Agenda for this meeting to be approved as presented.***

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, ***it was moved by Schwitters and seconded by Nelson to approve the Minutes of the Regular EDA Meeting of August 8, 2016, as presented. The motion carried 6-0.***

Under Agenda Section No. 4 "Communications/Notices," staff reviewed the Notice of Minnesota's Manufacturing Week as set for October 2-8, 2016, and offered a list of possible activities that might be undertaken by the EDA/City for recognizing its major manufacturers. The consensus of the Commissioners was to have the Mayor and EDA President make presentations of a signed proclamation to each of the community's four major manufacturers, including Tebben Manufacturing, Swift Manufacturing/Northern Grain, Impact Innovations, and Kay's Processing with staff to take care of making the appropriate arrangements.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the financial report for August 31, 2016 revealed a balance in the EDA's Money Market Account of approximately \$-0-. Staff also reported that there were no loan servicing requests to consider.

At No. 6 "Reports from Staff and Administrative Officers," the EDA Report for September 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and reviewed by Wenstrom for the Commissioners. Subjects of the report included: 1) The successful opening of the new Almich's Market grocery store, 2) A report by Wenstrom regarding his continued communication with Swift Manufacturing/Northern Grain and the outlook for their future; and 3) The successful effort of locating new bank financing by Kay's Naturals at heritage bank in Willmar, MN. No specific action was requested or taken on any of the issues covered.

Under Agenda Item No. 7 (A), consideration was given to affirming the action taken earlier by the City Council at their Special Meeting on September 6, 2016 in approving the subordination of the City/EDA's lien position for Kay's Processing and Kay's Naturals to the Heritage Bank NA and Small Business Administration (SBA) in order to facilitate the expansion of Kay's Naturals & Kay's Processing manufacturing capacity. Staff reviewed and reported on the provided information as provided in the agenda packet. Following discussion, ***it was moved by Schwitters and seconded by Goeman to affirm the prior approval action by the City Council of the subordination documents as offered by Heritage Bank of Willmar for the City/EDA's loans with Kay's processing and Kay's Naturals. The motion passed 6-0.***

Under this same agenda item, staff informed the Board that heritage Bank had inquired about the possibility of getting approval from the City for a mortgage lien position on the parcel of bare farm land that the City had purchased in

partnership with Massoud Kazemzadeh. Following discussion, *it was moved by Goeman and seconded by Nelson to decline the request from heritage Bank of Willmar for the granting of a mortgage lien in the Bank's favor on the parcel of bare farm land previously purchased by the City/EDA in cooperation with Massoud Kazemzadeh. The motion passed 6-0.*

Under Agenda Item No. 7 (B), consideration was given to approving and recommending to the City Council the Preliminary 2017 Budget for economic development work in the community. Staff provided a draft copy of the budget and reviewed its content which showed a total budgeted amount of \$32, 125.00. Following questions and discussion, *it was moved by Thissen and seconded by Schwitters to approve the draft of the 2017 EDA Budget in the amount of \$32,125.00 and to recommend the same to the City Council for its approval. The motion passed 6-0.*

Under Agenda Item No. 7 (C), consideration was given to receiving update reports, without any requested action, on three projects under consideration for construction regarding certain vital capital improvements within the community, including:

1. The replacement project of the failed Clara City Swimming Pool — Goeman gave a very positive report.
2. The demolition of the existing structures and redevelopment as a public parking lot in Block 1 of TIF No. 4-1 – Staff reported that the demolition was all set to move forward on or about September 19, 2016.
3. The utility and street improvements as proposed for Center Avenue East, 2nd Avenue SE, from 1st St. SE to Main Street, and the South Hawk Creek Business Park—Staff reported that the project was beginning to move forward and seemed on a positive track for making good progress this late summer and into the fall.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Tuesday, October 11, 2016, 12:00 Noon, at City Hall and urged the members to carefully observe that the meeting date would be on a Tuesday due to the observance of Columbus Day being on Monday, October 10th.

Upon recognizing the completion of the EDA's intended business, *Chairman Forkrud declared, without objection, that the meeting was adjourned as of 12:48 P.M.*

APPROVED: October 11, 2016
Date

ATTEST: 
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**October 11, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Substitute Chairman Jim Thein on Tuesday, October 11, 2016, at 12:00 pm in the Council Chambers of City Hall in Clara City, MN.

Members present: Jim Thein, Joe Thissen, Gary Nelson, and Windy Block

Members absent: Chad Forkrud (excused), Robert Schwitters (excused), and Chip Goeman (excused)

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald) and Michael Stordahl (Care Center Administrator)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and recognizing one such request, *Chairmen Thein, without objection, declared the Agenda for this meeting to be approved with the addition of Agenda Item No. 7 (C) Advertising Solicitation from the Clara City Herald for the EDA's interest in a special Clara City Progress Section in November 2016.*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, *it was moved by Nelson and seconded by Thissen to approve the Minutes of the Regular EDA Meeting of September 12, 2016, as presented. The motion carried 4-0.*

Under Agenda Section No. 4 "Communications/Notices," there were no items to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that there was no financial report to consider. Staff also reported that there were no loan servicing requests to consider.

At No. 6 "Reports from Staff and Administrative Officers," the EDA Report for October 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and highlighted by Wenstrom for the benefit of the Commissioners. Subjects of the report included: 1) the status of the efforts by Sonja Giinther to sell the former Sugar & Spice business assets; 2) the continuous sales growth being experienced by the new Almich's Market grocery store, 3) a report by Wenstrom regarding his continued communication with Swift Manufacturing/Northern Grain and the outlook for their future as well as their possible need for a new manufacturing building; and 4) the great results which are being generated via the new bank financing through Heritage Bank in Willmar, MN for the benefit of Kay's Naturals. This was reporting only and consequently, no specific action was requested or taken on any of the issues that were covered.

Under Agenda Item No. 7 (A), consideration was given to receiving and approving the Quarter #3 Report for the Assisted Living Facility's Operations as prepared by and reported on by Michael Stordahl, Care Center Administrator. Stordahl reported on: 1) an update on the occupancy rates, citing that 21 of the 24 available units are already rented out with more aggressive advertising still on the way; 2) that the Financial Report for the 3rd Quarter would be given at the November 14, 2016 EDA meeting; and 3) that there will be a recommendation to the City that the fees that are charged for services need to be raised, effective for January 1, 2017. This was reporting only, and consequently, no official action was taken nor requested.

Under Agenda Item No. 7 (B), consideration was given to receiving update reports, without any requested action, on three projects under consideration for construction regarding certain vital capital improvements within the community, including:

1. The development of a new Clara City Swimming Pool
2. The development as a 44-space public parking lot in Block 1 of TIF No. 4-1.
3. The 2016 Utility and Street Improvement Project as proposed for Center Avenue East; 2nd Avenue SE, from 1st St. SE to Main Street; and the South Hawk Creek Business Park—Staff provided copies of a “Memorandum, dated September 29, 2016,” as authored by the consulting engineer Michael Amborn, Rodeberg & Berryman, Inc., which outlined the status and future action plans of the contractor with regard to these improvements.


This was informational only and no action was taken nor requested.

At Agenda Item No. 7 (C), consideration was given to an offer of participating in a special advertising supplement of the Clara City Herald, which is to be offered in the month of November 2016. The supplement will be entitled “Clara City Progress Section” and it was detailed in an informational sheet as provided by staff to the members for their review. Following discussion, *it was the consensus of the Commissioners that staff should work with the newspaper to ensure that the EDA and City have a presence in the advertising supplement known as the Clara City Progress Section.*

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, November 14, 2016, 12:00 Noon, at City Hall and urged the members to carefully observe that the meeting date was being moved back in order to be in sync with the City Council meeting which has been moved to November 15, 2016.

Upon recognizing the completion of the EDA’s intended business, *it was moved by Thissen and seconded by Nelson to adjourn the meeting. The motion passed 4-0 and Chairman Their declared that the meeting was adjourned as of 12:33 P.M.*

APPROVED: November 14, 2016
Date

ATTEST: 
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**November 14, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Vice Chairman Chip Goeman on Monday, November 14, 2016, at 12:00 pm in the Council Chambers of City Hall in Clara City, MN.

Members present: Chip Goeman, Jim Thein, Robert Schwitters, Gary Nelson, and Windy Block

Members absent: Chad Forkrud (excused) and Joe Thissen (excused)

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald) and Michael Stordahl (Care Center Administrator)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and recognizing one such request, *it was moved by Thein and seconded by Schwitters to approve the Agenda as presented with the addition of Agenda Item No. 4 (A) News release from AURI regarding "Kay's Naturals Named AURI AG Innovator of 2016."*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, *it was moved by Nelson and seconded by Thein to approve the Minutes of the Regular EDA Meeting of October 11, 2016, as presented. The motion carried 5-0.*

Under Agenda Section No. 4 "Communications/Notices," staff distributed copies of the news release from AURI announcing that Kay's Naturals has been named the recipient of AURI's Ag Innovator Award for 2016. .

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the EDA account was without any balance of funds at this time, having invested its existing assets into the community. Staff also reported that there were three loans that needed to be reviewed and discussed, including Swift/Northern Grain; Sugar & Spice; and Green Meadow Inn. A discussion of all three borrowers' status was conducted. Following that discussion, *it was moved by Thein and seconded by Schwitters to direct Wenstrom to make contact with borrower Sonja Giinther (Sugar & Spice) and strongly encourage her to immediately begin making some form of payment of between \$100 - \$190 with notice that the EDA may initiate action to liquidate its property under its UCC filing in a timeframe as early as March 1, 2017. The motion passed 5-0.* Next, *it was moved by Thein and seconded by Nelson to direct Wenstrom to contact borrower Kelly Pauling (Northern Grain/Swift Manufacturing) and firmly encourage him to get his delinquent payments up-to-date. That motion passed 5-0.* Finally, *it was moved by them and seconded by Schwitters to direct Wenstrom to make contact with borrower Ralph Cochrane (Green Meadow Inn) and encourage him to increase his payments to the \$150.00 level per month. That motion passed 5-0.*

At No. 6 "Reports from Staff and Administrative Officers," the EDA Report for November 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and highlighted by Wenstrom for the benefit of the Commissioners. Subjects of the report included: 1) An advertising opportunity for the EDA and City with regard to the many new developments and improvements that the EDA/City have been a part of; 2) The AURI Ag Innovator Award and its possible future impact on Kay's Naturals; and 3) The continued sales growth being experienced by the new Almich's Market grocery store and a projected open house in January 2017. This was reporting only and consequently, no specific action was requested or taken on any of the issues that were covered.

Under Agenda Item No. 7 (A), consideration was given to receiving and approving the Quarter #3 Report for the Assisted Living Facility's Operations as prepared by and reported on by Michael Stordahl, Care Center Administrator. Stordahl reported an update on the Financial Report for the 3rd Quarter, which in his opinion, showed a year-to-date operational loss of <\$35,703>. However, he also acknowledged that there were accumulated operational losses as well

and championed the need for an increase in both the unit rental rates as well as the fees that are being charged for services. He distributed copies of a proposal which documented the proposed increases. However, following a lengthy discussion, it was the consensus of the EDA Commissioners that they did not feel prepared enough to make any such decisions about increasing rental rates or service fees. As a result, they requested that Stordahl invite Developer Peter Jesh to their next regular meeting for some further discussion regarding the status of the financial operating results and the Pro Forma which had been originally developed by Jesh. As this was reporting and discussion only, no official action was taken.

At Agenda Item No. 7 (B), consideration was given to the EDA's response to the solicitation from the Clara City Herald to have a significant spot in the Clara City Progress Section which is scheduled to be published in one of the Herald's November 2016 edition. Following discussion and the review of a prepared written recommendation from staff, *it was moved by Thein and seconded by Schwitters to direct staff to implement a full-page advertisement of pictures and type in the November 2016 Progress Edition of the Clara City Herald at an estimated cost of \$525.00. The motion passed 5-0.*

Under Agenda Item No. 7 (C), consideration was given to receiving update reports, without any requested action, on three projects under consideration for construction regarding certain vital capital improvements within the community, including:

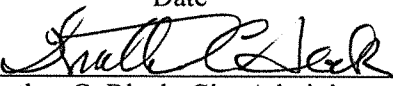
1. The development of a new Clara City Swimming Pool
2. The development as a 44-space public parking lot in Block 1 of TIF No. 4-1.
3. The 2016 Utility and Street Improvement Project as proposed for Center Avenue East; 2nd Avenue SE, from 1st St. SE to Main Street; and the South Hawk Creek Business Park.

This was informational only and no action was taken nor requested.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, December 12, 2016, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Schwitters and seconded by Thein to adjourn the meeting. The motion passed 5-0 and Chairman Goeman declared that the meeting was adjourned as of 1:40 P.M.*

APPROVED: December 12, 2016
Date

ATTEST: 
Winthro C. Block, City Administrator

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
REGULAR MEETING**

**December 12, 2016
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Vice Chairman Chip Goeman on Monday, December 12, 2016, at 12:01 pm in the Council Chambers of City Hall in Clara City, MN.

Members present: Chip Goeman, Robert Schwitters, Gary Nelson, Joe Thissen, and Windy Block

Members absent: Chad Forkrud (excused) and James Thein (excused)

Staff present: Gene Wenstrom

Also present: Josie Oliver (Clara City Herald), Michael Stordahl (Care Center Administrator), Peter Jesh (Summit Development, Inc.), and Jeff Lopez (Chippewa County Commissioner)

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and recognizing no such requests, *the Chair, without objection, declared the Agenda to be approved as presented.*

At Agenda Item No. 3, there was one set of meeting minutes to be considered. Following an opportunity for review and questions, *it was moved by Thissen and seconded by Schwitters to approve the Minutes of the Regular EDA Meeting of November 14, 2016, as presented. The motion carried 5-0.*

Under Agenda Section No. 4 "Communications/Notices," staff distributed copies of the news release from AURI announcing that Kay's Naturals has been named the recipient of AURI's Ag Innovator Award for 2016. .

At Agenda Section No. 5 "Reports from Officers and Committees," staff reported that the EDA account was still without any balance of funds at this time, having already invested its existing assets back into the community. Staff also reported that of the three loans that had been reported previously as being somewhat delinquent, the Swift/Northern Grain loans had been fully repaid and that the Sugar & Spice and Green Meadow Inn loans were still behind in their payments. No additional action was taken at this time.

At No. 6 "Reports from Staff and Administrative Officers," the EDA Report for December 2016, as authored by Gene Wenstrom, Economic Development Director, was presented and highlighted by Wenstrom for the benefit of the Commissioners. Subjects of the report included: 1) Green Meadow Inn loan and its business status; 2) Sugar & Spice loan and its business status; 3) Swift Manufacturing/Northern Grain loan repayments and the likelihood of additional future building need; 4) Kay's Naturals and their favorable future for increased product sales; and 5) the upcoming advertising opportunity for the EDA and City in the January 11, 2017 edition of the Clara City Herald with regard to the many new developments and improvements that the EDA/City have been a part of in 2016. This was reporting only and no specific action was requested nor taken on any of the issues that were discussed.

Under Agenda Item No. 7 (A), consideration was given to receiving an update on the operations of the Assisted Living Facility versus the project's original Pro Forma as presented by Michael Stordahl, Care Center Administrator, and Peter Jesh, Summit Development, the developer of the project. Mr. Jesh reported that, in his opinion, the Assisted Living Facility was performing rather consistent with his most recent projections. He also believed the impact on the Care Center had been minimal and that it was somewhat greater on the Independent Living Facility (Prairie Park Place). He also recommended that the EDA/City strongly consider taking all of the following steps, including: 1) moderately increasing the base rent for all of the Assisted Living units; 2) to conduct a thorough examination of the payroll that was being required by the operations of the Assisted Living Facility with an eye at reducing it somewhat; and 3) that service fees be adjusted and expanded appropriately. As this was reporting and discussion only, no official action was taken.

Finally, Mr. Jesh indicated that he would schedule a return trip to Clara City in March 2017, to see if any additional changes were in order that might help to positively impact the financial performance of the Assisted Living Facility.

Upon questioning about the lack of timely financial reporting, Mr. Stordahl stated that he and his staff were in no position to generate more timely reports given the manner in which the records were currently being maintained by the City Hall staff. He further opined that his software could do a better job at the facility, but that it was not being currently used for such purposes due to the City's current policy. This was discussion only and no action was taken.

At Agenda Item No. 7 (B), consideration was given to receiving information from the City Administrator regarding DEED's recently announced Redevelopment Grant and Demolition Loan Program, which has a deadline for submittal of an application for the next round of funding of 4:00 pm on Wednesday, February 1, 2017. Staff reported on a possible downtown improvement project. This was informational only and no action was taken.

Under Agenda Item No. 7 (C), consideration was given to receiving an update report on a certain project that has been launched in support of building a better community, that being the development of a new Clara City Swimming Pool. Staff reported and as this was informational only, no action was taken nor requested.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, January 9, 2017, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Thissen and seconded by Schwitters to adjourn the meeting. The motion passed 5-0 and Chairman Goeman declared that the meeting was adjourned as of 1:20 P.M.*

APPROVED: _____
Date January 9, 2017

ATTEST: _____
Winthro C. Block, City Administrator