

MEMORANDUM

TO: Ely City Council Members

FROM: Attorney Laurence J. Klun

RE: Economic Development Agencies

DATE: September 27, 2005

This memo is intended as an orientation to certain entities and their general structure.

EEDA - ELY ECONOMIC DEVELOPMENT AUTHORITY: This is an “instrumentality” of the City of Ely. It is an authority organized under Statute and created by the City Council pursuant to Minnesota Statute Section 469.090 et. seq. The territory is the corporate limits of the City of Ely. The governing body is the sitting City Council members. The EEDA has authority different and supplement to the authority of the Ely City Council. Because it has expanded powers in the area of economic development activities it is often used as the party to project development agreements as the City’s agent.

CEDJPB - COMMUNITY ECONOMIC DEVELOPMENT JOINT POWERS BOARD: This is a joint powers organization comprised of City of Ely, and Winton, Town of Morse, School District 696 and Vermillion Community College and other government entities with like interests. It is organized under Minn. Stat. Section 471.59, which authorizes government units and nonprofit organizations to form a new entity. The purpose of this entity is to focus on shared economic activities that benefit all of the members. There are voting and nonvoting members under the bylaws of the organization. The joint powers board does not have employees of its own, but it does enter into contracts to obtain and deliver services. It serves as a means to share costs for such things as fire protection, library, recreation, cardboard recycling, etc. which are area wide functions that can most effectively be delivered on a shared cost basis. Each of the participating entities funds the operations of the joint powers board through contributions. Administrative support is provided to the joint powers board under a contract with the Ely Area Development Association.

EADA - ELY AREA DEVELOPMENT ASSOCIATION: This is a nonprofit Minnesota corporation operated independent of any government entity. Its purpose is for area wide development. The Board of Directors consists of 30 members with staggered terms. The membership is intended to reflect the key economic players in the area. The board of 30 meets quarterly. Day to day activities of the corporation is directed by an executive board consisting of 9 members elected from the Board of Directors. The executive board meets monthly. From the executive board there is an officer’s board comprise of 4 members being the Chair, Vice Chair, Secretary and Treasurer. This group handles the day to day administration of the EADA activities. EADA is funded through joint powers. The EADA has a part time economic developer and part time secretarial support for that person and for the board. The EADA works with both government and private entities to identify and develop economic opportunities available in the area.