

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
May 17, 2018
8:30 A.M.**

- 1) Call to Order
- 2) Roll Call
- 3) Approval of the February 15th County EDA meeting minutes
- 4) Open to Business – Lee Hall
- 5) Regional marketing Discussion
- 6) RLF Update – Jorgenson Homes
- 7) Next Meeting Date – June 21 (County Board Room)
- 8) Adjourn

The meeting will be held at Elk River City Hall 13065 Orono Parkway NW, Elk River, MN 55330.

Sherburne County Economic Development Authority
Meeting Minutes
February 15, 2018

At 8:30 a.m. the meeting was called to order by Ewald Petersen, Chairperson.

1. Roll Call:

Members Present: Ewald Petersen
Dan Weber
Steve Pflighaar
Jared Johnson
Marie Pflipsen
Tom Hammer
Sheldon Pool
Bill LaVigne
Amanda Othoudt

Alternates Present: Hanna Klimmek

Others Present: Annie Deckert, Decklan Group
Jeff Zierdt, Lupulin Brewing

1. Jeff Zierdt, provided information about Lupulin Brewery. He and Matt Schiller are the co-founders and opened the brewery in Big Lake in 2014. They purchased a building at 570 Humboldt Dr., Big Lake, MN that had been mostly vacant since 2011. He reviewed the rapid growth Lupulin is experiencing. Dan Weber reviewed that the Tax Abatement application request is for a total of \$120,975 over 15 years. Upon completion, the expansion project would increase the taxable value approximately \$816,000. Total estimated property taxes would increase from \$25,830 to \$59,232. The Sherburne County portion would increase from \$6,382 to \$14,447 resulting in an increase of \$8,065. Currently there are 9 FTE employees and this would increase to 27 FTE's within two years. Dan reviewed the IMPLAN software information on the impact of the project noting the project scored a total of 36 points. This comes in at a rating of "Above Average" with the maximum eligibility of 75% of the request. The total would be \$90,731 for a 12 year term. Discussion was held regarding changes in projections since the request for a Revolving Loan Fund was approved in December.

Motion by Jared Johnson, to recommend to the County Board, approval of tax abatement to Lupulin Brewery in the amount of \$90,731 for a 12 year term. Motion seconded by Amanda Othoudt. Motion carried unanimously.

Jeff Zierdt thanked the EDA Board for their consideration of both the Revolving Loan Fund and Tax Abatement as they experience this growth phase.

2. Motion by Bill LaVigne to approve the EDA meeting Minutes of January 25, 2018 as presented. Motion seconded by Marie Pflipsen. Motion carried unanimously.
3. The next Economic Development Authority meeting is scheduled on March 15, 2018 at 8:30 a.m. in the Board Room.
4. Motion by Steve Pflighaar to adjourn the meeting at 8:50 a.m. Motion seconded by Amanda Othoudt. Motion carried.

Amanda Othoudt, EDA Secretary

5/4/18

Jorgenson Homes Inc – City of Elk River
Proposed Revolving Loan Fund Application
Application Review & Summary

Background

- Originally founded in 2003. Owner Jeff Jorgenson has over 25 years of construction experience. They provide general contracting and serve the northwest suburbs of Minneapolis and St. Paul.
- They are looking to purchase the property they are currently leasing at 19449 Evans St NW Suite C in Elk River.
- The business currently employs six full time staff members.
- The project includes the purchase of an existing 5,039 sf commercial/office building at an expected purchase price of \$350,000.
- They are expected to renovate the building following the purchase with an additional cost of \$50,000.

Revolving Loan Fund Request

- \$60,000 - 20 year revolving loan to be used for the purchase and renovation of an existing building located in Elk River.
- The borrower has requested to finance 95% of the project costs with Sherburne State Bank expected to finance 80%. The RLF would provide 15% with 5% equity.
- They plan on adding four additional full time jobs and one part time job within two years.
- The project would allow the business to continue its recent growth pattern and grow into their remodeled facility.