

**Zumbrota Economic Development Authority Agenda**  
**7:00 A.M. Wednesday, September 16, 2020**  
**Zumbrota City Hall, 175 West Avenue**  
**\* remote meeting \***

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, August 19, 2020**
- 4. Monthly Financial Report & Accounts Payable**
- 5. Public Hearings**
  - A.**
- 6. Visitors to the Board**
  - A.**
- 7. Old Business**
  - A. Linkme**
- 8. New Business**
  - A. 2021 Budget Proposal**
  - B. Promotions – Visitor’s Guide**
- 9. Reports**
  - A. Keller-Baartman TIF Public Hearing**
  - B. Land Sale**
  - C.**
- 10. Adjourn**

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

**Zumbrota Economic Development Authority Minutes**  
**7:00 A.M. Wednesday, August 19, 2020**  
**Zumbrota City Hall, 175 West Avenue**

**PRESENT:** Richard Meyerhofer, Sara Durhman, Tina Hostager, Brian Haugen, and Lindsey Raasch. Also present Ron Ziegler (CEDA), Community Development Director Ryan Soukup, City Finance Clerk Miranda Raasch, City Administrator Brian Grudem, Bob Keller, Andy Baartman, and Jaime Wetzstein.

**NOT PRESENT:** Bill Eberhart, Dave Starr

1. **Call Meeting to Order** – at 7:05 AM by Richard Meyerhofer.
2. **Amend/Adopt Agenda –Motion** Hostager, second Durhman. Carried unanimously.
3. **Approve Regular Meeting Minutes of Wednesday, July 15, 2020 - Motion** Meyerhofer, second Hostager to approve the minutes from Wednesday, July 25, 2020. Approved 4-0-1 with Raasch abstaining.
4. **Monthly Financial Report & Accounts Payable – Motion** Durhman, second Hostager to approve Monthly Financial Report and Accounts Payable. Carried unanimously.
5. **Public Hearings**
  - A.
6. **Visitors to the Board**
  - A.
7. **Old Business**
  - A. **Linkme** – No new information.
8. **New Business**
  - A. **Keller-Baartman Housing TIF** - Keller-Baartman Properties, LLC is requesting a Pay-as-you-go TIF for a 26-year term, plus an

additional \$198,700 in SAC/WAC fees, building permit fees, sidewalk/apron repair, and blacktop/curb for alleyway. Also included is a request for 90% of the increment annually (10% to City for admin costs), totaling approximately \$3,695,920 in assistance. City Staff requests moving forward with Ehlers and Keller-Baartman Properties according to these terms. If so moved, City Staff requested a motion requesting the City Council set a public hearing for September 17<sup>th</sup>. This will afford more time for Ehlers and staff to coordinate with Keller-Baartman Properties and to communicate with affected entities. Ron Ziegler provided his knowledge regarding what a TIF could mean for the City and the benefits of this deal. **MOTION** Meyerhofer, second Hostager to recommend moving forward with the project at the terms listed above to the City Council and schedule a public hearing for September 17<sup>th</sup>, 2020. Carried unanimously.

**B. Land Sale & Request for an Abatement** - Mr. Jaime Wetzstein of Specialty Metals 1 requested to acquire the EDA-owned lot at 525 22<sup>nd</sup> St for \$1. Mr. Wetzstein would like to move his recycling center business to Zumbrota and would like to acquire this lot for the business. This lot is currently zoned I1 – Limited Industrial and is appropriate for his business. “The purpose of the “I1” Limited Industrial District is to establish, preserve and regulate areas in the City for limited manufacturing, processing, assembly and fabrication, storage and warehousing and other industrial and related uses. These uses shall maintain a high level of performance and appearance, including open spaces and landscaping and encouraging development that is compatible with abutting districts.” This was previously done for another property in the area to recoup costs from development. City Staff are requested a subcommittee to begin negotiations with Mr. Wetzstein to determine an appropriate price and conditions for sale. Durhman, Hostager, Grudem, and Soukup volunteered to be a part of the subcommittee.

**C. Chrysler Dodge Jeep Business Sale** - Mr. Steve Johnson has sold his business, Zumbrota Chrysler, Dodge, Jeep, Ram, with a closing in September. The business has a loan with the EDA and an abatement. Mr. Johnson will pay back the loan to the EDA prior to

closing. The developer's agreement for the abatement did not have language about what to do should the business transition ownership. However, the county's development agreement did have such language. The new owner, ALCAR, will assume all obligations that were agreed to by the Johnson family/Zumbrota Chrysler. Goodhue County EDA has accepted this agreement. City Staff recommended acknowledgement of the assumption agreement.

**D. CARES Act** - The City of Zumbrota can use up to 10% of the CARES Act funds it received for business grants to alleviate costs incurred due to the COVID-19 pandemic. The Goodhue County EDA is offering grants up to \$10,000 for county businesses. These monies cannot be used for costs that were covered by other assistance, such as the EIDL, PPP, or other CARES Act funds. Since the County is offering grants to area businesses, and to avoid duplication of assistance, City Staff would like to offer a portion of the funds available for business assistance to the area ambulance service, fire department, and ZM schools. Another option is to offer limited grants (ex. Up to \$500 or \$1000 for qualifying costs) so long as the business can provide receipts and verify that they did not receive other assistance for those costs. The EDA decided to place this into the hands of the City Council.

## 9. Reports

## A. 2021 Budget Proposal -

	Budgeted Actual	2017 BUDGETED 12/31/2017	2018 BUDGETED 12/31/2018	2019 BUDGETED 12/31/2019	2020 BUDGETED 3/31/2020	2021 BUDGETED
<b>403</b>						
<b>EDA</b>						
<b>REVENUES</b>						
FESTIVAL REVENUES		18,000	18,000	18,000	18,000	13,000
403-32184		22,073	20,780	30,035	13,298	
TIF PAYMENTS		0	0	0	0	2,000
403-34107						
INTEREST EARNINGS		400	400	400	400	400
403-36210		435	558	797	194	
REFUNDS/REIMB						
403-36240		37	416		5,000	
TRANSFERS IN		98,412	102,825	102,825	96,150	62,888
403-39200		98,414	102,825	102,825	96,150	
PLANNED USE OF FUND BALANCE						
403-39320						
REVENUES		116,812	121,225	121,225	114,550	78,288
		120,959	124,579	133,657	114,642	0
<b>EXPENDITURES</b>						
<b>ECONOMIC DEVELOPMENT</b>						
FULLTIME EMPLOYEES		34,827	35,637	36,457		
403-46500-101		34,885	46,713			
CITY SHARE PERA		2,612	2,672	2,734		
403-46500-121		2,600	2,702			
CITY SHARE SOCIAL SECURITY		2,159	2,209	2,260		
403-46500-122		1,932	2,227			
CITY SHARE MEDICARE		505	517	529		
403-46500-125		452	521			
CITY SHARE INSURANCE		6,124	7,205	4,945		
403-46500-130		6,324	4,275	799		
HSA - CITY SHARE		2,000	2,000	1,000		
403-46500-131		2,050	854			
OPERATING SUPPLIES/EXPENSES		400	400	400	400	400
403-46500-210		4,192	644	289	64	
SIGNS						
403-46500-225				300		
PROFESSIONAL FEES		150	150	150	150	150
403-46500-304		1,250	900	51,065		
COMPENSATION		1,000	1,000	1,000	1,000	1,000
403-46500-308		1005	750	990		
TELEPHONE SERVICE		0	0	0	0	0
403-46500-321						
POSTAGE		100	100	300	300	300
403-46500-322		309	377	110		
PROMOTIONAL EXPENSES		3,000	3,000	5,400	5,400	5,400
403-46500-323		2,000	1,700	3,550		
DEVELOPMENT PROJECTS		400	4,500	4,500	4,500	6,000
403-46500-325			692	12,423	3,110	
STRATEGIC PLANNING		50	50	50	50	50
403-46500-328				3420	28	
COVERED BRIDGE FESTIVAL		18,000	18,000	18,000	18,000	18,000
403-46500-329		17,760	21,665	22,162	259	
TRAINING/TRAVEL		300	300	300	300	300
403-46500-331						
PUBLISHING		191	191	200	200	200
403-46500-351		261	133	345		
ELECTRIC UTILITIES		700	700	1,000	1,000	1,000
403-46500-381		961	825	773	94	

	Budgeted Actual	2017 BUDGETED 12/31/2017	2018 BUDGETED 12/31/2018	2019 BUDGETED 12/31/2019	2020 BUDGETED 3/31/2020	2021 BUDGETED
<b>COPIER EXPENSE</b>		100	100	0	0	0
403-46500-413						
<b>DUES, SUBSCRIPTIONS, LICENSE</b>		1,600	1,600	1,500	1,500	1,500
403-46500-433		1,370	1,470	1,000	1,250	
<b>DEPARTMENT SERVICES</b>					41,250	42,488
403-46500-444.20					14,069	
<b>OTHER EQUIPMENT</b>		0				
403-46500-580						
<b>ECONOMIC DEVELOPMENT</b>		74,218	80,331	80,725	74,050	76,788
		77,351	86,448	97,226	18,894	0
<b>DEBT SERVICE</b>						
<b>LOAN PRINCIPAL</b>		39,894	39,894	40,000	40,000	0
403-47000-602		39,894		38,832		
<b>LIABILITY/AUTO/PROPERTY INS</b>		1,000	1,000	500	500	1,500
403-49241-361		457	464	1,596	410	
<b>CONTINGENCIES</b>						
403-49260-441			3,750			
<b>TRANSFERS OUT</b>						
403-49300-720						
<b>REFUNDS &amp; REIMBURSEMENTS</b>						
403-49300-810		445		0		
<b>OTHER FINANCING USES</b>		0	0	0	0	0
		445	0	0	0	0
<b>INTEREST EXPENSE</b>						
<b>LOAN INTEREST</b>		1,700				
403-49980-612		1,700		1,062		
<b>EXPENDITURES</b>		116,812	121,225	121,225	114,550	76,288
		119,847	90,662	138,716	19,304	0

10. **Adjourn** – There being no further business, Meyerhofer adjourned the meeting at 8:05 AM.