

Zumbrota Economic Development Authority Agenda
7:00 A.M. Wednesday, November 21, 2018
Zumbrota City Hall, 175 West Avenue

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, October 17, 2018**
- 4. Monthly Financial Report & Accounts Payable**
- 5. Public Hearings**
 - A.**
- 6. Visitors to the Board**
 - A. Barrie Luers, Midwest Livestock Systems**
- 7. New Business**
 - A.**
- 8. Unfinished Business**
 - A. Branding Project Update**
 - B. Business Subsidy Request; Midwest Livestock Supply**
 - C. Bylaws Review (Potential Conflict of Interest Instances)**
 - D. 2018 Work Plan**
- 9. Reports**
- 10. Adjourn**

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

EDA Minutes
Wednesday, November 21, 2018
Zumbrota City Hall 7:00 a.m.

Present: President Richard Meyerhofer, Members Sara Durhman, Bill Eberhart, Brian Haugen, Lindsey Raasch, Tina Hostager and David Starr (arrived 7:10 am). Also present: Barrie Luers, Midwest Livestock System; Lars Glockzin, LARS Architectural Services; City Administrator Neil Jensen and Community Development Director Dan King.

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

- 2. Agenda**
Motion Hostager, second Haugen to adopt the agenda as submitted. Carried 6-0-0
- 3. Minutes**
Motion Eberhart, second Raasch to approve the minutes of the October 17, 2018 EDA meeting. Carried 5-0-1 (Hostager abstains)
- 4. Financial Reports**
Motion Haugen, second Meyerhofer to approve the financial report and accounts payable. Carried 6-0-0
- 5. Public Hearings**
A.
- 6. Visitor(s) to the Board:**
A. Barrie Luers, General Manager, Midwest Livestock Systems; Lars Glockzin, LARS Architecture

Barrie Luers, representing Midwest Livestock Systems (MLS), presented information on the company and proposal to relocate and expand operations in Zumbrota. Midwest Livestock Systems is a major supplier to cattle, swine and poultry facilities. They have facilities throughout the Midwest, with a 15,700 square foot facility in Pine Island. The Pine Island facility rented and the owner is selling it, prompting the need to find another option.

They are proposing to construct a 19,200 square foot facility on a 3 acre portion of the EDA owned lot in the Highway 52 Business Park. Staff had suggested that two or 2 ½ acres is sufficient to accommodate a building this size. Luers stated MLS requires three acres to accommodate semi-truck traffic, outdoor storage and future expansion. In addition to the increased property tax, the business has about 25 well paid employees.

The EDA could split the lot via minor subdivision and sell the lot for \$1.50/square foot, or \$196,000 for three acres. The EDA could create a tax increment district and recover this over the duration of the district. In order to do this the structure must create enough increased property tax to reimburse the EDA. The proposed facility as submitted would not but staff will work with the Goodhue County Assessor to review the initial estimate. Mr. Luers stated he may

increase the size/value of the building if needed. Midwest Livestock Systems may also apply for a \$100,000 loan from the Revolving Loan Fund.

Staff suggested the EDA Board contract with Ehlers Financial Advisors to move the project forward.

8. Unfinished Business

A. Branding Project Update

Subcommittee members Durhman, Hostager and Raasch presented two logos for consideration. The Subgroup had reviewed seven logos to start with and offered feedback to Brian Maciej of Lime Valley Advertising. These were revised several times to the two being considered currently. Members discussed the qualities of both and concurred the Alternate #3 should be recommended to the City Council. Members stated the recommended logo should be put on social media to solicit feedback/comments from the public.

Motion Meyerhofer, second Eberhart to recommend the City Council chose Alternate #3 as the City's new logo, after exposure on social media. Carried 7-0-0

B. Business Subsidy Inquiry; Midwest Livestock Supply

Members addressed the request for business subsidies from Midwest Livestock Supply to encourage a 19,200 square foot relocation/expansion in the EDA lot in the Highway 52 Business Park.

Motion Hostager, second Durhman to contract with Ehlers Financial Advisors to create a tax increment financing district to facilitate the construction of a 19,200 square foot building for MLS. Carried 7-0-0

C. Bylaws Review (Potential Conflict of Interest Instances)

Members reviewed correspondence from City Attorney Matt Rockne referencing MN Statutes regarding the potential for conflict of interest in cases where EDA members are voting on items affecting Zumbrota Independent Business Alliance (ZIBA). Rockne empathized EDA members may be able to vote with no conflict of interest if “funds are used for general good of the community as opposed to ...a direct benefit for the local business/member such as reducing the cost of advertising”.

It was noted the EDA bylaws Section 2.8 Conflict of Interest state “A commissioner of an authority must not acquire any financial interest, direct or indirect, in any project...” Eberhart stated the ZIBA members may be benefiting indirectly and should abstain from voting. Raasch stated there are four members of ZIBA on the EDA. Therefore, if ZIBA members were to abstain no vote could reach a quorum. Eberhart stated those votes should go to the City Council for action then.

Members further discussed this issue and requested staff gets more information from the League of MN Cities reading this. Members noted future votes should be taken on a case-by-case basis.

2018 Work Plan

Members reviewed and commented on the 2018 work plan.

9. Reports

No reports.

There being no further business President Meyerhofer adjourned the meeting at 8:15 am.

Respectfully Submitted,

Dan King, Secretary