

Zumbrota Economic Development Authority Agenda
7:00 A.M. Wednesday, March 18, 2020
Zumbrota City Hall, 175 West Avenue

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, February 19, 2020**
- 4. Monthly Financial Report & Accounts Payable**
- 5. New Business**
 - A. Amendment to Purchase Agreement price and TIF**
- 6. Public Hearings**
 - A. Land Sale of 300 West Ave to Keller-Baartman Properties, LLC**
- 7. Visitors to the Board**
 - A.**
- 8. Old Business**
 - A.**
- 9. New Business**
 - B. Land Sale of 300 West Ave to Keller-Baartman Properties, LLC**
 - C. Abatement request by Dairy Farmers of America**
 - D. Lucas Garden Proposal**
- 10. Unfinished Business**
 - A.**
- 11. Reports**
 - A.**
- 12. Adjourn**

Please contact City Hall at 732-7318 if you are unable to attend.

Zumbrota Economic Development Authority Minutes
7:00 A.M. Wednesday, MARCH 18, 2020
Zumbrota City Hall, 175 West Avenue

PRESENT: Richard Meyerhofer, Bill Eberhart, Dave Starr, Sara Durhman, Tina Hostager, Brian Haugen, and Lindsey Raasch. Also present: Finance Clerk Miranda Raasch, Community Development Director Ryan Soukup, Andy Baartman, and Gary Harbo.

NOT PRESENT:

1. **Call Meeting to Order** – at 7:00 AM by Richard Meyerhofer.
2. **Amend/Adopt Agenda –Motion** Haugen, second Duhrman. Carried unanimously.
3. **Approve Regular Meeting Minutes of Wednesday, February 19, 2020 – Motion** Haugen, second Raasch to approve meeting minutes. Carried 4-0-2 with Meyerhofer and Hostager abstaining.
4. **Monthly Financial Report & Accounts Payable – Motion** Raasch, second Hostager approve Monthly Financial Report and Accounts Payable. Carried unanimously.
5. **Public Hearings**
 - A. **Land Sale of 300 West Ave to Keller-Baartman Properties, LLC** - A public hearing to receive public input on the sale of EDA-owned land at 300 West Ave. The sale of the land will be to Keller-Baartman Properties, LLC for a fair market value at \$108,000. A term of the sale is to complete a project on the land, namely, a market rate apartment building consisting of between 46-56 units. To assist the project, the City will authorize Housing Tax Increment Financing (TIF) for a term of 26 years. A term of the Housing TIF is to reserve 40% of the units for those households making 60% of the area median income, or 40/60 AMI.
The TIF is for the amount of:
\$1,126,661

+ \$95,700 in SAC/WAC
+ \$35,000 in building permit fees
+ \$28,000 in sidewalk/apron repairs
+ \$40,000 in blacktop and curb for the alleyway,
For a total of \$1,325,361. Additionally, a loan from the EDA for \$108,000 plus interest will also be included in, and paid back via, the TIF.

The current expected timeline for the TIF to pay off the estimated fees and expenses is approximately 14.5 years.

6. Visitors to the Board

A.

7. Old Business

A.

8. New Business

A. Amendment to Purchase Agreement price and TIF - The initial purchase agreement was to sell the land for \$1. However, information was recently brought to the attention of City staff that during the redevelopment of the old Grover Auto lot in 2006, the City used a development grant through MN DEED (please see attached). This grant came with a term that the land must be sold at fair market value (please see attached, page 3, paragraph III Sale Price). This value has been determined to be approximately \$108,000. City staff recommends a motion to amend the purchase agreement to \$108,000. In order to reduce the costs to the developer as was initially agreed, the proposed solution is to meet the terms of grant by selling the land for fair market value, and loaning the developer the \$108,000 plus interest through the EDA's revolving loan funds, and then recouping the costs through the TIF to be paid after all other expenses are paid first. City staff recommends to include the land sale cost, plus interest into the terms of the TIF. **Motion** Meyerhofer, second Hostager to amend the purchase agreement to \$108,000. Motion carried.

B. Land Sale of 300 West Ave to Keller-Baartman Properties, LLC - After receiving input for from the public, City staff

recommends approval of the land sale of 300 West Avenue for \$108,000, plus completion of an apartment project, subsidized with a Housing TIF to pay off the above expenses, prorated to the actual value after completion. **Motion** Eberhart, second Meyerhofer to approve the land sale of 300 West Avenue for \$108,000 plus completion of an apartment project, subsidized with a Housing TIF to pay off the above expenses, prorated to the actual value after completion.

C. Abatement request by Dairy Farmers of America -

DairiConcepts/Dairy Farmers of America (DFA) has requested tax abatement for planned improvements and developments. The total City assistance over a 15 year term will be \$1,256,712, of which \$75,323/year will go to the City for a water tower/water main looping project. City staff recommends that the EDA recommend to the City Council to set a public hearing for the abatement for April 16th at 6:05pm. **Motion** Haugen, second Duhrman. Carried 5-2 with Starr and Raasch opposing.

D. Lucas Garden Proposal - Mr. Gary Harbo of ReVitalize, has approached the City with a plan to introduce certain urban farming practices to the community. He is proposing to paint the electrical box at the entrance of the city parking lot off of 3rd St West, to place raised bed gardens along the divider of the parking lot and the alleyway, and to emplace a compost bin at the rear of the parking lot. All of this is on city property and would require approval from the City Council. Mr. Harbo is requesting the support of the EDA for these plans. **Motion** Duhrman, second Raasch to support the painting of the electrical box (pending approval from Xcel Energy,) to place raised bed gardens along the divider of the parking lot and the alleyway, and to emplace a compost bin at the rear of the parking lot. Carried 5-0-1 with Starr being absent for the vote.

9. Unfinished Business

A.

10. Reports

A. .

- 11. Adjourn** - There being no further business, Meyerhofer adjourned the meeting at 8:00 AM.