

**CITY OF LAKE ELMO  
ECONOMIC DEVELOPMENT AUTHORITY MINUTES  
June 5, 2018**

**Call to Order/Roll Call**

President Nelson called the meeting to order at 6:00 P.M.

**PRESENT: John Thompson, Linda Larson, Mark Gaertner, Steve Nelson, John Schiltz**

**ABSENT: Jill Lundgren, Mike Pearson, Anne Cohen and Dan Raleigh**

Staff Present: City Administrator Handt, Finance Director Iverson, Tammy Omdahl from Northland Securities.

**Approval of September 21, 2017 Minutes**

Motion by Schiltz, seconded by Thompson to approve the September 21, 2017 minutes. Motion passed.

**Purchase/Lease and Bonding of 3880 Laverne Ave N**

Administrator Handt provided the background with respect to the process the City went through to purchase a new building and land for a city hall and fire station. Council did not want to draw down fund balance by paying cash for the \$875,000 purchase so they looked to borrow funds. Since tenants were to remain in the building for a period of time, general obligation bonds are not allowed under statute. Instead the city was looking to use the EDA's statutory powers to issue taxable bonds. The EDA would own the building but would lease it back to the city with annual rent payments being equal to the annual bond payments. The city would be responsible for all other costs and could sublease to the other tenants. Northland recommended the bonds be sold to Lake Elmo Bank at a 4.5% interest with a 15 year term that was callable at any time.

EDA members asked a number of questions about the project, financing, liability and future plans. General agreement that the financing of the purchase was a good deal even if there were still concerns with future project costs.

Motion by John Thompson, seconded by Gaertner to Approve resolution No. 2018-001, Relating to \$926,000 Taxable Public Property Project Lease Revenue and Limited Tax Bonds, Series 2018A, Authorizing Issuance, Awarding Sale, Providing Security and Authorizing Execution of Documents. Motion passed 4-0-1 with Schiltz abstaining due to being on the board of Lake Elmo Bank.

Motion by Larson, seconded by Gaertner to approve the lease purchase agreement between the EDA and City of Lake Elmo. Motion passed.

**Staggered Terms**

The City Council approved Resolution No 2013-05 in February of 2013. This resolution established the Economic Development Authority of the City of Lake Elmo. Under section 2 it states: "Terms shall be staggered as follows: (1) member serves a one-year term; (2) members serve a two-year term; (2) members serve a three-year term." When appointments were first made later in 2013, there was no indication of how the terms would be staggered. After feedback from members, staff proposed the terms be staggered as follows:

Commissioner:	Term Ending:
John Schiltz	12/31/18
John Thompson	12/31/19

Steve Nelson	12/31/19
Dan Raleigh	12/31/2020
Anne Cohen	12/31/2020

After this, members would be appointed for six year terms. Larson and Gaertner were appointed as alternates in 2014 for six year terms.

Motion by Thompson, seconded by Schiltz to recommend the approval of the staggered terms as presented. Motion passed.

**Commissioner Reports**

None

**Director Report**

Handt mentioned a number of developments that would be seeking approval soon in the I-94 corridor and that the Comp Plan draft had been sent out for adjacent jurisdictional review.

**Next Meeting Date and Agenda**

Fall TBD

**Adjourn**

Meeting adjourned at 6:55 P.M.

Respectfully Submitted,  
Kristina Handt