

## EYOTA ECONOMIC DEVELOPMENT AUTHORITY, MEETING MINUTES

**DATE:** May 26, 2016  
**TIME:** 5:00 p.m.  
**LOCATION:** Arbor Gardens

**Call the Meeting to Order:** At 5:45 p.m. Dale Heintz called the meeting to order.

**Roll Call:** In attendance: Craig Horan, Tyrel Clark, Dale Heintz, at 5:45 p.m. Bryan Cornell joined the meeting, and at 5:50 p.m. Connie Meiners joined the meeting.

Also in attendance: Darcy Higgins, Vicki Ardent, Marlis Knowlton, Don Rademacher, Jason Swanson of Tealwood, and Brett Lincoln, Lincoln Brewery, and Molly Toulouse called into the meeting, she is from Tealwood Management. Absent: Amy Brown, and Ryan Castle.

**Set the Agenda:** *Motion by Tyrel Clark, and seconded by Craig Horan to set the agenda, and motion carried 4/0.*

### Arbor Gardens

Financials – emailed, Debt service report reviewed.

- **Director's Report** – Don Rademacher handed out a report, see exhibit A. Don requested funding for a resident's lift for the memory care area. After further discussion, there was a *motion by Tyrel Clark, and seconded by Craig Horan to purchase a lift assist device without a scale but with the sling for a cost not to exceed \$4,500, funding of the lift would come out of the Arbor Gardens Enterprise Fund account, with finding of facts that the lift will pay for itself by retaining residents, and motion carried 4/0. See the attached lift specifications attached to Exhibit A.*
- **Tealwood quarterly update and visit – May 26<sup>th</sup>**
  - **2016 Budget:** The Arbor Gardens budget, see Exhibit B, was presented by Don Rademacher, Jason Swanson, and Molly Toulouse. Jason explained that employee over-time will be changing to be measured by a 40 hour a week calculation, rather than a per hour calculation. The board asked Don to inform the board of any backlash. Jason stated that the assisted living census is going down nationally due to the National Affordable Care Act, this act he explained has a push to keep people at home, he indicated that more people are going into the hospital and then returning home. Jason discussed that the mix of resident's as a 50/50 private pay and elderly waiver is the maximum amount of elderly waivers that works for the budget, he did say that national reforms may help to change the resident mix. Lower census makes it more difficult to keep up with the higher cost of maintenance. To increase census a more aggressive marketing campaign was discussed, marketing the Meals on Wheels Program, SEMAC's Dining Program, refer a friend program, and using Career Builder and Indeed for recruiting staff. Occupancy is historically lowest during the summer and increases in late fall.
  - **Savings for the repair and reserves on the aging report/Enterprise Fund:** The board discussed the goal to save \$4,000 a month when there are excess cash/profits, *motion made by Craig Horan, and seconded by Connie Meiners to suspend the required payment to the repair and reserves account for the third quarter of 2016, and the motion carried 5/0.*
  - **DEED Job Skills Grant for training:** Cathy shared the DEED Job Skills Program with Jason and Don of Tealwood. The program can assist with the high cost of training new workers. The program would require that Arbor Gardens partner with a higher education partner like RCTC that has a CNA program. Jason was slightly familiar with the program and would do more investigation into the program to determine if it is a fit for Arbor Gardens.

- **Sidewalk bids:** Don presented a bid from McRay for sidewalks, a bid from a second contractor is pending, and cost estimates are likely to be near \$16,000. Tyrel explained that the City requires side walk in NW Investment Commercial Park. Both B&C, and Dollar General businesses are compliant with that requirement, Arbor Gardens needs to contract their sidewalk to become complaint.
- **Deck replacement update from Don:** The possible savings using a less expensive product than Treks for the decks but similar to Treks, was corrected by an email from Don to the board, the amount stated as \$15,000 to be saved was corrected to state that it is \$1,500 in savings for the entire job.
- **Possible field trip to the new assisted living in Byron:** Don and Cathy are to schedule a visit as time allows.

I. **Approve the EDA Minutes: April 28, 2016:** *Motion by Tyrel Clark, and seconded by Connie Meiners to approve the April minutes as written, and motion carried 5/0.*

II. **Budget Status Report - informational, reports emailed,** Cathy Enerson reported the balances and asked if there were any questions about the financials, the financials had been emailed to the board, there was no further board discussion.

Economic Development Authority Financial Report Month	
220 EDA cash balance checking:	\$ 62,241.18
221 Revolving Loan Fund	\$ 48,334.47
222 Eyota Investment Fund balance cash	\$ 21,410.62
223 Rochester sales tax funds	\$ 207,494.17
655 Arbor Gardens Enterprise Fund August	\$ 108,150.55
Charter Spectrum payment (2 <sup>nd</sup> half) - informational	

III. **Old Business:**

- **Brewery, next steps:** Included in the board packet was a review of the business subsidy guidelines which indicates providing land is an eligible use as a business subsidy if approved by the EDA and Council. The next step would be for Brett Lincoln to submit an additional business subsidy application indicating his request for land. If the business subsidy application is approved, the next step is for the City's attorney to create the development agreement, promissory note, personal guarantee, and if applicable a purchase agreement. The EDA reviews the business subsidy application and would make their recommendation to the City Council, if approved the Council would request council from their financial advisor, Mike Bubany. If the City is advised to proceed then the City's attorney would draw up the documents for the agreement. Cathy Enerson explained that Mike Bubany can also assist the City Council with their decision of how, or if, the City would want to be paid back for the value of land. Choices include a pay back through lower taxes from the new tax base, or by creating a TIF that pays the new taxes to the City for the value of the land which they would then use for future development. City permitting includes the site/design review and zoning approval. Brett indicated that he has a copy of the business subsidy application to submit and that he would like the opportunity to present to the EDA/City Council what a brew pub is, and see if there is further interest in a brew pub that would also offer food. Cathy indicated that there are other food establishments and the board would need to take that into account to be sure it was not a competition to existing business. A time line for development was presented, the next step is for the board to receive the business subsidy application. Brett indicated that when he attended the Minnesota Design Team event in Eyota there was a lot of discussion about the community wanting more places to eat. As part of his business planning Brett researched food trucks but there was only one vendor that was even possibly interested in coming out to Eyota, and that if sales were not sufficient that vendor would not continue to come out. From the EDA, Brett has \$25,000 committed to his project which comes from the

EDA revolving loan fund,. Brett has request land on the Second Street Wetland property, which is being valued through the appraisal process. The façade improvement program was presented as an incentive, however it was determined that the program would not be applicable for Brett's new construction. After Brett left the meeting, Enerson was asked by the board to work with Brett on the bullet points of a subsidy agreement pending the valuation of the land.

- **Minnesota Design Team Goals – Retail Gap Analysis, Film Series, and Lake Updates:** Enerson explained that the cost of the study for the retail gap analysis was \$750.00 paid to the University of Minnesota Extension Office. There were examples of the study passed around to the board member. The University indicated the study is only effective if Rochester, which is so close by, is not counted in the study. Tyrel Clark provided an update that the Parks Department is handling the development of the film series and is currently polling the resident's interest in having a film series. The polling will also ask residents about the formation of Lake Eyota, a project suggested by the Minnesota Design Team for the Second Street Wetlands area.
- **Business Incentive applications, invoices, project designs:** A business subsidy application for façade improvement grant funds was submitted by Charles Pearson of Wind Power Fire Arms located at 26 Front Street. Charles purchased the building on 5/13/16. He has a request for \$2,500 plus the 50% match of \$112.50 for the following improvements: A new steel front door, rough saw wood siding, in a natural color stain to replace the vinyl siding, he will wrap the fascia by the roof. Charles may come back to the EDA about adding a sign, and an awning to his building. The total project cost to date is \$2,775.00. *A motion was made by Connie Meiners, and seconded by Craig Horan to recommend to the City Council that the Charles Pearson's façade improvement plan, and project costs of a \$2,500 grant, and \$112.50 (50% match) be approved and paid out of the façade improvement program (Rochester Sales Tax Money, and motion was carried 5/0.* Any additional funds that may be needed for his project could be approved once the board has more information from the applicant and about a possible awning, and or sign.
- **Charter Spectrum Video – approval needed:** The board was emailed the Minnesota Design Team, approximately six minute, video clip that summaries the weekend visit that was filmed in its entirety, then will be edited into a six minute video. The video achieves the event and can be shared with the public. A People's Cooperative grant paid for the weekend filming. The approval of the video is required by Charter, payment of the video was previously approved by Council. *Motion by Bryan Cornell, and seconded by Tyrel Clark to approve the Minnesota Design Team video, and motion carried 5/0.*
- **Rolling Hills Transit 1<sup>st</sup> quarter update – ridership goal – 3 per hour:** The latest ridership report include the cost of the local matches was provided in the board's packet for review. The goal is to have at least three riders per hour. Questions were asked about Eyota receiving an adequate amount of bus time during the peak demand times. The board would like to know if additional marketing is needed. The board indicated that the board would like those that attend the SEMCAC/Rolling Hills bus meetings to make sure with SEMCAC that the community's needs are being met.
- **Legion committee meeting report:** Tyrel presented drawings, and cost estimates, depicting what the Legion could like if renovated and added onto. He indicated that the Legion Committee would like to know all their options, as well as all their costs, including how to pay for the renovations. The drawings and costs that were shared with the EDA. The renovations did not include higher ceilings, a remodeled kitchen, or garage doors, which the Eyota Days committee indicated they would like. The smoker's patio and trash still seemed very visible, with fencing used for privacy. The board would like to know if there is a definite interest from the Legion, and if further designs including more of the items the community was asking for would be considered. Once the Legion's intent is defined the board would like options presented to fund the renovation project.

**IV. New Business:**

- **Informational documents:** In the board packet for review:
  - The USDA representative's replied to Enersons inquiries about what they can do, and cannot do, to assist with crating additional apartments, financing townhomes, and the resources available to improve the downtown vacant four-plex.
  - Minnesota Workforce Housing Development Program, this program is to help create work force rental housing. The program includes a local government match of one dollar for each grant dollar obtained.
- **Builders Exchange Annual meeting, Post Bulletin Industrial Park article:** Cathy Enerson was asked to present at the annual Rochester Builder's Exchange meeting, she was asked to speak on a panel which also included the City of Byron, Stewartville, and Pine Island. The questions to be asked included the cities development challenges, city incentives to create commercial development, about commercial parks, what kind of businesses the cities are looking to entice, what adjustments are being made in regards to DMC, what the process is for bringing in a business, who is the point person in each city, what are barriers to future development, and lastly are the cities infrastructure poised for development,. Cathy wrote out replies in advance of the presentation, and supplied the board with a copy in their packet. Cathy indicated that she was approached by an engineer from Eyota that she did not know , he indicated to her that she represented Eyota very well, he stated that the it was very informative and also good to hear more about surrounding communities rather than just about Rochester. Cathy Enerson had done research about the costs to purchase area Industrial Park land and Commercial Lots, the Post Bulletin asked for that information, Cathy used the past sales and current asking prices to compile the information, she presented the information from the research to the EDA board.

- V. Other:** Amy Brown submitted a request for resignation form the EDA board, *Tyrel Clark motioned, and Bryan Cornell seconded the motion to accept the resignation of Amy Brown, and motion carried 5/0.* The board invited Vicki Ardent, and Darcy Higgins, in attendance, to apply for the vacant board seat, and that if one would like to be a board member, the other could still attend meetings, the new board member would not be able to vote, but the/she can offer public input. Cathy Enerson supplied the board with a copy of the City of Eyota Volunteer Boards Application form.

**Next meeting:** June 23, 2016

AT 6:55 p.m. *Tyrel Clark motioned to adjourn the meeting, Bryan Cornell seconded the motion, and without further discussion the meeting adjourned.*

Respectfully submitted,

  
Cathy Enerson  
8/16/16  
date

  
Dale Heintz  
8/16/16  
date