

EYOTA ECONOMIC DEVELOPMENT AUTHORITY, MEETING MINUTES
PUBLIC NOTICE: This and future EDA MEETINGS will begin at 5:30 p.m.

DATE: August 25, 2016
TIME: 5:30 p.m.
LOCATION: Arbor Gardens

Call the Meeting to Order: Craig Horan called the meeting to order at 5:30 pm.

Roll Call: Present: Craig Horan, Bryan Cornel, Tyrel Clark, Ryan Castle, Darcy Higgins, Cathy Enerson, Don Rademacher, Marlis Knowlton, Dale Heintz and Connie Meiners joined the meeting at 5:45 p.m. Absent: None

Set the Agenda: *Motion by Tyrel Clark, and motion seconded by Bryan Cornell to approve the agenda with the addition of the budget presentation to new business, and motion carried 5/0.*

Arbor Gardens

Financials – emailed, see debt service report: It was noted that if collectibles are all collected the bottom line for cash flow is in the black, however collectibles are the norm and this creates a drain on available cash flow.

- Director's Report – Don Exhibit A: DEED
- Job Skills grant for training: Tealwood has not yet made its recommendation to the EDA as to whether or not to apply for the jobs skills program to assist Arbor Gardens with the DEED job skills training program. Don explained that the Facebook posts for job applicants worked well, and was a low cost approach to advertising for new employees.
- Trip to the newly built assisted living in Byron: pending, Don and Cathy will coordinate a trip to other facilities.
- Cathy asked Ryan Castle to review the debt service ratio information for Arbor Gardens in detail. There was a decision made to meet with Tealwood to discuss the correct mix of residents in order to maintain revenue to expenses, as well as review the past, current and projected financials. Cathy will coordinate the meeting, the board asked for a one week notice prior to the meeting, and the past two years end of the year financials for their review. Cathy will communicate with Don to help set up the meeting. Several board members, Marlis, Cathy and Tealwood will attend the meeting. At the meeting it is also expected to review fee structures at other area facilities to use as comparison, and look at the 2017 draft of the Arbor Gardens budget.
- There was discussion that the Otto Bremer Foundation is a source of funds especially for school and training programs that benefit the community. Tyrel will look into the Bremer Foundation for job/school training to see if grant funds can positively affect Arbor Garden's on going need for training new employees.

I. Approve the EDA Minutes: May and July 2016 : *Motion by Tyrel Clark, and motion seconded by Connie Meiners to approve the May and July 2016 minutes, and motion passed 7/0.*

II. Budget Status Report - informational, reports emailed

Economic Development Authority Financial Report Month

220 EDA cash balance checking:	\$ 52,488.67
221 Revolving Loan Fund	\$ 53,649.83 (\$10,000 committed)
222 Eyota Investment Fund balance cash	\$ 20,217.29 (\$15,000 committed)
223 Rochester sales tax funds	\$ 201,235.94
655 Arbor Gardens Enterprise Fund August	\$ 103,499.16

It was noted that the balance for the Enterprise funds will be less due to the cost of the new decks and sidewalk improvements.

Old Business:

An outline from the previous City Council meeting was placed in the board's packet indicating which of the EDA recommendations were passed. The \$13,770 dollars from the enterprise fund for side walk installation at Arbor Garden's was approved by City Council. The City will consult with their attorney and financial counsel to determine how to sell the land at the 2nd street wetland eleven acres, and whether it is the City or the EDA that should sell the land? The EDA will need to determine which subsidies are feasible, and can still benefit the residents and tax payers. Updates on the revolving loans were presented, Della's loan was paid in full, Robin's Floral continues to pay off her loan, and there was a request to forgive the remaining MIF loan balance for Meldahl properties. The EDA was not in favor of forgiveness, no action was taken by the Council. The subordination from first to second lien position for Burt's Meat's was approved. Payment to promote EDA incentives in the local sports program was approved. Reimbursement payments to Simply Styling, and Charles Pearson for façade improvements from the Rochester Sales Tax funds was approved by the City Council. The EDA's request for \$500.00 to work with the University of Minnesota to prepare a retail gap analysis, a short term goal as a result of the Minnesota Design team visit, was passed.

• **Business Subsidies:**

- **Incentive applications, invoices, project designs:** none
- Request for land subsidy: Cathy provided the board with information and documents from previous board packets, the materials include, the next steps to convey land at the 2nd street wetland, a copy of the Springer valuation cover letter, The Springer zoning analysis for the projected zoning of the one acre as R-2, or commercial at the 2nd street wetland. The zoning analysis indicates that 2nd street is a collector street and can adequately handle traffic level from Highway 42 accessing a brew pub. The report ends with a suggestion of identifying the hours of operation, to possible limit the hours from 24/7 to limited hours. An aerial photo was placed in the EDA packet, as well las the Springer valuation highest and best use analysis. The four criteria for highest and best use were put to the test, the Springer valuation document concluded that the second street wetland's highest and best use is for future restricted commercial development. The four tests were: Physically possible, legally permissible, financially feasible, and maximally productive .Copies of area land valuations were in the EDA packet. The City financial consultant put together bullet points on ways to convey the land, to the business subsidy applicant. The EDA and the City Council had copies in their packet for the meetings. The first question was does the City desire a brewery if not the discussion should end, and the brewer can move on to his plan B. Limited hours could be of concern for the Brewer but was suggested by in the valuation report. The basic points of a development agreement were included in the packet for board review. It was mentioned by the Brewer that promoting Eyota as a brewer friendly community set Eyota apart from other communities that he was considering. *Motion by Tyrel Clark, and motion seconded by Ryan Castle, to ask the City of Eyota to convey its one acre of land at the second street wetland acreage to the EDA to allow the EDA to sell the land with the intention of the EDA to sell the*

land to a brewer, there was discussion about whether the motion was setting the price of the sale, the motion did not include a sales price, and motion carried 6/0.

- **Charter Spectrum video – short clips:** Complete and will be shared for promoting the City of Eyota
- **Legion committee design/build project:** A survey among members will be distributed to determine the intentions of the Legion’s members on how or if they would like to proceed in using the Legion building as a community center.
- **Retail Gap analysis study area:** A map with the intended coverage area had been sent out by email, the board concluded that the map looked the same as what the board had intended for the study area.
- **Dentist inquires:** A dentist will be presenting to the EDA at either a special meeting or the next regularly scheduled meeting. At this time the dentist is gathering quotes for the cost of equipment.

III. New Business:

- **2017 Budget:** Marlis presented a budget for the EDA members to review, she asked if there were special projects that were not included in her out line. She projected revenue from the repayment of loans, and the farmer’s market expenses. She asked the board if they would like to continue to subsidize the Farmer’s market, grants are provided annually and there is not guaranty that each year staff and other expenses will be subsidize. The board discussed the continue savings for a second welcome sign. The amount budgeted for capital outlay was \$2,000 and was suggested to be increased to \$5,000 to continue to save for a sign. Marlis explained that the EDA has saved \$6,700, and in 2016 will add \$5,000 for a total of \$11,700 going into 2017. At the end of 2017 it is projected the EDA will have saved \$16,700 towards a new sign. Marlis explained that the EDA is not sitting on a lot of cash, the reason the account currently appears high is because the City was able to get back \$41,150 from the DNR which was a previous trails expense. The \$41,150 can be saved to complete inner city trails, or for regional trail connections. Marlis explained that the EDA and Arbor Garden’s continue to subsidize the Rolling Hills transit as approved when the grant project was presented. The EDA continues to save towards their portion of the bus reserve so that when a new bus is needed the city will have the funds in place to continue on with the purchase of a bus and continue to provide community transportation. Cathy noted that the dentist inquiry had asked if the community had community transportation. *Connie Meiners motioned to approve a budget request of \$53,476.00, the amount includes \$5,000 for capital savings for a future sign, and Ryan Castle seconded the motion, and motion carried 6/0.*
- **PACE program:** Cathy explained that utility providers pay a portion of profits into a state fund. The fund would be used to provide 100% project financing in the form of low interest loans to achieve important energy and water conservation goals. The program is meant to be a zero net expense for the owner. What is saved is what is paid in the form of a loan payment to purchase and install energy saving equipment. For profit, nonprofit, commercial, industrial, and multi-housing projects are allowed to access the funds to make energy saving improvements. This program costs the tax payers nothing. The program handout and program details are in the board’s packet. Cathy will share the information with area building owners.
- **Regional Development Tour:** Tyrel and Bryan left the meeting and requested that work for a regional tour continue including Eyota in the 2017 tour. Cathy explained that for 2017 the City of Eyota was invited to be a city on tour during the regional economic development tour. People’s Energy Cooperative is a sponsor of the tour.
- **Business Development:** The board continue to meet and reviewed and discussed the KWIK TRIP proposed expansion project. The board packet included a letter that Cathy received from KWIK Trip. A presentation for a local dentist is pending. Cathy indicated that CEDA her organization is gathering basic site information to promote opportunities in Southeast Minnesota to site selectors and organizations outside of Minnesota. The program will market

buildings and land submitted by the EDAs to areas outside of Minnesota. The city promotes available land and building opportunities on the City website. The packet included the most recent building and sites for sale or lease which can viewed by the public on the city website.

- **Website updates:** Cathy informed the board that she reviewed the EDA's portion of the City website and made updates, including updates to the pdf that explains what lots and buildings are for sale or lease in Eyota. There were no concerns or further direction for website updates.

IV. Other: The board packet included a copy of the EDA strategic plan, and a copy of the Minnesota Design Team short, mid, and long term goals. There was no discussion due to lack of time.

Next meeting: September 22, 2016

Adjourn: Motion by Ryan Castle, and motion seconded by Darcy Higgins to adjourn the meeting at 7:15 p.m., with no further discussion the meeting adjourned.

Respectfully submitted by,


Cathy Emerson date
EDA Director


Dale Heintz date
EDA Chair