



Minutes

Roseville Economic Development Authority (REDA)

City Council Chambers, 2660 Civic Center Drive

Monday, March 13, 2023 – 6:00 p.m.

1. Roll Call

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Groff, Strahan, Etten, Schroeder, and Roe.

Present: President Dan Roe and Board Members Jason Etten, Wayne Groff, Robin Schroeder, and Julie Strahan.

Others Present: Attorney Gina Fiorini, Executive Director Pat Trudgeon, Community Development Director Janice Gundlach, and Housing & Economic Development Program Manager Jeanne Kelsey

2. Pledge of Allegiance

3. Approve Agenda

Groff moved, Strahan seconded, approval of the March 13, 2023 agenda.

Ayes: 5

Nays: 0

Motion carried.

4. Public Comment

5. Business Items

a. Market Presentation: Employment/Industrial Sector – Dan Mueller, Ryan Companies

Community Development Director Janice Gundlach provided a brief summary of this request as detailed in the staff report and attachments dated March 13, 2023.

Ms. Gundlach introduced Mr. Dan Mueller of Ryan Companies and Mike Bowen of CBRE who gave the market presentation on Employment/Industrial Sector to the EDA.

Member Etten explained during the presentation of different businesses that a point he wanted to make as a sales pitch is made to these folks, some of the City's unique places have been overlooked such as The Grateful Table, a unique bakery, and a place for breakfast and lunch as well as some of the places in

Roseville that have come to the City in the last couple of years that are unique. A unique high end steak place as well. He felt the developers are missing some of these things but have Jimmy Johns as a place of business in the presentation. He thought as this is looked at to review the amenities. He noted there is a park that can be walked into from the property and some great local places that the City would like to include in the idea of what are the amenities that are in the City.

Member Strahan noted there is also virtual golf, axe throwing, a game center and the pickleball facility that will be just down the block from this site.

President Roe commented on an observation from when was he was recently visiting a customer located up from County Road J and 35W in his day job, near the big Medtronic development that was done a number of years ago, and that to get back onto southbound 35W, there is a circuitous route to get to it. That used to be undeveloped space up until recently and now there are at least five or six new buildings probably within the last couple of years that have been constructed in the whole area. Those look more like the speculative type because those buildings are more of a stand up distribution center. The second thing is that the Deluxe property in Shoreview off Victoria is being looked at and he thought there were plans to be put into place, which seems to be something that is being looked at on spec as opposed to built to suit.

Mr. Mueller indicated it was his understanding that of the two Deluxe buildings, one is being demolished and will be a spec industrial building. One building is being kept with a possible lead tenant for a portion of that building. He would say that the spec building being done on that corner is the biggest competition for this site.

Member Strahan asked what kind of a timeline is anticipated from this point to when a tenant is expected to be signed and then from that time to actually having the building in place and operational.

Mr. Mueller explained construction for this facility is probably eight to twelve months and prior to that there is probably a three to four month design period and land use approval period. The further complicating factor would be the environmental approvals. He thought at a minimum it would be eighteen months out if not twenty-four by the time they get engaged, terms of a deal, an agreement, applications to the City, design and MPCA approval.

Member Groff asked because this is a long timeframe did Mr. Mueller know what the interest rates might be or how it would affect this.

Mr. Mueller indicated it is a very good question. The type of user that is going to unlock this site is going to be relatively sophisticated and have other facilities and for this development to be feasible there will probably need to be flexibility

built into the agreement versus terms that need to be adhered to. The end goal is to have a delivered facility and Ryan Companies is going in with eyes wide open with the possibility of concessions being made by both parties.

President Roe thanked Mr. Mueller and Mr. Bowen for the presentation and stated he is looking forward to the development of this area.

b. Discuss Small Business Micro-Loan Pilot Program

Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated March 13, 2023.

Member Groff thanked Ms. Kelsey for the presentation. He appreciated the point that the improvements made would stay with the building. He wondered regarding the ninety days because it is not always easy to get someone within that timeframe. He wondered if the ninety days is when the work is completed to get someone in or how will the timeline work.

Ms. Kelsey explained it would be upon the work completion that staff would do the follow-up to see what type of expansion this offered to grow their business.

Member Groff asked how much time there would be from the time of approval to get the work done.

Ms. Kelsey explained it is based upon reimbursement so the entity would have however long it takes to get the job done and based upon the entity submitting the invoices for reimbursement of costs. That means the invoice does not need to be paid but would need to be a cost related to the improvement and then it would be ninety days from that time period.

Member Etten asked if there are any fees or interest that will be incurred within that ninety days.

Ms. Kelsey indicated at this point there will not be any fees or interest charged, this is a deferred loan without any interest.

Member Schroeder asked what administrative fees are included in this.

Ms. Kelsey explained Open to Business is charging the City for their services to work with the business from the beginning of taking the application, reviewing the application and the proposed improvement as well as reviewing the bids to make sure that it is an eligible expense and then from there a follow-up needs to be done and there will need to be a loan agreement administered and put in place with them, collect the data on the business and do the ninety day follow-up afterwards to release the loan agreement from the individual.

Member Schroeder asked if Open to Business charged a percentage.

Ms. Kelsey explained Open to Business charges a twenty percent fee, up to the one thousand dollars.

Member Groff asked if five thousand dollars enough to make a difference with the businesses Ms. Kelsey has talked to.

Ms. Kelsey explained for one business primarily that is the expense for doing one of the improvements and another business who has an expense of an electrical upgrade was eight thousand dollars so staff felt that five thousand dollars, for small business, is something that maybe is holding them back to make that improvement. If the EDA would like to go higher, that is up to them.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

President Roe thought the question tonight is not necessarily an approval to put this in place but rather to initiate the process.

Ms. Kelsey explained that was correct and staff would bring this back based upon any direction the EDA gives them with a final resolution.

Member Strahan explained the EDA is looking at utilizing thirty thousand dollars and she wondered if this would be one time or re-utilization of the dollars when the loans are paid back.

Ms. Kelsey explained the loans would not be repaid and would be forgiven after ninety days.

Member Strahan indicated this would be a one time up to five thousand dollars per business.

Mr. Trudgeon explained this is using ARPA dollars to see how it work and then at the end of that if this is successful the City would need to look at some ongoing funding if the program is to be continued.

President Roe thought there should be some discretion built into the program to allow for more money for certain improvements to be made. Five thousand dollars would be the target but there could be an opportunity to get more. This would affect the ability of someone else to get one of these loans as well but the EDA also has the flexibility in terms of increasing the total funding. He believed the City was not pushing up against their limit of the ARPA funds.

Mr. Trudgeon indicated the City is getting there but still have enough money.

Member Groff indicated he would be interested in that because he knew the ability to get things done is higher than five thousand dollars almost on any project he has seen over the last couple of years. He would be interested in the flexibility on that number but was not sure how to go about doing that.

Member Etten indicated he was supportive of the program and appreciated the job component tied to it and appreciated who the City is working with and reaching out to. The flexibility does become an interesting thing and understood the point, but he would rather see if the City can impact some businesses using the five thousand dollar as a limit and then seek more funds later on if needed.

Member Schroeder supported the program and thought this is a positive thing to help work toward trust between the small business and the Government. She did like the positive attributes to this entire thing and supports it.

Member Strahan indicated she also supports this and appreciates that this applies to people who are renters. She did want to know how rigid adding new staff for a small business would be on that.

Attorney Fiorini explained this is a requirement that gets at the public purpose of the act. In order for the Government to expend public funds there needs to be a public purpose and one of the EDA's clear purposes is to create jobs and help businesses expand. One of her comments was this is tied to job creation and it helps provide support for why the EDA is doing this.

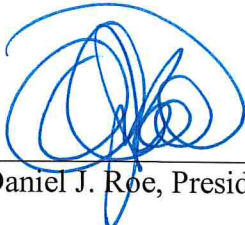
Groff moved, Strahan seconded, authorizing the next step in the process of setting up this proposes small business micro loan program

Ayes: 5
Nays: 0
Motion carried.

6. **Adjourn**

Etten moved, Schroeder seconded, adjourning the REDA meeting at approximately 6:57 p.m.

Ayes: 5
Nays: 0
Motion carried.



Daniel J. Roe, President

ATTEST:



Pat Trudgeon, Executive Director