REGULAR MEETING

ECONOMIC DEVELOPMENT AUTHORITY

FEBRUARY 9, 2018

12:00 NOON

PRESENT: Mike Nelson, Brian Harder, Steve Syverson, Jerry Haberman, Clara Johnson, Advisor.

ABSENT: Mark Hanson, Vern Peterson, Darla Kruser, Brad Hanson and Dean Janzen, Advisors.

STAFF PRESENT: Rob Anderson and Tabitha Garloff

CITY ADMINISTRATOR: Wendy Meyer

GUEST: Cheryl Hiebert, Observer/Advocate and Chuck Stevensen, United Prairie Bank

1. Call to Order. Mike called the meeting to order at 12:04 p.m.
2. Motion to Approve Consent Agenda. Motion made and seconded by Brian and Steve to approve the consent agenda. Carried.
3. 2018 Proposed EDA Work Plan. Motion made and seconded by Jerry and Steve to approve the 2018 EDA Work Plan.
4. Mountain Lake Apartments Feasibility Study. Rob passed out the 2015-16 Financial Statements for the current owners of the Mt. Lake Apartments. Rob reviewed the feasibility study with the board. The current owner has invested approximately $800,000 in the property and has not been reimbursed. The feasibility study showed several red flags such as the appraisal and vacancy rate of the apartments. Rob stated that he feels for the purchase to be profitable the owners would need to come down substantially in price or donate the apartments to the EDA. Rob also stated that it is unlikely that a bank would offer a term longer than 10 years at a 4% interest rate given the current market. The apartments are also in need of improvements. There is an RRDL loan available up to $300,000 deferred for 10-30 years for making improvements. There is also concern about losing the RA housing in our area. The property would need to be purchased by a non-profit to keep the apartments RA apartments. Jerry stated he feels the EDA should continue to look for options to purchase the apartments due to the need for housing in the area. Clara stated she feels the apartments are in such disrepair that it discourages people from renting. A motion was made and seconded by Jerry and Brian to continue looking at ways to make the purchase work. Steve stated he feels the current owners should be encouraged not to pay off the RD loan. Carried.
5. TIF District 1-8, Economic Development District No. 2 (Downtown Redevelopment Project):
6. Email from Sanford: Rob reviewed the email from Terry Mahar, Sanford’s Executive Director. Jerry stated the it seems that Sanford and the EDA are too far apart in lease amounts to make the lease work. Steve stated that we have a timeline. Rob stated we are 2 years into the 5-year TIF start date. Jerry asked if the EDA should now consider moving forward with something else. Mike asked if other providers had been reached out to or was the next plan for all apartments. Rob stated to make the first-floor retail there would need to be at least 1 committed tenant. Brian asked is FACU was happy where they are located. Rob stated he felt they were and that he sees FACU possibly building their own building in the future. Mike stated that maybe FACU would be interested in the location. Rob stated there is a need for retail space in our community. Rob has been contacted by Beth Smith (Jordann’s) and recently Clean Energy about retail/office space in Mt. Lake. Apex will be signing a lease with the Rodney’s and will be having office’s in the Old Pizza Ranch building. Mike and Jerry suggested that the EDA go back and look at the first plan for the building. Steve suggested reaching out to the wind companies about office space. Clara asked if the offices would be needed for the wind company before the building is ready. Mike stated that the community needs to have buildings available.
7. TIF Redevelopment 4/1/21 TIF Funds Must be Spent of Committed. Discussed above.
8. Mt. Lake Commercial Park. Rob passed out a proposed plan for light poles for the Commercial park. Ron Melson received a plan from his rep that he works with. The plan allows for 13 light poles with a cost of $225,000-250,000. The electrical is in place and was installed when the road construction was done. Mike asked is Jenny’s subdivision had lights. There are no lights in Jenny’s subdivision. Jerry stated he feels Ron has the knowledge to make an informed decision on the lights. Rob handed out a site plan for Casey’s building site. The Cottonwood Road entrance is located over a utility easement. A suggested alternative was made by Andy Kehren of Bolton & Menk. Brian asked is there had been any other interest in the lots and wondered if Family Dollar should be perused. Rob stated the there are several businesses concerned about a dollar store of any sort coming to the community. Steve stated he also feels any type of dollar store coming to the community could be hard on several local businesses.
9. Apartments HVAC Maintenance Contract, (tabled from January 12 Meeting). Tabitha researched Minnesota Energy’s rates for annual maintenance contracts to compare with Hall’s Handy Heating’s maintenance contracts. Jerry asked if a list of what is included in the 33-point check could be obtained. Tabitha will contact Hall’s and get the list. Tabled until next meeting.

1. Welcome Sign. Brian and Mike will be representing the EDA on the Sign Committee. The committee met on the 7th and there were a lot of good ideas on the design and the location. The plan is to build next year but it could happen sooner.
2. General Discussion:
3. Heritage Estates Units/some Tenants keeping in Unsanitary Condition. Rob and Tabitha discussed some of the items of concern. It was suggested to look at the lease and get a copy of the lease to each of the board member for review. Clara also suggested contacting Lisa Witt at Mt. Lake apartments and asking for a copy of their lease. They also do a monthly inspection and enforce how the apartments are cared for. Tabled until next meeting.
4. Next Regular Board Meeting is March 9, 2018.
5. Other business.

* Apex Wind Clean Energy will be leasing the former Parkside Depot building owned by the Rodney’s. Dilly is in the process of remodeling the building to make it a more suitable for offices. Dilly would like to apply for a SCDP loan to help with the cost of the repairs. Dilly will get cost estimates and copy of the lease and cash flow to Rob. Rob asked in the interest of time if the board would like to vote to approve the loan through an email vote. The board members stated yes, an email vote was fine.
* Justin Erickson of Community Venture Network stated that they are finding housing is an issue in almost every town that they work with and they will be trying this year to work with a housing developer in multiple communities. Rob handed out a site map of Lakeview Estates showing possible twin home units along Golf Course Road. Rob asked for the board members thoughts. The covenants do allow for twin homes. Brian suggested that in the future the whole lot be paid for and utilities right away. Board Members agreed. Rob was encouraged to continue twin home construction with the CVN Developer.
* MN Dot J-turns meeting February 12, 2018 at 6:00 p.m. at the Mt. Lake Community Center.

1. Adjourn. Mike adjourned the meeting at 1:15 p.m.