

Zumbrota Economic Development Authority Agenda
7:00 A.M. Wednesday, December 21, 2016
Zumbrota City Hall, 175 West Avenue

- 1. Call Meeting to Order**
- 2. Amend/Adopt Agenda**
- 3. Approve Regular Meeting Minutes of Wednesday, November 16, 2016**
- 4. Monthly Financial Report & Accounts Payable**
- 5. New Business**
 - A. Aranyi Proposal for Former Grover Auto lot**

 - B. Commercial Building Improvement Program (CBIP) Round 3 Applications**

 - 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, December 21, 2016
Zumbrota City Hall 7:00 a.m.

Present: President Dale Hinderaker, Members Erik Bengtson, Brian Haugen, Rich Meyerhofer and Bill Eberhart. Absent: Brenda Lerum and Rich Bauer. Also Present: David Starr, Starr Wash; Roxanne Bartsh, ZIBA, 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 Roxanne Bartsh. Motion Meyerhofer, second Eberhart to approve the agenda as submitted. Carried 5-0-0
- 3. Minutes**
Motion Haugen, second Eberhart to approve the minutes of the November 16th, 2016 EDA meeting. Carried 4-0-1 (Meyerhofer abstains)
- 4. Financial Reports**
Motion Meyerhofer, second Bengtson to approve the financial report and accounts payable. Carried 5-0-0
- 5. New Business**
 - A. Visitor to the Board Roxanne Bartsh, Zumbrota Independent Business Alliance**

Roxanne Bartsh updated board members on the activities of ZIBA to promote Zumbrota as a destination for shopping. The group sponsored “Shop the Block” events over the summer, as well as Thanksgiving and Christmas events in November/December. ZIBA would like to get reimbursed for print and radio advertising promoting these events, as the EDA had decided last year.

Members inquired if the advertising was productive. Bartsh stated they were and that the majority of attendees at the events are from out of town. President Hinderaker thanked Bartsh for the update and directed staff to reimburse ZIBA for eligible expenses.

B Aranyi proposal for former Grover Auto lot – Midwest Dental

Members reviewed elevation drawings, floor plan and site plan from Bob Aranyi of De novo Development LLC for a proposed 2,660 square foot building for Midwest Dental Clinic on the former Grover Auto lot. De Novo Development would own the building and lease to Midwest Dental Clinic.

The exterior material would be a rock or split faced block with integrated color, exterior insulation finishing system (EIFS) or possibly a stucco textured panel system, awnings, storefront glass with alum frames, and a prefinished metal cap. The plan as submitted shows

eight chairs for patients, lobby and employee space. There are 16 off-street parking spaces with access from Third Street.

The proposed development would only require half of the existing lot; 14,400 square feet (120' x 120'). Therefore a minor subdivision would be needed to split the lot prior to sale. As with other recent proposals, the developer is proposing to receive the property for \$1.00.

According to the Goodhue County Assessor's Office, the project as proposed would probably have an estimated market value between \$369,800 - \$402,900. This would generate about \$13,960 - \$15,345 in total property tax per year.

Members commented it would be preferable not to split the lot. Additional comments stated the structure as submitted was too small and there is too much off-street parking. It should also be located at the lot line on West Avenue; similar to Main Street.

King stated in addition to the increased tax base, the project would also keep one dentist and several staff members. It would also accommodate an additional dentist and support staff. The project would also keep a Main Street business downtown.

Visitor Bartsh, ZIBA, stated Midwest Dental not being in downtown would not harm Main Street. She noted the preference is for retail businesses on Main Street.

The consensus of the board was to have staff contact the developer and relay the following:

- The EDA is not comfortable splitting the lot and prefers a development that utilizes the entire lot.
- Any proposed structure needs to be a minimum 5,200 sf or larger.
- Structure needs to front on West Avenue to reflect existing downtown development.
- As there is ample on-street and public parking across the street, there should be less space dedicated to parking.

C. Commercial Building Improvement Program (CBIP) Round Three

At earlier meetings, 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 but this year.

That leaves Pat O'Neill, owner of the building at 228 Main Street, home to Luya Shoes & Other Fine Things. He was awarded a \$10,000 loan but has chosen not to move forward with the project. Therefore there is \$10,000 available for other projects. Staff was directed to solicit another round of applications, both in the News Record and via business e-mail list.

There were two applications received from the following property/business owners:

- Dave Starr, Starr Wash, LLC, 524 Main Street. Mr. Starr has recently purchased the Car Wash at the southwest corner of Fifth and Main Street. He is planning on renovating and updating the facility to once again operate as a car wash. He is also considering adding a self-serve dog wash/grooming area.

The plan is to improve the exterior of the building by replacing the lighting with high efficiency LED bulbs, installing an electronic reader board sign and replacing the awning and window. The total investment is estimated at \$30,938.

- Steve Johnson, Zumbrota Enterprises, LLC, 448 Main Street. Mr. Johnson recently purchased the former Shell filling station and auto repair at the northwest corner of Fifth and Main Street. He plans on removing the underground tanks, fuel pumps, canopy and lifts. Then the building will be renovated and used as an auto detailing shop.

He has already invested in removing the underground tanks, hoists, canopies and pumps. Next spring they are planning on the exterior improvements including painting the removing the underground tanks, hoists, canopies and pumps building, signage and repaving the lot. Although costs already incurred removing the underground tanks, hoists, canopies and pumps are not eligible, the remaining improvements estimated at \$30,000 are eligible.

Mr. Starr was in attendance and summarized his plan as submitted. Members concurred the program priorities were for exterior improvements in the commercial districts like those being proposed. Members stated the dog grooming facilities is a needed amenity in town and should be busy. Mr. Johnson was not able to make the meeting. Members agreed both applications were eligible and beneficial to the City. As there is \$10,000 available, the consensus was to offer \$5,000 to both applicants.

Bengtson motion to approve \$5,000 for both projects. Motion dies for lack of a second.

**Motion Meyerhofer, second Bengtson to approve \$5,000 to Dave Starr and request Mr. Johnson return with more details on his project before awarding any monies.
Carried 5-0-0**

7. Reports

It was noted Jimmy's Pizza is under new ownership and has been renamed Pizza Kabin. Staff and board members thanked outgoing President Dale Hinderaker for his years of service and wished him well in the future.

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

Respectfully Submitted,

Dan King, Secretary