

**Zumbrota Economic Development Authority Agenda**  
**7:00 A.M. Wednesday, November 16, 2016**  
**Zumbrota City Hall, 175 West Avenue**

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, October 19, 2016**
- 4. Monthly Financial Report & Accounts Payable**
- 5. New Business**
  - A. Promotional Brochure**
  - B. Commercial Building Improvement Program (CBIP) Update**
  - C.**
- 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, November 16, 2016**  
**Zumbrota City Hall 7:00 a.m.**

Present: President Dale Hinderaker, Members Brenda Lerum, Brian Haugen and Bill Eberhart.  
Absent: Erik Bengtson, Rich Bauer and Rich Meyerhofer. Also Present: Steve Cheney, owner of former Alco building, 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**  
**President Hinderaker added 5C. Visitor to the Board Steve Cheney. Motion Eberhart, second Haugen to approve the agenda as submitted. Carried 4-0-0**
- 3. Minutes**  
**Motion Lerum, second Eberhart to approve the minutes of the October 19<sup>th</sup>, 2016 EDA meeting. Carried 4-0-0**
- 4. Financial Reports**  
**Motion Haugen, second Lerum to approve the financial report and accounts payable. Carried 4-0-0**
- 5. New Business**  
**C. Visitor to the Board Steve Cheney**

Mr. Steve Cheney, owner of the former Alco building addressed the board with a request to refinance the assessments on the parcel. It was noted the assessments were for the initial installation of water, sanitary and storm sewer systems and streets. Assessments on other lots were paid off when they were sold for development. When the owners developed the Alco Store in 2007, they requested to refinance the assessments rather than pay them off. The City agreed to the request and refinanced the assessments at 5.5% interest for 15 years. There is \$98,531.77 remaining. The assessments for payable 2017 cannot be refinanced, but assessments of \$84,227.03 payable 2018 and beyond can be refinanced. Mr. Cheney requested refinancing the remaining amount at 3% for 20 years. Staff was directed to create some amortization tables with various interest rates and terms for consideration at future EDA meetings. Jensen stated the terms should state the assessments should be paid if the property is sold

Mr. Cheney has an Interim Use Permit (IUP) to allow the building to be used for warehousing until February 28, 2017. This was approved in February 2016 with the understanding there was a Letter of Intent with Shopko to take possession under a lease on March 1, 2017. Mr. Cheney explained that as of today the agreement is not yet signed. He inquired as to the likelihood the IUP could be extended. Staff stated the IUP allowing warehousing was definitely meant to be temporary and not extend beyond the one-year allowed. Members concurred there is a higher and better use of the land than warehousing and another retail use should be pursued.

There was no further action at this time.

## **A. Promotional Brochures**

Members reviewed a promotional brochure designed by Sarah Bang. Staff noted the intent was to keep it simple with little narrative and plenty of pictures. Viewers are referenced to websites for more information. Lerum stated there were some areas that were difficult to read because of the light colored font on a light background. Staff stated that would be corrected and the proof resubmitted for review.

There was no further action at this time

## **B. Commercial Building Improvement Program (CBIP) Update**

At the last meeting it was noted that of the twelve projects awarded monies from the CBIP Forgivable Loan Program, seven applicants have been reimbursed \$68,762. This leaves five projects not completed with \$31,238 remaining to disperse. At least two more are almost complete (Rockne Law and Guilty Goose) and should be sending requests for reimbursement soon. Bridget and Kish are still planning on improvements.

That leaves Pat O'Neill, owner of the building at 228 Main Street, home to Luya Shoes & Other Fine Things. He is not moving forward with improvements on his property. Therefore \$10,000 is available for use on different projects. It was noted Matt Markham of Berg's Auto was at the last City Council meeting to discuss nuisance violations at the business. Chief Callahan and Zoning Administrator King had advised him erecting a privacy fence and a fence may be eligible for CBIP funding. Members concurred a fence would be an eligible project and a positive use of the funds. However staff was directed to open the remaining funding up to all commercial property owners and solicit a third round of applications.

There was no further action at this time.

## **7. Reports**

It was noted Leonard's Corner Shell has ceased operations. It was also noted there is a new operator at Jimmy's Pizza.

There being no further business President Hinderaker adjourned the meeting at 7:49 am.

Respectfully Submitted,

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Dan King, Secretary