

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

**January 9, 2017  
City Hall**

This Regular Meeting of the Economic Development Authority of Clara City was called to order by Secretary Windy Block, the acting Chair, on Monday, January 9, 2017, at 12:01 pm in the Council Chambers of City Hall in Clara City, MN.

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

Members absent: Chad Forkrud (excused), Rhonda Pieper (excused), and Chip Goeman (excused)

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.

The Oath of Office was administered by City Clerk Block for Commissioner James Thein who had recently been reappointed by Mayor Sparks with the affirmation of the City Council to a 5-year term, such term ending in January 2022.

The reorganization and election of 2017 EDA Officers was considered next, such including:

1. President – Chad Forkrud is the current incumbent.
2. Vice President – Chip Goeman is the current incumbent.
3. Treasurer – The City Clerk’s Office.
4. Secretary - Per the EDA Bylaws, the City Administrator serves in this position.

Following an opening request for nominations from the Chair, *it was moved by Nelson and seconded by Thein to suspend the rules and to direct the Secretary to cast a unanimous ballot for the same slate of officers which was in place in 2016 and is detailed immediately above. The motion passed unanimously 4-0.*

Upon solicitation by the Chair for any desired changes to the Agenda and recognizing no such requests, *the Chair, without objection, declared the draft Agenda to be approved with the addition of Agenda Item No. 7 (D) Financial Performance of the Assisted Living Facility for the 12-month Period Ending 12/31/2016.*

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 Schwitters to approve the Minutes of the Regular EDA Meeting of December 11, 2016, as presented. The motion carried 4-0.*

Under Agenda Section No. 4 “Communications/Notices” at Item No. 4 (A), the Commissioners briefly reviewed a letter from Ehler’s, Inc., dated December 15, 2016, detailing the written municipal advisor client disclosure with the Clara City EDA pursuant to MSRB Rule G-42. At Item No. 4 (B), the Commissioners received a copy of the 2017 Regular Meeting Schedule. This was informational only and no action was required nor taken.

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 both the Sugar & Spice and Green Meadow Inn loans were still behind in their regular payments. No additional action was taken at this time.

At No. 6 “Reports from Staff and Administrative Officers,” the EDA Report for January 2017, 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 upcoming advertising of 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 2014-2016—including a draft sample of the proposed advertisement; 2) An update on the Sugar & Spice loan; and 3) Kay’s Naturals future, the release of the oven, and their favorable future for increased product sales. In addition, Wenstrom asked County Commissioner Jeffrey Lopez for an update on the medical clinic operations which were reported by Lopez to be very positive and encouraging. 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 approving the City/EDA’s acknowledgement for the completion by Kay’s Naturals of the previously agreed upon seven-year period of business activity by Kay’s Naturals in Clara City and to authorize staff to facilitate the transfer of ownership of the pretzel oven from the City/EDA to Kay’s Naturals. Based upon the January 2017 Report by Wenstrom earlier in the Agenda and further discussion, *it was moved by Thein and seconded by Nelson that the EDA acknowledges the successful completion by Kay’s Naturals of the required seven-year period of active business and to recommend to the City Council that the transfer of ownership of the pretzel oven be herewith transacted from the City of Clara City to Kay’s Naturals. The motion carried 4-0.*

At Agenda Item No. 7 (B), consideration was given to whether or not the EDA had any interest for the possible sale to a retail business developer who has an interested in purchasing Lot 1, Block 1, South Hawk Creek Acres Business Park from the City/EDA. Staff provided background information Following discussion and the affirmation of the EDA’s primary goal of developing new industry and jobs, *it was moved by Nelson and seconded by Schwitters to go on record as declining the opportunity at this time to pursuit the possible sale of Lot 1, Block 1, South Hawk Creek Business Park (preliminary plat) for the development of a proposed retail business. The motion passed 4-0.*

Under Agenda Item No. 7 (C), consideration was given to receiving an update report on the implementation of a Community Foundation for the City of Clara City in collaboration with the Southwest MN Initiative Foundation. Commissioner Schwitters, who is also a current board member of the Clara City Community Foundation, provided an encouraging update. This was informational only and consequently no action was taken nor requested.

At Agenda Item No. 7 (D), consideration was given to receiving a draft financial report (unaudited) for the twelve-month period ending December 31, 2016 regarding the operations of the Assisted Living Facility. The report had been prepared by and was being reported by Deputy Clerk Gosseling. Commissioner Lopez questioned the possible lack of adequate marketing of the facility as a problem. Inasmuch as Mr. Stordahl was unable to be present at this meeting, this report and any further discussion was deferred until the next regular meeting of the EDA on February 13, 2017, at which time both Administrator Stordahl and Developer Peter Jesh were expected to be present.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, February 13, 2017, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA’s intended business, *it was moved by Thein and seconded by Nelson to adjourn the meeting. The motion passed 4-0 and Chair Block declared the meeting adjourned as of 1:12 P.M.*

**APPROVED:** \_\_\_\_\_  
Date

**ATTEST:** \_\_\_\_\_  
Winthro C. Block, City Administrator