

EYOTA ECONOMIC DEVELOPMENT AUTHORITY, MEETING MINUTES

DATE: July 28, 2016
TIME: 5:30 p.m.
LOCATION: Arbor Gardens

Call the Meeting to Order: Connie Meiners called the meeting to order at 5:30 p.m.

Roll Call: Connie Meiners, Darcy Higgins, Craig Horan, Bryan Cornell, Tyrel Clark, and Cathy Enerson were in attendance. Absent: Dale Heintz, Ryan Castle, and Don Rademacher

Set the Agenda: *Motion to set the agenda as written, motion seconded by Bryan Cornell, and motion carried 5/0.*

Arbor Gardens

Financials – emailed, see debt service report: The financials continue to indicate that the collectibles for reimbursements continues to remain at the target range set by Tealwood and the EDA board.

- **Director’s Report – Don:** See exhibit A, Don sent a report for the board’s review: Hiring in on track, there is one assisted living opening, the deck project will begin, Don Rademacher asked for a recommendation to approve a sidewalk bid, Direct TV is changing the residents receivers to HD receivers at a minimal cost to the residents of .75 cents per month, the overtime policy has been modified and has begun without concerns.
 - **DEED Job Skills grant for training:** Pending Tealwood review
 - **Side walk bids:** The board reviewed two bids and the Public Works Director’s comments. *Motion by Tyrel Clark, motion seconded by Craig Horan to recommend to the City Council to accept the TS Concrete Inc., bid in the amount of \$13,770, which is the lower of the two bids, for adding the sidewalk to Arbor Gardens, funds to be a debit from the Arbor Garden Enterprise Fund, and motion carried 5/0.*
 - **Trip to the newly built assisted living in Byron:** pending
 - **Email correspondence:** Don Rademacher send an update to the Direct TV changes, he plans to do some further investigation and then describe three possible scenarios for satellite service.

I. Approve the EDA Minutes: May and June 2016: May minutes are pending. *Motion by Tyrel Clark, and seconded by Bryan Cornell to approve the June 2016 minutes, and motion carried 5/0.*

II. Budget Status Report - informational, reports emailed

Economic Development Authority Financial Report Month

220 EDA cash balance checking:	\$ 60,866.53
221 Revolving Loan Fund (\$10,000 committed, brewer)	\$ 48,645.32
222 Eyota Investment Fund balance cash (\$15,000 committed, brewer)	\$ 19,918.83
223 Rochester sales tax funds	\$ 207,500.95
655 Arbor Gardens Enterprise Fund August (Account debit of \$13,770 recommendation to City Council for concrete sidewalk)	\$ 107,711.01

Enerson added the correspondence from Fred Suhler, City Attorney, in the board’s packet. The letter was information that could be used for the sale of the Fey’s building. The letter indicated that the EDA has a lien on the property for \$4,735.36. The sales closed, the EDA fund was repaid in full.

Enerson informed the board that the board will be budgeting next month.

Old Business:

- **Business Subsidies:**

- **Incentive applications, invoices, project designs:**

The board reviewed the paid receipt from Bob's Construction provide by Brandi Yust, the amount due to the applicant as a reimbursement is \$5,591.50. *Motion by Tyrel Clark, and seconded by Darcy Higgins to approve the reimbursement of \$5,591.50 to Brandi Yust owner of the Simply Sylin' who has a building located in the historic downtown façade improvement district, the funds are to be debited from the Rochester Sales Tax Fund, and motion carried 5/0.*

The board reviewed the paid receipts from Charles Pearson, the amount due the applicant is \$681.51, and Charles has \$1,818.49 remaining of the \$2,500 portion of the applicant's approved incentive. *Motion by Bryan Cornell, motion seconded by Connie Meiners to approve the reimbursement of \$681.51 to Charles Pearson owner of Wind Power Fire Arms located at South Front Street in the historic downtown façade improvement district, and motion carried 5/0.*

Enerson presented an update on Jem's, Jem's will continue production in Eyota, and sell retail in Rochester, they will improve the building but are planning to scale back their building improvements and paint rather than replace the siding.

The board was presented with a program summary sheet. Just a few façade improvement incentives remain, once the approved funds are used the board can determine if adding funds to the program is feasible.

- **Request for land subsidy:** The EDA packet included the appraisal details for the one acre parcel located at the second street wetland area. That parcel has a pending request to be purchased for one dollar for a commercial business start-up activity, a brewery, tap room and or a possible brew pub. The appraisal came back valuing the land at \$50,000. The appraisal included a zoning analysis. The report indicated that based on the 2009 comprehensive plan the parcel was suitable to be zoned from Agriculture to a higher intensity use. Taking into consideration R-2, and Commercial with the known request for a taproom the appraiser indicated the site is better suited for residential use, however since the City is actively seeking a local brewing company that includes an in-house tap room it is their opinion that a brew-pub having food service would provide the best model for success. While the location is near existing low density residential properties, West 2nd Street is identified as a Local Collector Street which could adequately handle traffic levels from Highway 42 accessing a brew-pub, Hours of operation would likely have to be limited. Rezoning to C-1 to specifically allow a low intensity commercial use similar to a brew is reasonable probable to consider.

Enerson presented the board with options for the next steps for the business subsidy request, and advised the board to recommend that the city consult with the City's Attorney for final approval of the land sale process that results in the best interest of the City, and to consult the City Attorney to discuss TIF as a repayment mechanism to recapture the potential new taxes and pay the City back the \$50,000 value of the land that the City or EDA would be selling.

- **Charter Spectrum video – short clips, status:** The board found no changes needed to the scripts, the clips will be created and presented next month.

- **Status– USDA Value Added grant application:** Enerson has submitted the grant for Burt's Meats for working capital. The grant applicants receive notification at the end of September.
- **State of MN Value Added grant status:** Enerson received a copy of a letter from the State's Agriculture Department, in the letter a site visit was requested. A site visit was scheduled for next spring. The Burt's will close on their financing at the beginning of August, and likely begin construction of their expansion in September.
- **Legion committee design/build project:** Tyrel Clark explained that the Legion Committee is proceeding with polling the Legion's members on three possible scenarios that would result in improvements to the Legion building and the possible use of the site as a community center.

III. New Business:

- **Subordination request for revolving loans:** Enerson presented a letter from Foresight Bank's President which requested that the EDA subordinate its lien position to the Bank for the financing that would be used to expand Burt's Meats. Included with the letter was the subordination agreement that was drafted by Title Services of Rochester. Enerson noted this is a standard bank request, the EDA has historically provided their permission to take second lien position to improve area businesses and expand the City's tax base. *Motion by Darcy Higgins, seconded by Craig Horan to recommend to the City Council that the EDA approve the subordination of the EDA's first lien position to second lien position on the Burt's Meat's revolving loan, and motion carried 5/0.*
- **Gary Meldahl requested the forgiveness of his flood loan to accelerate the sale of his building to attract a local dentist:** The applicant has been in compliance and re paying the EDA regularly, the applicant expressed his gratitude to the City for seeking flood relief funds. Enerson noted that the repayment of the funds is used to re-loan money to expand and attract new businesses. The board disagreed with the request and discussed the fact that forgiving the loan would not assist new business. The EDA board asked if the EDA had a lien on the building. Enerson had a copy of the MIF loan agreement which indicated the collateral was indeed a mortgage on the building. The applicant's loan was originally \$40, 440 dollars of which \$30,330 dollars was forgiven by the State of Minnesota. *Motion by Connie Meiners, seconded by Bryan Cornell to require Meldahls' repayment of the MIF dollars and deny the request, in order to assist future business in Eyota, and motion carried 5/0.*
- **Retail Gap analysis study area:** The board was asked by the University of Minnesota to define the retail gap analysis market area profile. A map of the study area, which was a map of the school district was presented by Enerson for the board to review as well as a recommendation to use an eight mile radius around Eyota that included Dover but not St Charles, Rochester, or Chatfield. The board would like Elgin and Viola included, use of the 55934 zip code area, and introduce an eight mile radius for the market area profile area. The consumer studies at a cost of \$2,000 was not approved, the study will take 2 -4 months to complete.
- **City land valuation, and zoning recommendation:** The appraiser's report was presented to the board for review, and was used to discuss the request for land for a brewery.
- **Pig Skin Preview request:** The board was presented with the opportunity to advertise in the Post Bulletin Pig Skin preview, and the upcoming local high school program. *Motion by Bryan Cornell, seconded by Connie Meiners to approve the use of \$100.00 from the EDA promotions account to pay for promoting the Eyota New Construction Incentive in the local high school*

program, with no funds allocated towards the Post Bulletin's program, and motion carried 5/0.

- Dentist inquires: Enerson indicated she has corresponded, met with or had phone conversations with three dentist and two students since the Post Bulletin article. There is a pending sales agreement for the purchase of Eyota's former dentist office.

IV. Other: The board was presented with information materials: Rural Development Community facilities program information flier was in the board's packet. The USDA program funds community centers. The Small town businesses takes advantage of façade improvement program Post Bulletin article by Brian Todd was in the board packet, as well as the DEED jobs report. In the jobs report leisure and hospitality had the State's highest gain in jobs, then health services, then government, then construction. Jobs were lost in trade, transportation, and utilities. Logging and mining lost 1,475 jobs.

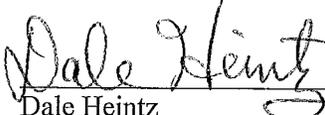
Next meeting: August 25, 2016

Motion by Bryan Cornell, seconded by Tyrel Clark to adjourn at 6:55 p.m. and with no further discussion the board adjourned.

Respectfully submitted,


Cathy Enerson
EDA Director

8/25/16
date


Dale Heintz
EDA Chair

8/25/16
date