

Minutes of the Proceedings of the Economic Development Authority of the City of Champlin in the County of Hennepin and the State of Minnesota Pursuant to Due Call and Notice Thereof

Work Session
January 23, 2017
Municipal Center

- Call to Order The Champlin Economic Development Authority met in Work Session and was called to order by President Ryan Karasek at 7:32 p.m.
- Roll Call Present: President Ryan Karasek and Commissioners Jessica Tesdall (Ward 1), Eric Johnson (Ward 2), Nate Truesdell (Ward 3), and Ryan Sabas (Ward 4).
- Absent: None.
- Also Present: Executive Director John Cox, Deputy Director Bret Heitkamp, EDA Secretary Roberta Colotti, City Planner Scott Schulte and City Attorney David Schaps.
- Approval of Agenda
(January 23, 2017)
Motion Motion by Commissioner Johnson and seconded by Commissioner Truesdell to approve the agenda for the January 23, 2017 Work Session as presented. Voting in favor were President Karasek, Commissioners Tesdall, Johnson, Truesdell and Sabas. Voting against: none. Motion carried.
- Mann Theatres: Champlin
Cinema 14 Commissioner Sabas stated that in recognition of conflict of interest rules he would like to formally re-state for the record that while he has had prior business contracts with the Mann's he does not have any current contracts with the Mann's.
- The Executive Director reported that the Mann's have responded with a counter offer. If accepted the next step would be to hold a public hearing to approve a Development Agreement. He stated that he would also bring forward a revised Business Subsidy Plan for consideration.
- The Executive Director outlined the proposed changes as follows:
1. The Letter of Intent defines the components of the project including a bar and party room. The agreement should note a party room might not be built if there isn't enough room.
 2. The proposed Champlin Theatre bar while similar to the one the 2016 EDA Board toured would be constructed without all the same high end finishing.
 3. Minimum project cost must be \$3.5 million. Set the loan at \$400,000 not 10% of the project cost up to \$400,000.
 4. Reduce the number of movie tickets given to the EDA for promotional activities from 200 to 150 per year.
 5. Limit the City's approval of the scope/budget/plan to significant changes.
- The Executive Director stated that if the amendments are acceptable, the City should define "significant change items" as identified in Item #5, by dollar value, square footage or other measurement and staff will work with legal counsel on the language.
- Councilmember Johnson stated that he would be concerned with language setting forth a "significant change item" value and then having the owners make a series of changes directly under that value that in aggregate have a significant impact. As a result he recommends that an aggregate value be included in the language covering proposed project modifications.
- Commissioner Truesdell reiterated his opposition to the proposed financial assistance.
- EDA Board Consensus**
It was the consensus of the EDA Board, to accept the Mann's modifications and direct staff to prepare a Development Agreement. The Development Agreement should address the potential negative impact of an aggregate set of "change items" which would otherwise fall below the threshold for City approval. (Commissioner Truesdell provided a dissenting opinion, opposing the financial assistance agreement.)

Adjournment

The Champlin Economic Development Authority adjourned the Work Session at 8:00 p.m.

Ryan Karasek, President

Attest:

Roberta Colotti, CMC, City Clerk/EDA Secretary