

Zumbrota Economic Development Authority Agenda
7:00 A.M. Wednesday, May 18, 2016
Zumbrota City Hall, 175 West Avenue

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, April 20, 2016**
- 4. Monthly Financial Report & Accounts Payable**
- 5. Public Hearing**
 - A. Zumbrota Veterinary Clinic Expansion/Relocation Abatement**
- 6. Visitors to the Board**
 - A.**
- 7. New Business**
 - A.**
 - B.**
- 8. Unfinished Business**
 - A. Covered Bridge Music & Arts Festival Update**
 - B.**
- 9. Reports**
- 10. Adjourn**

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

EDA Minutes
Wednesday, May 18, 2016
Zumbrota City Hall 7:00 a.m.

Present: President Dale Hinderaker, Members Brian Haugen, Rich Bauer, Rich Meyerhofer and Bill Eberhart. Absent: Brenda Lerum, Erik Bengtson. Also Present: Dr. Dan Nietz, Zumbrota Veterinary Clinic; City Administrator Neil Jensen and Community Development Director Dan King.

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

- 2. Agenda**
Motion Bauer, second Meyerhofer to approve the agenda as submitted.
Carried 5-0-0
- 3. Minutes**
Motion Meyerhofer, second Haugen to approve the minutes of the April 20th, 2016 EDA meeting as submitted. Carried 5-0-0
- 4. Financial Reports**
Motion Meyerhofer, second Bauer to approve the financial report and accounts payable. Carried 5-0-0
- 5. Public Hearing - Zumbrota Veterinary Clinic Expansion/Relocation Abatement Request**

President Dale Hinderaker opened the public hearing at 7:05 am. Staff stated Dr. Nietz is requesting a business subsidy in the form of property tax abatement in the amount of \$70,000 to cover the site acquisition and part of the site preparation – grading, utilities etc. These are normal costs eligible via tax increment financing. This is to facilitate the construction of an expansion and relocation of the Veterinary Clinic into the Jacobson Commercial Park. The request is for \$35,000 in property tax abatement from both the City and Goodhue County.

The project as proposed consists of construction of an approximately 4,857 square feet facility with 1,718 sf lower level with storage and conference room, 2,654 sf main floor with exam rooms and temporary boarding, etc. and 485 sf second story with office space and break room.

This is a significant increase from the current facility which is about 2,000 square feet.

According to the Goodhue County Assessor's Office, this project as proposed will have an estimated market value (EMV) range of \$680,000 – \$775,000. This is also a significant increase from the current EMV of \$193,100.

Again, according the Goodhue County Assessor's Office, the new facility will pay about \$24,780 - \$28,429 in *total* property taxes. The City portion of the property tax is \$8,348 - \$9,582; the County portion is \$5,277 - \$6,057.

The current facility pays \$6,042 in *total* property tax; City portion \$1,916 and the County's \$1,290. Once again, the property tax from a new facility is significantly higher, over four-fold.

The cost for development is estimated at \$674,285, plus about \$50,000 for equipment and furnishings. This is in addition to the approximately \$50,000 for site acquisition.

With expected City/County property taxes between \$13,625 - \$15,639, the requested subsidy could be accomplished within 4 or 5 years; if the County approves abatement as well.

There were no comments from the public. President Hinderaker closed the public hearing at 7:10 am.

Members reviewed Resolution making a recommendation to the City Council to approve the abatement of local property tax, contingent on Goodhue County participation. The funds will be disbursed to Zumbrota Veterinary Hospital LLC. up from the EDA Fund 403 (general) and repaid through abatement revenue. The City will have a 3% interest on an amortization schedule.

Motion Eberhart, second Meyerhofer to approve EDA Resolution 2016-01 recommending the City Council approve the use of property tax abatement for the Zumbrota Veterinary Clinic Expansion/Relocation. Carried 4-0-1 (Haugen abstains)

8. Unfinished Business

A. Covered Bridge Music & Arts Festival Update

Members were updated on the status of the 2016 Covered Bridge Festival. No action was taken at this time.

There being no further business President Hinderaker adjourned the meeting at 7:24 am.

Respectfully Submitted,

Dan King, Secretary