

EYOTA ECONOMIC DEVELOPMENT AUTHORITY, MEETING MINUTES

DATE:
TIME:
LOCATION

April 20, 2017
5:30 p.m.
Arbor Gardens

Call the Meeting to Order: Chairman Dale Heintz called the meeting to order at 5:35 PM

Roll Call: In attendance: Dale Heintz Chair, Craig Horan, Ryan Castle, Darcy Higgins, Connie Meiners Co-Chair, Council representative Bryan Cornell, and Council Representative and Mayor Tyrel Clark

Absent: Don Rademacher Arbor Gardens Director

Staff present: Cathy Enerson EDA Director and Shelly Schossow City Staff

Guests: Joe Loftus Arbor Gardens Building & Maintenance, Trisha King & Tracy Krucker Little Eagles Childcare

Set the Agenda: *Clark motioned to set the agenda as written, Cornell seconded the motion and motion carried 7/0.*

Arbor Gardens -

Financials – Rademacher Absent. Enerson reported the debt service ratio was above projected and covered current expenses and bond payments. Arbor Gardens has been meeting with Molly from Tealwood on the budget strategy. Included in the packet annual expenses are listed as well as long term building repairs. Annual expenses are paid for from the ongoing capital expense category in the budget, other times are taken out of reserve funding. Identifying long term expenses, assigning costs and budgeting for the expenses using the building worksheet will make the process easier when asking the board for making improvements to Arbor Gardens. Currently the budget does not have reserve savings. Cornell commented he likes how the plan looks going forward. Castle suggested if big ticket repairs are needed over a set dollar amount the City should look at loaning Arbor Gardens the money for those repairs. Anything under a set dollar amount the money should come out of the current reserve account. Planning for future expenses now, might lessen the need to borrow for items like a new roof. Borrowing would only be necessary for the short term until Arbor Gardens budget plan sets aside reserve money for repairs. At this time no borrowing is necessary.

Building – Overall building conditions were discussed including condition and remaining life of roof, paint, siding, and parking lot all of which will need to be repaired / replaced. Priorities will need to be assigned to needed repairs. City Hall received a complaint from a resident regarding the deck situation. Discussion included if residents had received communication on the future of the deck situation. Heintz commented they had received communication and he believed residents assumed the decks would be replaced but the communication did not state specifically when they would be replaced. Deck discussion included Heintz stating he felt we needed to replace the decks and Meiners commenting in order to remain competitive in the market we need to look at what the competition has to offer, the new generation has expectations to live at senior center that has the same amenities as their home.

Staffing – Enerson reported Rademacher had stated at a meeting earlier in the week staffing was at a good level for the summer.

Heintz motioned for decks/patios to be repaired Castle seconded the motion. Motion carried 7/0

In response to the complaint received at City Hall the board recommended that Rademacher communicate with the resident that the board had planned to have discussion on the matter and based on the facts, and current improvements to the financials the board voted to repair the decks.

Dr. Lai – Enerson reported Dr. Lai was currently busy with a health & community wellness fair that their firm is a part of, details about the fair were in the EDA packet. Invitation will be extended to Dr. Lai to attend the next EDA committee meeting.

I. **Approve the EDA Minutes:** *March 16, 2017 EDA minutes: Clark motioned to approve the March 16, 2017 minutes, Meiners seconded the motion, and motion carried 7/0.*

II. **Budget Status Report -**

- Enerson reported revolving loans status is on track. EDA Cash balance checking \$85,887.04, Revolving loan fund \$46,514.25, Eyota Investment fund Balance Cash \$14,670.22, Rochester Sales tax funds \$18,6242.93, Arbor Gardens Enterprise fund \$78,940.41

III. **Old Business:**

- **MN Design Team follow up** – Implementation Committee - Enerson asked if she could assist or if the board would like to provide direction. Clark recommended sending the MN Design Team suggestion to the City Council for direction.
Heintz motioned for City Council to provide direction on moving forward with an implementation committee as suggested by MN Design Team. Clark seconded the motion, and motion carried 7/0.
- **Peoples Energy Cooperative Grant:** Enerson submitted as part of the promotions plan.
- **GAP analysis** Enerson presented the results from the participants.
- **EDA video** is pending waiting on the Charter Spectrum representative to provide the first draft of the script. Discussion over if we have a signed contract with Charter Spectrum and are tied to using them or not, and how far behind are they. Enerson stated we do not have a signed document with them for this service and she hopes to have the script before the next meeting.
- **Joe Loftus with Arbor Gardens building & maintenance** staff joined the meeting and stated he thought what the EDA was doing was great and he just wanted to stop by and thank the members for their time. The board asked Mr. Loftus if there was anything he wanted to share regarding Arbor Gardens from a building maintenance standpoint. Loftus stated he thought we might only have another 5 years left on the roof. There had been some storm damage in the recent month and a crew was up repairing a couple of shingles. That Crew stated most of the boards under the shingles were still in good shape. There were some valleys that may need extra attention but for the most part they felt it was in good condition given the life span it had. Loftus also stated the siding could use some paint and repairs. When asked about the deck the board informed him they had already approved the repair and he stated the residents would be very happy with that decision.
- **TIF for Childcare** – Krucker & King stated since Little Eagles childcare had not received the DEED grant they restructured their business plan after meeting with their banker. Enerson explained how the land being requested by the childcare center is currently not bringing any tax money into the City, and that a TIF would recapture the new tax base and repay a \$68,000 loan through a 9 year TIF project. Once TIF repayment is received the City would collect the new property taxes and share the future taxes collected with the School and County. Enerson mentioned another option would be Tax Abatement. Board members asked when the last time either of these options were ever used. In 2008 the City was granted the ability to TIF for the first time, but has not used TIF. When B&C wanted to build a larger building and was offered land in another city, Eyota choose to use tax abatement for B & C Plumbing which currently has 8 years left on their tax abatement. The City has not used a TIF yet, however a TIF is more comprehensive than an abatement. Board members discussed the need for a “but for” clause to be included in the agreement. Enerson did mention if by chance the childcare business failed the land and building would go back to the first lien holder, which in this case would be a bank, the bank would keep the taxes current until they found a new owner for the property. The city would not lose its ability to pay itself back. The city would be the next lien holder behind the bank(s). Higgins asked about staffing for the business, Krucker & King stated they would start with 7 full time employees and work their way to 15 once they reach 90 percent occupancy of children in their center. Wages would start at \$10-\$11 with assistant teachers receiving \$12/hr. and lead teachers receiving \$15. Certification training will be paid for by the center. The owners will encourage the employees to become lead teachers. There will be 16 infants, 14 toddlers, 20 pre-school and 30 school age openings. Currently 20 Children are on a waiting list for the SAC, after school programs per the data released from the

school. Krucker & King also mentioned having a second childcare center in town will provide families with new choices for childcare, and also benefit other businesses in town by filling a gap for workers that are in need of the infant, toddler and after school childcare. Krucker and King shared that since the community heard of the land donation, and without any promotions they have created a 20 family waiting list for childcare. Board members asked if they had looked at the Our Saviors Church which went up for sale. Krucker mentioned they had looked at the building a couple of times along with their contractor. The building does not suit their needs as the basement is unusable for classrooms due to the size of the windows and other items that are not to code for childcare centers. Castle suggested asking Krucker & King for detailed monthly finances for the business documenting profit/losses. The board asked Enerson for any additional details, she reviewed the City financial adviser's cover letter with the DEFINITE need clause, and that other cities have already approved TIF to create childcare centers, and that Mike Bubany has had many inquiries to do the same, assist childcare start-ups using TIF. The nine year TIF plan was included in the EDA packet for review.

Meiners motioned for a TIF up to \$68,000 to be recommended to the City Council as a business subsidy for the creation of a for-profit, 80 slot, childcare center, Higgins seconded the motion and motion carried 7/0.

Clark Motioned to amend the EDA Loan approval for a \$25,000 tied to the DEED grant making it a revolving loan pending bank financing and TIF, Horan seconded the motion and motion carried 7/0.

Clark Motioned to amend the city land donation being tied to the DEED grant, making it a land donation pending bank approval, a business subsidy agreement, TIF, Higgins seconded the motion and motion carried 7/0

Cornell left meeting approx. 6:40 p.m.

- **Downtown Façade Improvements** – John Erickson from Eyota Antiques has purchased the Laundromat building and subsequently submitting two applications for façade improvements. A third application was presented for Peter Bowman owner of the building that houses the 24/7 workout center. Jem's application is expired. The American Legion is on Hold. The board discussed purpose of façade improvement program stating applications being submitted are commonly for doors. Concern was if the improvements being made were technically for the façade of the building as originally planned.

Clark motioned to approve the laundromat (east parcel at 22 S Front St) application for improvements in the amount of \$7,800 total amount of project with \$5,150 Grant fund request and \$2,650 owner private funds Meiners seconded the motion. Motion passed 7/0

Clark motioned to approve the Eyota Antiques formerly known as the old hardware store (west parcel at 22 S Front St) in the amount of \$4,800, \$3,650 Grant fund request \$1,150 owner private funds for improvements Castle seconded the motion. Motion carried 7/0

Castle motioned to approve Peter Bowman's application at 14 S Front St in the amount of \$5,550 \$4,025 Grant funds, \$1,025 owner private funds. Clark seconded motion. Motion carried 7/0.

- **Regional Development Tour** is being held June 15th the route is being planned out. Enerson mentioned it should be discussed who would ride the bus. The bus tour through Eyota should include fun activities. The bus tour also includes Chatfield, Lewiston, and St. Charles ending at Ground Round in Rochester with networking opportunity. Map and brochure packet will be put together if anyone has any suggestions pass them onto Enerson, the route will be emailed to EDA board members.
- **Housing & Redevelopment Authority and Buy Local Program** With respect to meeting time Enerson requested tabling the Housing & Redevelopment Authority program, and buy Local program.

IV. Other: Enerson mentioned the City newsletter will be coming out in May if anyone has anything they would like to contribute to it to send in their suggestions. Update on Brewery in town - Peace Lutheran Church has been in talks with possible Brewer utilizing land owned by the Church. Clark mentioned Farmers Market will be starting up in May. Enerson noted the American Legion has created an outline for their expansion project. Perry Dental is hoping to be

open next week. Clark commented Eyota does not have a Chamber but if anyone is interested in doing a ribbon cutting St. Charles had offered to loan us the materials they use for such event.

Next meeting: May 18, 2017 5:30 p.m.

Adjourn: Clark motioned to adjourn the meeting at 7:05pm Meiners seconded the motion. Motion passed 7/0

Respectfully submitted,

Cathy Emerson 7-27-17
Cathy Emerson date
EDA Director

Dale Heintz 7-27-2017
Dale Heintz date
EDA Chair