

**Zumbrota Economic Development Authority Agenda**  
**7:00 A.M. Wednesday, May 17, 2017**  
**Zumbrota City Hall, 175 West Avenue**

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, April 19, 2017**
- 4. Monthly Financial Report & Accounts Payable**
- 5. Visitors to the Board**
  - A. Jamie Judisch, Judisch & Judisch Developers RE: Former Grover Auto Redevelopment for Market Rate Multi-Family Rental**
- 6. New Business**
  - A. Viewpoint Consulting Group Demand Assessment for Rental Housing study**
  - B.**
  - C.**
- 7. Unfinished Business**
  - A. City Entrance Signs**
  - B. 2017 Action Plan**
  - C. MN Department of Employment & Economic Development Workforce Housing Development Program**
- 8. Reports**
- 9. Adjourn**

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

**EDA Minutes**  
**Wednesday, May 17, 2017**  
**Zumbrota City Hall 7:00 a.m.**

Present: President Richard Meyerhofer, Members Bill Eberhart, Brian Haugen, Brenda Lerum and Sara Durhman. Also Present: Jamie Judisch, Judisch & Judisch Enterprises; Roxanne Bartsh, Neil Jensen, City Administrator and Community Development Director Dan King.

The meeting was called to order by President Richard Meyerhofer at 7:00 a.m.

- 2. Agenda**  
**Motion Haugen, second Lerum to approve the agenda as submitted.**  
**Carried 5-0-0**
  
- 3. Minutes**  
**Motion Meyerhofer, second Eberhart to approve the minutes of the April 19<sup>th</sup>, 2017 EDA meeting. Carried 5-0-0**
  
- 4. Financial Reports**  
**Motion Haugen, second Durhman to approve the financial report and accounts payable. Carried 5-0-0**
  
- 5. Visitor to the Board – Jamie Judisch, Judisch & Judisch Enterprises**

Staff introduced Mr. Judisch and noted he had been contacted by City staff after reading about potential plans for a rental project in Pine Island. The Pine Island project is 35 units, mostly 2 bedrooms, 2 baths. The City is proposing a tax increment financing (TIF) district to cover the costs of land acquisition and site preparation. The developers are also pursuing United States Department of Agriculture (USDA) loans in addition to conventional loans.

Mr. Judisch was sent the results of the recently completed Market Rate Rental Demand Estimate Study by Vantagepoint Consulting Group. He stated the results are favorable, with an anticipated demand for approximately 99 units in the Primary Market Area (PMA). The PMA includes the cities of Zumbrota, Goodhue, Mazeppa, Pine Island and Wanamingo; and the surrounding townships as well. The study concludes that Zumbrota could capture about 40% - 50% of the PMA demand, or about 28-35 market rate rental units.

The anticipated lease rates are considerable more attractive to developers, partly because it is opened up to all ages and not restricted to 55+. Rates for 1 bedroom units are anticipated to be between \$1,100 - \$1,200 and 2 bedroom units between \$1,300 - \$1,400.

Based on this he may propose a 35 +/- unit project similar to the one in Pine Island on the Former Grover Auto site in Zumbrota. He is working with his architect on drafting a site specific plan and securing financing. Members thanked Mr. Judisch for his interest and encouraged him to move forward and return with a proposal. No action was taken at this time.

## **6. New Business**

### **A. Viewpoint Consulting Group Demand Assessment for Rental Housing study**

Members reviewed the recently completed Demand Assessment for Rental Housing study. The results are favorable, with an anticipated demand for approximately 99 units in the Primary Market Area (PMA). The PMA includes the cities of Zumbrota, Goodhue, Mazeppa, Pine Island and Wanamingo; and the surrounding townships as well. The study concludes that Zumbrota could capture about 40% - 50% of the PMA demand, or about 28-35 market rate rental units.

The anticipated lease rates are considerable more attractive to developers, partly because it is opened up to all ages and not restricted to 55+. Rates for 1 bedroom units are anticipated to be between \$1,100 - \$1,200 and 2 bedroom units between \$1,300 - \$1,400. Staff will draft an updated request for proposal (RFP) and distribute to interested developers and the Rochester Area Builders Association.

### **B. Brenda Lerum – Flowers on Main**

Brenda Lerum stated a real estate agent has contacted the owners of the building she rents about purchasing it for the relocation/expansion of Midwest Dental. She stated she had been negotiating with the owners to purchase the building herself and is disappointed that it may be sold to someone else. If this happens Flowers on Main may go out of business, as she prefers not to move. She inquired about possible EDA assistance. Staff stated the revolving loan fund (RLF) could be utilized, as property/building acquisition is an eligible expense under the Business Improvement Program fund. The RLF could cover up to 30% of acquisition costs. Staff will send over information on the program after the meeting. The consensus of the EDA Board was to encourage Lerum to support the use of the RLF to assist in acquisition of the building. No action was taken at this time.

## **6. Unfinished Business**

### **A. City Entrance Signs**

Members reviewed photos of the two entrance signs on Highway 52 as well as the sign at the entrance of Covered Bridge Park. Members noted the signs were fading and showing signs of again. The consensus was to improve them, and an estimate from Schad-Tracy Signs was reviewed. The total cost for the two highway signs is \$5,145 and the Covered Bridge Park entrance sign is \$2,535. Staff noted the Park Board is responsible for the Covered Bridge Park entrance sign. Members discussed whether the highway signs were EDA or City Council responsibility. It was noted the EDA does not have funds designated/allocated for this project in the current budget.

**Motion Haugen, second Meyerhofer to recommend the City Council consider updating the City Entrance Signs on Highway 52. Carried 5-0-0**

## **B. 2017 Action Plan**

Members continue to review the Action Plan as the year progresses; no action was taken at this time.

## **C. MN Department of Employment & Economic Development Workforce Housing Development Program**

Nothing new to report at this time.

## **7. Reports**

Staff shared seven requests for information on the City, referred from the Explore MN advertisements. Evidence the ads are effective and reaching the market of potential visitors to the City.

Members reviewed a membership request from the Southeastern MN Association of Recreational Trails (SMART). It was noted the City had been members in the past and this has lapsed. The fee is only \$25 and the group is a good resource for regional trail advocates. Staff was directed to send in membership application w/fee.

Roxanne Bartsh gave an update on the Goodhue Pioneer Trail status and legislative update regarding this.

Bartsh also requested signage at points in town indicating access to downtown and Main Street was still open. Staff suggested she put together a formal request and bring back to the EDA and City Council.

There being no further business President Meyerhofer adjourned the meeting at 8:25 am.

Respectfully Submitted,

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Dan King, Secretary