

MINUTES OF A REGULAR EDA MEETING HELD MONDAY, AUGUST 8, 2011 – 5:00 P.M. - ROCKVILLE CITY HALL

The meeting was called to order by President Vern Salzl. Roll Call was taken and the following members were found to be present – President Salzl, Bill Becker, Ed Karls & Duane Willenbring. Absent: None

Also present were: Rena Weber & Heidi Peper.
Others present: Tom Griffin – Total Lawn Care

MINUTES OF 06/13/11 –

Motion by Member Becker, second by Member Karls, to approve the minutes of 6/13/11 as presented. Motion carried.

ESCROW FEE FOR TAX ABATEMENT VS TIF – Heidi Peper and Rena Weber asked for committee discussion on having a sliding fee for business subsidy requests with a less intensive nature such as tax abatement. Currently we require \$12,500 of which \$2500 is non-refundable. Sample could be

JOBZ – costs about \$6500

Tax Abatement – costs about \$3000

TIF – cost is about \$12,500

Revolving Loan Fund - \$3000

Member Willenbring indicated that we need to be business friendly and we have something in place to replenish the escrow fund.

The actual fee has to be in a separate escrow interest bearing account.

Motion by Member Willenbring, second by Member Karls, to accept the recommendation of staff regarding Escrow Account Fees at:

TIF at \$12,500.

Tax Abatement at \$3000.

Revolving Loan \$3000.

Member Becker asked if this is subject to annual review. No.

Motion carried.

BUSINESS SUBSIDY SURVEY UPDATE– Heidi Peper reported that only 1 survey out of 60 was returned. These are due 8/12/11.

TOM GRIFFIN REQUEST FOR ASSISTANCE – Tom Griffin owner of Total Lawn Care has purchased Bruce Conrad's property at the NW corner of Hwy 23. and County Road 82. He is seeking assistance from the city to move his business to Rockville from Cold Spring and also to expand it by hiring two full-time and two part-time people. Tom is proposing to build a bigger building and would like to move forward with it at a cost of \$392,000. He would like to hire more people and would require more space along with the purchase of more equipment. Last year a new truck cost \$70,000. He is meeting with his bank on Wednesday. TIF does not work for this project and any assistance he can get would help. Tom would like a little help to hire the people and would take it as long as he can get it. 10 years is preferred.

Also discussed was the requirement to hook up to water/sewer. Rena explained that a few years ago the city had a 50/50 grant for extend services to this area and the people fought it so the grant was returned to the state. If Mr. Griffin is required to hook up then the remaining properties will also have to hook up.

Motion by Member Becker, second by Member Willenbring, to recommend to the council that they waive the requirement and fee to hook up to mandatory water/sewer on 235th Street. Motion carried unanimously.

Member Willenbring questioned if Mr. Griffin should die or it changes hands, does this go away – No stays it with the property.

Heidi Peper stated that the EDA can offer a set dollar amount or whatever the tax would be – or less.

Member Willenbring asked what if the value decreases. Heidi Peper suggested the EDA set this at an amount not to exceed.

Guidelines for considering business subsidy/tax abatement – each question/answer equals one point, #2 is worth three, to receive subsidy, project should have seven points

1. Is the applicant a manufacturer, value-added processor or regionally significant wholesale distributor? **Yes**
2. Is the project of sufficient size concerning:
 - a. Increased tax base (\$3,000+) **Yes**
 - b. Job retention/expansion (six+ full time equivalents within a two-year period) **Yes**
 - c. Aid in business growth and competitiveness - **Yes**
3. Does the company pay livable wages including benefits (\$12.00/hour)? Yes plus benefits.
4. Does the project need public assistance in order to move forward? **3 Yes**
5. Does the business contribute to the economic diversity of the City of Rockville? **Yes**
6. Does the project fill a consumer need not currently addressed in the City (e.g. a grocery store when none currently exists)? **No**
7. Does the project compliment existing business activities or maintain the heritage of the community’s economic base? **Yes**

Motion by Member Becker, second by Member Willenbring, to recommend the council grant tax abatement for 10 years as per the request not to exceed \$2700/yr for city portion of the taxes. Motion carried unanimously.

FIRE HALL HEATING ISSUE – Rena Weber reported that Dennis Hansen has made the repairs and all that is left is for the electrical firm to hook things up.

TREASURER’S REPORT – Rena Weber presented the treasurer’s report:

Cash Balance Report:	
Fund 209 Economic Development	\$255,084.84
Fund 304 City Facilities	220,686.33

Motion by Member Becker, second by Member Willenbring, to approve the Treasurer’s report as presented. Motion carried unanimously.

LIST OF BILLS – Refer to EDA Check Report attached and made part of the minutes.

Motion by Member Willenbring, second by Member Karls, to approve the list of bills as presented. Motion carried unanimously.

Member Willenbring suggested that a thank you be given to Dennis Hansen for completing the fire hall heating repair and not going over the budget.

ADJOURNMENT – ***Motion by Member Becker, second by Member Karls, to adjourn the meeting at 6:06 p.m. Motion carried unanimously.***

VERENA M. WEBER-CMC
SECRETARY/TREASURER

VERN SALZL
PRESIDENT

Tom Griffin - Total Lawn Care

	Taxes		Estimated Value of Tax Abatement					
	2010	2011	Est. Taxes After Improvements	5 years	8 years	10 years	15 years	20 years
county	\$ 518.88	\$ 549.90	\$ 3,763.00					
city	\$ 362.99	\$ 393.59	\$ 2,676.00	\$ 11,412.05	\$ 18,259.28	\$ 22,824.10	\$ 34,236.15	\$ 45,648.20
state	\$ 488.63	\$ 522.31	\$ 3,551.00					
school	\$ 358.65	\$ 378.61	\$ 1,920.00					
other	\$ 12.85	\$ 15.59	\$ 117.00					
	\$ 1,742.00	\$ 1,860.00	\$ 12,027.00					