

Zumbrota Economic Development Authority Agenda
7:00 A.M. Wednesday, April 18, 2018
Zumbrota City Hall, 175 West Avenue

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, January 17, 2018**
- 4. Monthly Financial Report & Accounts Payable**
- 5. Public Hearings**
 - A. Zumbrota Veterinary Clinic Property Tax Abatement Request**
 - B. Zumbrota Chrysler, Dodge, Ram, Jeep Property Tax Abatement Request**
 - C. Zumbrota Chrysler, Dodge, Ram, Jeep Revolving Loan Fund Request**
- 6. Visitors to the Board**
 - A. Zumbrota Independent Business Alliance (ZIBA)**
 - B.**
- 7. New Business**
 - A. Zumbrota Independent Business Alliance (ZIBA) expenses**
 - B. Zumbrota Independent Business Alliance (ZIBA) dues request**
 - C. Erik Bengtson Resignation**
 - E. New Member – Lindsey Raasch**
 - F. Election of Officers**
 - G. 2017 Annual Report 2018 Action Plan**
 - H.**
- 8. Unfinished Business**
 - A. 2018 Work Plan**
- 9. Reports**
- 10. Adjourn**

Please contact EDA Secretary Dan King at 732-7318 if you are unable to attend.

EDA Minutes
Wednesday, April 18, 2018
Zumbrota City Hall 7:00 a.m.

Present: President Richard Meyerhofer, Members Sara Durhman, Tina Hostager, Bill Eberhart, Brian Haugen and Lindsey Raasch. Also present: City Administrator Neil Jensen and Community Development Director Dan King.

The meeting was called to order by President Richard Meyerhofer at 7:05 a.m. New member Lindsey Raasch was administered the Oath of Office and formally welcomed to the board.

2. Agenda

Motion Durhman, second Haugen to approve the agenda as submitted. Carried 6-0-0

3. Minutes

Motion Hostager, second Meyerhofer to approve the minutes of the January 17, 2018 EDA meeting as submitted. Carried 5-0-1 (Eberhart Abstains)

4. Financial Reports

Motion Eberhart, second Hostager to approve the financial report and accounts payable. Carried 6-0-0

5. Public Hearings

A. Zumbrota Veterinary Clinic Property Tax Abatement Request

Chairman Meyerhofer opened the public hearing at 7:05 am.

Staff summarized the requested property tax abatement for the Zumbrota Veterinary Clinic. The request is for the abatement of \$70,000 in property taxes to assist with the purchase of property and site preparation; \$35,000 each from Goodhue County and the City of Zumbrota.

The project as proposed results in a property valued at \$650,000; this will generate about \$15,000 annually in property tax. Specifically about \$5,100 for Goodhue County and \$7,300 for Zumbrota.

The attached EDA resolution orders the abatement. The EDA makes a recommendation to the City Council for their action at the April 19th meeting.

Goodhue County is reviewing the request at their regularly scheduled meeting on April 17th. If the request is met favorably a public hearing to formally consider the request will be scheduled for May 1st.

There being no comments from the public, Chairman Meyerhofer closed to public hearing at 7:10 am.

Motion Meyerhofer, second Hostager to approve EDA Resolution 18-01 recommending the City Council approve the request for property tax abatement up to \$35,000. Carried 6-0-0

B. Zumbrota Chrysler, Dodge, Ram, Jeep Property Tax Abatement Request

Chairman Meyerhofer opened the public hearing at 7:14 am.

Staff summarized the request for use of property tax abatements to assist with the Zumbrota Chrysler, Dodge, Ram, Jeep Dealership project. The request is for the abatement of \$256,000 in property taxes to assist with the purchase of property and site preparation; \$56,000 from Goodhue County and \$200,000 from the City of Zumbrota.

The project as proposed results in a property valued at \$1,700,000; this will generate about \$41,000 annually in property tax. Specifically about \$14,000 for Goodhue County and \$20,000 for Zumbrota.

The attached EDA resolution orders the abatement. The EDA makes a recommendation to the City Council for their action at the April 19th meeting.

Goodhue County is reviewing the request at their regularly scheduled meeting on April 17th. If the request is met favorably a public hearing to formally consider the request will be scheduled for May 1st.

There being no comments from the public, Chairman Meyerhofer closed to public hearing at 7:20 am.

Motion Meyerhofer, second Hostager to approve EDA Resolution 18-02 recommending the City Council approve the request for property tax abatement up to \$200,000. Carried 6-0-0

C. Zumbrota Chrysler, Dodge, Ram, Jeep Revolving Loan Fund Request

Steve Johnson is also requesting a \$200,000 loan from our Revolving Loan Fund. Attached are a promissory note, mortgage agreement and amortization table. Terms requested are three percent interest (3%) for ten years. Vice Treasurer Brain Haugen has reviewed the application and commented positively on the request.

Motion Eberhart, second Durhman to approve the loan to Steve Johnson, Zumbrota Chrysler, Dodge, Ram, Jeep, in the amount of \$200,000, terms 3% interest for 10 years. Carried 6-0-0

7. New Business

A. Zumbrota Independent Business Alliance (ZIBA) expenses

Members reviewed 2017 eligible expenses submitted by ZIBA for reimbursement. There were over \$2,000 in eligible expenses, the amount allocated to ZIBA for 2017. No action was taken at this time.

B. Zumbrota Independent Business Alliance (ZIBA) dues request

Members reviewed an invoice from ZIBA for 2018 Annual Membership Dues. The EDA is not currently a member. Members also reviewed an excerpt from a memo from the League of MN Cities regarding public purpose expenditures which states cities do not have authority to pay for membership in private organizations. Based on the memo no action was taken re: membership in ZIBA.

C. Brenda Lerum, Erik Bengtson Resignations

Members accepted resignations of Brenda Lerum and Erik Bengtson. It was noted there is still one vacancy to fill on the board.

D. Election of Officers

Motion Meyerhofer, second Durhman to appoint the following:

- | | | |
|--------------------------|-----------------|----------------|
| <input type="checkbox"/> | Rich Meyerhofer | President |
| <input type="checkbox"/> | Bill Eberhart | Vice President |
| <input type="checkbox"/> | Brian Haugen | Treasurer |
| <input type="checkbox"/> | Lindsey Raasch | Vice Treasurer |

Carried 6-0-0

E. Jana Scholl Inquiry

Members reviewed a proposal from Jana Scholl, Edward Jones Investments. She is proposing a 1,800 square foot office building on the EDA owned lot at the northeast corner of Fourth Street/West Avenue. The plan was well received by members and they directed staff to schedule and publish notice of a public hearing to formally consider the sale of public land at the May meeting.

F. Brengman Satisfaction of Mortgage

Staff noted Mike Brengman, Main Street Pharmacy, had been awarded a \$10,000 Commercial Building Improvement Program forgivable loan in 2015. He has since sold the building and has paid back the loan. Staff stated the attached satisfaction of mortgage acknowledges receipt of the \$10,000 owed.

Motion Haugen, second Hostager to accept the repayment and sign the satisfaction of mortgage. Carried 6-0-0

G. 2017 Annual Report 2018 Action Plan

Members reviewed the 2017 Annual Report and 2018 Action Plan. The annual report is mandated in the EDA Bylaws.

Motion Haugen, Second Meyerhofer to accept the 2017 Annual Report & 2018 Action Plan. Carried 6-0-0

H. Quarterly Update

Members reviewed the First Quarter Update. No action was taken at this time.

Unfinished Business

A. 2018 Work Plan

Members reviewed the 2018 Work Plan. Meyerhofer inquired about the status of the highway sign renovation and new gateway sign. Jensen stated the highway sign renovation will be brought to the City Council for approval later this month. It had been budgeted last year and an estimate is on hand; cost is about \$5,140. Staff was directed to solicit estimates from professional consultant(s) for a signage and landscaping plan for the Highway 52/58 Gateway.

There being no further business President Meyerhofer adjourned the meeting at 8:11 am.

Respectfully Submitted,

Dan King, Secretary