

MINUTES
REGULAR MEETING - ECONOMIC DEVELOPMENT AUTHORITY (EDA)
Wednesday, June 28, 2023 – 7:00 a.m.
Academy Room, Monticello Community Center

Commissioners Present: President Steve Johnson, Vice President Jon Morpew, Treasurer Hali Sittig, Ollie Koropchak-White, Rick Barger, Councilmember Tracy Hinz, and Mayor Lloyd Hilgart

Staff Present: Executive Director Jim Thares, Hayden Stensgard

1. **General Business**

A. **Call to Order**

President Steve Johnson called the regular meeting of the Monticello EDA to order at 7:00 a.m.

B. **Roll Call 7:00 a.m.**

Mr. Johnson called the roll.

C. **Consideration of Approving Special Meeting Minutes – May 10, 2023**

TRACY HINZ MOVED TO APPROVE THE MAY 10, 2023, SPECIAL MEETING MINUTES. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

D. **Consideration of Additional Agenda Items**

None

2. **Consent Agenda**

None

3. **Public Hearing**

None

4. **Regular Agenda**

A. **Consideration of Authorizing a Six-Month Loan Deferment to Rustech Brewing LLC in connection with its 2017 GMEF Loan**

Executive Director Jim Thares provided an overview of the agenda item to the EDA and the public. The EDA was asked to consider authorizing a six-month loan deferment for Rustech Brewing, in connection with their active Greater Monticello Enterprise Fund (GMEF) loan. The deferment consideration was brought forward to the EDA following an electrical issue downtown, that caused damage to the brewing and refrigeration equipment. This would be the second deferment for Rustech

Brewing since receiving their GMEF loan in 2017.

Mr. Johnson asked if the accruing interest during the deferment period would be on hold as well. Mr. Thares clarified that the deferment is related to the principal and overall payments, and the interest on the principal of the loan will still accrue during the deferment period.

Mr. Johnson said that the draft letter states the offer does not extend the maturity date of the loan. Mr. Thares acknowledged the wording and noted that staff believes to be consistent with the previous COVID-19 deferment, it is best to extend (push out) the maturity date by six months. The wording will be revised to reflect this view.

Hali Sittig asked if the draft letter language regarding the interest being accrued would also be adjusted. Mr. Thares said that interest should be accrued during this proposed deferment period, and that portion of the draft letter would also be revised to make that clear.

HALI SITTIG MOVED TO AUTHORIZE A SIX-MONTH LOAN DEFERMENT TO RUSTECH BREWING, LLC IN CONNECTION WITH ITS 2017 GMEF LOAN. LLOYD HILGART SECONDED THE MOTION. MOTION CARRIED 5-0, WITH ABSTENTIONS FROM JON MORPHEW AND TRACY HINZ.

B. Consideration of Adopting Resolution No. 2023-06 authorizing the early decertification of Tax Increment Financing (TIF) District 1-22 and submittal of final reports to the Minnesota Office of the State Auditor

Mr. Thares provided an overview of the agenda item to the EDA and the public. Redevelopment TIF District 1-22 was established in 1997, covering a majority of the downtown area in Monticello. With the maximum redevelopment TIF District duration allowed by statute being 25 years, the district is anticipated to expire in 2024. Since all outstanding obligations of the district are satisfied, the EDA is required to decertify early, by December 31, 2023. Staff feel having the appropriate paperwork completed now is a good first step in this process.

TRACY HINZ MOVED TO APPROVE RESOLUTION NO. 2023-06 DECERTIFYING TAX INCREMENT FINANCING (TIF) DISTRICT #1-22. OLLIE KOROPCHAK-WHITE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

C. Consideration of Authorizing a marketing expenditure for a "Site Selection" (magazine) ad in the "Xcel Energy Intelligence Report" feature (September 2023) in the amount of up to \$3,300

Mr. Thares provided an overview of the agenda item to the EDA and the public. Xcel

Energy recently informed City staff that they are placing a leading multi-page story ad in Site Selection Magazine. This is a pre-eminent corporate facility and real estate development periodical catering to economic development activities in North America. The circulation is between 40,000 to 55,000 decision-making readers. Xcel is inviting communities in its service territory to join in on the ad buy through placement of ads promoting their communities in the bi-monthly magazine. The total cost of a third-page ad is \$3,000. The magazine company charges an additional \$300 to format the ad if it is not print ready.

Mr. Johnson asked if the ad would be in all 6 magazine issues. Mr. Thares clarified that the proposed ad would only be published in the September 2023 issue of Site Selection. He also noted that this is only one option of multiple ways for the EDA to market the Monticello community. The ad buy does comport with the Integrated Marketing and Communications Plan (IMCP) in that it identifies target ad buys in desired print media. The 2023 marketing budget has approximately \$37,100 remaining.

Mayor Hilgart said it might be beneficial to reach out to communities who have used the magazine for outreach, and if anything has come from their efforts. Following discussion of the agenda item, the EDA consensus was to not participate in the magazine advertisement through the "Xcel Energy Intelligence Report". EDA members did articulate that they do want to market Monticello's attributes and opportunities and asked staff to compile alternative advertising methods that could subsequently be reviewed and considered at a future meeting.

Tracy left at 7:44 a.m., leaving 6 voting members to carry out the remainder of the meeting agenda.

HALI SITTIG MOVED TO TABLE THE MARKETING DISCUSSION UNTIL MORE INFORMATION IS PROVIDED ON MARKETING OPPORTUNITIES. JON MORPHEW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 6-0.

5. **Other Business**

A. Consideration of Economic Development Manager's Report

Mr. Thares provided an overview of the agenda item to the EDA and the public.

6. **Adjournment**

HALI SITTIG MOVED TO ADJOURN THE JUNE 28, 2023, REGULAR MEETING OF THE MONTICELLO EDA. OLLIE KORPCHAK-WHITE SECONDED THE MOTION. MOTION CARRIED

UNANIMOUSLY, 6-0. MEETING ADJOURNED AT 8:02 A.M.

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