

Zumbrota Economic Development Authority Agenda
7:00 A.M. Wednesday, October 19, 2016
Zumbrota City Hall, 175 West Avenue

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, September 21, 2016**
- 4. Monthly Financial Report & Accounts Payable**
- 5. New Business**
 - A. Decertify Tax Increment Financing District 1-16 (Former Grover)**
 - B. Decertify Tax Increment Financing District 1-17 (Atlas Cold Storage)**
 - C. Goodhue County EDA Summit**
 - D. 2017 Membership**
 - E. Quarterly Update**
 - I. Skyline Construction (1100 Arctic Avenue)**
 - II. Haughton's Auction (505 North Main Street)**
 - III. Zumbrota Mini-Storage (10 Jefferson Drive)**
 - IV. Zumbrota Ford**
 - V. Goodhue Pioneer Trailhead & Visitor Center**
 - VI. Zumbrota Veterinary Clinic (1412 North Star Drive)**
 - VII. Former Pizza Man Building (1408 North Star Drive)**
 - VIII. Former Bank Building (1406 North Star Drive)**
 - IX. Main Street Car Wash (524 South Main Street)**
 - X. My Happy Place (392 South Main Street)**
 - XI. Former Alco**
 - XII. Radish & Home Magazine articles**
 - XIII. Rochester Sales Tax Revenue for Economic Development**
 - F. Sarah Bang Promotional Brochure Proposal**
- 6. Unfinished Business**
- 7. Reports**
- 8. Adjourn**

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

EDA Minutes
Wednesday, October 19, 2016
Zumbrota City Hall 7:00 a.m.

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

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

2. **Agenda**
Motion Meyerhofer, second Bauer to approve the agenda as submitted.
Carried 6-0-0

3. **Minutes**
Motion Eberhart, second Lerum to approve the minutes of the September 21st, 2016 EDA meeting. Carried 6-0-0

4. **Financial Reports**
Motion Haugen, second Meyerhofer to approve the financial report and accounts payable. Carried 6-0-0

5. **New Business**
 - A. **Decertify Tax Increment Financing District 1-16 (Former Grover)**

Staff stated the Former Grover TIF District was created in 2006 to recoup some of the costs associated with relocating Grover Auto and acquisition/cleanup of the former site. However, since no redevelopment has occurred within a ten-year timeframe, the State Auditor has notified us that the district must be decertified according to MN Statute. The \$1,511.37 of increment collected thus far will be returned to Goodhue County for distribution to appropriate government entities.

Motion Meyerhofer, second Haugen to recommend the City Council decertify Tax Increment Financing District 1-16 (Former Grover) effective immediately. Carried 6-0-0

B. Decertify Tax Increment Financing District 1-17 (Atlas Cold Storage)

Staff stated the Atlas TIF District 1-17 has paid off its financial obligation to the recipient and needs to be decertified. The first increment was received in 2008, and with the final payment in December 2016 the district will have collected \$586,574.67; of which AmeriCold received \$527,917.20 (90%) and the City \$58,657.47 (10%) for administration.

Motion Eberhart, second Meyerhofer to recommend the City Council decertify Tax Increment Financing District 1-17 (Atlas Cold Storage) effective December 30, 2016.

C. Goodhue County EDA Annual Summit

Members reviewed an invitation to the Annual Goodhue County EDA Economic Summit to be held Wednesday, October 26th at the Zumbrota VFW from 8:00 am – noon. The topic this year is “Arts as an Economic Driver”.

The arts have been recognized to be a huge driver of economic development in their ability to generate revenue, jobs, tourism, and community engagement. Last year’s summit indicated that there was significant interest in exploring the analytical and anecdotal benefits of capitalizing on the assets that artists and art organizations create. This year’s summit will feature a presentation from Sheila Smith, Executive Director of Minnesota Citizens for the Arts as well as a panel discussion with:

- Marie Marvin, Crossings at Carnegie
- Bonnie Schock, Executive Director at Sheldon Theatre in Red Wing
- Kathy Jo Rodester, President Lake City Tourism Bureau
- Nicole Nfonoyim-Hara, Journey 2 Growth

The event is free and open to the public. No action was taken at this time.

D. 2017 Membership

Staff noted the two City Council representatives, Mayor Rich Bauer and Councilor Dale Hinderaker, are not running for reelection. Therefore the newly elected Mayor and City Council will appoint two new representatives from the Council in 2017. Rich Meyerhofer has volunteered to serve another 6-year term.

Lerum stated the six year term is a significant commitment. Staff stated the terms were established in the bylaws in 1988. The bylaws could be amended to change the term length if desired.

No action was taken at this time.

E. Quarterly Update

Staff stated it has determined it may be beneficial for the EDA Board to get quarterly updates in addition to the annual report in February. The following projects were reviewed:

I. Skyline Construction (1100 Arctic Avenue)

Bruening Rock has purchased 115 acres to the west and north of AmeriCold, along Highway 52. Eleven acres of this to the immediate north of AmeriCold has been annexed for development of a 4,000 square foot maintenance facility for one of their subsidiaries Skyline Construction. A grading plan has been submitted and approved but we are still working with them on utility and building plans.

II. Haughton's Auction Service (505 North Main Street)

Todd Haughton of Haughton Auctions has purchased a 36 acre parcel just north of the Covered Bridge Ballfields on the east side of Highway 58. He is proposing to construct a 9,800 square foot building for farm auctions; similar to those held at the Goodhue County Fairgrounds and VFW. He will be utilizing the building as well as outdoor display areas. A grading plan has been approved and we are currently reviewing site and building plans.

III. Zumbrota Mini-Storage (10 Jefferson Drive)

Steve Bucher, co-owner of the Zumbrota Mini-Storage, has submitted a building permit application to add a 10,400 square foot storage building on the site. The lot already has a 4,000 square foot storage building.

IV. Zumbrota Ford

Steve Johnson recently purchased the Put-It-Place Storage facility adjacent to Zumbrota Ford. He has demolished one 4,200 square foot building and kept the other 2,400 square foot storage unit. The City also vacated West Avenue south of Jefferson Drive. The vacated street and demolished buildings has added about 20,000 square feet of area for parking of vehicles for sale.

V. Goodhue Pioneer Trailhead & Visitor Center

The City Council approved a contract with Construction Collaborative, LLC to build the Goodhue Pioneer Trailhead & Visitor Center. The site has been graded and construction begun. It should be completed in 4-6 weeks.

VI. Zumbrota Veterinary Clinic (1412 North Star Drive)

The City and County approved the use of property tax abatement for the project earlier in the year. However, the actual construction costs came in well over the estimates so the project has been delayed.

VII. Former Pizza Man Building (1408 North Star Drive)

The former Pizza Man building has been leased to Newvoefex, a company that produces artisan soaps and lotions.

VIII. Former Bank Building (1406 North Star Drive)

The neighboring property has been leased by DairiConcepts for additional office space.

IX. Main Street Car Wash (524 South Main Street)

Dave Starr has set a purchase agreement for the Main Street Car Wash and intends to update the equipment and get it back in business. Closing date is likely in mid-November.

X. My Happy Place (392 South Main Street)

A Grand Opening was held on October 8th for Main Street's newest business My Happy Place. Located on the northwest corner of Fourth Street and Main, the unique store has unique crafts for sale as well as art classes and DIY craft events.

XI. Former Alco

In February the City Council approved an Interim Use Permit (IUP) which allowed Steve Cheney, the owner, to use the building temporarily for warehousing. He stated he had a letter of intent (LOI) with Shopko that would have the retailer taking possession March 1, 2017. Commercial Water Distributing is leasing the space for warehousing operations until the IUP ends on February 29, 2017. Mr. Cheney and Shopko are still negotiating terms at this time.

XII. Radish & Home Magazine articles

Members reviewed a couple of recent articles in area publications highlighting local businesses. Lerum noted ZIBA representatives had contacted the publications and suggested they visit

XIII. Rochester Sales Tax Revenue for Economic Development

In February 2013, as part of the extension of the Rochester sales tax for Destination Medical Center (DMC), five million dollars were dedicated for distribution to 17 cities surrounding Rochester to be used specifically for economic development projects. Zumbrota has received \$348,000 from these sales tax dollars.

After much deliberation, in 2015 the City voted to allocate \$50,000 to the Zumbrota Area Arts Council for improvements to the State Theatre to promote arts, culture and entertainment. We also allocated \$100,000 for a Commercial Building Improvement forgivable loan program (CBIF). The remaining amount is earmarked for future industrial park development.

The CBIF offers forgivable (matching) loans of up to \$10,000 for renovations of commercial buildings in the Historic Downtown. Ten property owners in the Historic Downtown have been allocated funds to complete improvements/restoration to buildings. There will be two dollars invested in downtown buildings for every one dollar from the fund.

The attached spreadsheet shows who was awarded funds and which projects have been completed. As of today six applicants have been reimbursed \$68,762. This leaves four projects not completed with \$31,238 remaining.

F. Sarah Bang Promotional Brochure Proposal

Members reviewed a proposal from Sarah Bang for creation of a promotional brochure. She is offering her services for \$200.00. Sarah has previously done work for the Festival Committee

and ZIBA; staff is confident she can do a great job. We have funds allocated in 2016 available in the promotions line item for this. Printing will need to come out of 2017 funds.

Motion Lerum, second Haugen to contract with Sarah Bang for \$200 for the creation of a promotional brochure. Carried 6-0-0.

6. Unfinished Business

7. Reports

Hinderaker noted Custom Iron is doing some improvements to their building.

There being no further business President Hinderaker adjourned the meeting at 7:32 am.

Respectfully Submitted,

Dan King, Secretary