

Economic Development Authority Minutes
Thursday, May 30, 2019
5:30 p.m. Arbor Gardens, Community Room, Eyota, MN

1. Call to Order/Roll Call

Members: X ___ Dale Heintz A ___ Connie Meiners
 A ___ Craig Horan X ___ Tony Nelson
 X ___ Darcy Higgins X ___ Bryan Cornell
 X ___ Tom Aleshire

Staff: X ___ Cathy Enerson ___ Chris and Marlene of Arbor Gardens

Guest: Brian Halvorson, Mark Dickson, and John Chesney Eyota resident and city council member stopped into the meeting. John was encouraged to attend an EDA meeting, John was informed by the Mayor that three Council members make a quorum and that proper notice must be given to the community for John to attend.

2. Approve the Agenda:

Motion to approve the agenda without changes, and Tom Aleshire seconded the motion, motion carried 4/0. Darcy Higgins was not present during the vote.

3. Consent Agenda

Approve the Arbor Gardens Financials
Approve the EDA minutes for May 2019
Approve EDA Financials

Motion by Bryan Cornell to approve the consent agenda as presented, motion seconded by Tom Aleshire, and motion carried 4/0. Darcy Higgins was not present at the vote.

4. Arbor Gardens Report– Chris and Marlene presented the attached Arbor Gardens report. Arbor Garden’s management team is open to ideas to improve census. Discussion included the levels of skilled care needed for residents throughout the industry including at Arbor Gardens. Chris explained that licensing will become more expensive, there will likely be a user fee in the new regulations, generators will be necessary, there will be staffing standards to meet. Chris explained that Tealwood has been in the business for 30 years. Board members expressed concern that the new patio slabs have heaved, and one of the exterior doors is blocked by a concrete slab that has heaved. The board wants to know blocking the door is a fire or safety hazard that needs to be cured. Tealwood will come back with a recommendation as the door will not be used while it is a trip hazard. The board would also like to learn more about the health department’s visit and their view on the cabinet and top that were slated to be replaced. Chris informed the board that the kitchen was inspected in February and passed. The freezer went out this month. The expenses were \$406 short related to this month’s income. Tealwood is going to check into the ability of their license to provide a space for outside or inside hospice care, they thought the board suggestions to use the rooms for hospice might be a great reuse of the independent living rooms.

5. Revolving Loan Fund Requests: The board has no new requests this month, the board packet provided the paid for UCC filing back from the State for Mark Westphal. Enerson also reported that she has received a copy of the Eyota Market mortgage has been filed.

6. Rochester Sales Tax- Façade Improvement Summary was shared with the board in advance of the meeting. The board has \$16, 772.65 dollars remaining to distribute using the \$57,500 that was assigned to the historic downtown improvement program.

Rochester Sales Tax Request: Burt’s Meat has purchased 110 Center Avenue and has made a permit application and been approved to connect their existing building to their newly purchased building. Burt’s would like to replace the window and door at 110 Center along with siding the building. The siding will match their current building, they will paint the section of concrete under the siding to match the siding. The new door may create new rental space within the community. The cost of Burt’s project is \$68,521.

The owner has put down \$15,000 with a contractor as per the banker and Burt's. Burt's request is for a façade improvement grant of \$9,245 to as per the program guideline improve the exterior portion of the building as described above. *Motion by Bryan Cornell to approve the \$9,245 request pending City Council approval, Darcy Higgins seconded the motion, and motion carried 5/0.* This is a reimbursement program, sales tax grant funds are provided to the grantee upon paid receipt for the exterior improvements. The program does require 6 before photos.

7. Senior Housing Guest: Mark Dickson, broker, and owner of Senior Housing Management Services described services to the board for their consideration. Members on the board had met with Mark when he first contacted the city. Mark has reviewed the Arbor Gardens financials. The committee that has meet Mark wanted the entire board to meet Mark in order to better understand where and what his firms does. Mark described his experiences in 65 communities including places like Harmony Ellendale, LaCresent, and Kasson as well as his past and present involvement in owning rural senior housing. Mark has investors that purchase senior housing he will come back to the EDA with his ide as of what an investor would want to pay for Eyota's senior housing. Mark is based in Rochester. His largest senior living housing project is in Minneapolis with 80 housing units, he stated they specialize in rural communities. Mark suggested that the board call his references. His investor's other purchases included Kasson, Preston, and Harmony, each have remained senior living communities. The EDA was informed by an email from the Eyota City Clerk of the procedures the MN League of Cities suggests when selling a city asset. The board thanked Mark. Each party will get back to one another.

8. Business Expansion and potential start-ups report: Brian Halvorson was the board's first guest, he was moved up in the agenda to allow him to get to a fire department meeting. Brian explained the Eyota holdings expansion project as described in the summary the board received prior to the meeting. Eyota Holdings will build an approximately 11,000 sq. ft. building between ICR and B&C plumbing that will allow each of those business and one space for speculation to occur. Brian asked for a tax abatement given that a third of the building is for speculation and he will build and attract a new business to the City. The board had seen preliminary calculation for a 9 year tax abatement which would return approximately \$38,000 in taxes back to Eyota Holdings, Eyota Holdings would be responsible for the cost to set up the abatement which is thought to be \$4,000. The but for test included, speculation for future growth potential, the project may bring a new business to Eyota, the creation of new jobs, the project assist two existing business expand, The board explained that the request would be sent to City Council, if approved by Council the City would have a public hearing. *Tom Aleshire motioned to approve the tax abatement for Eyota Holdings as presented by the EDA staff and City Financial Advisers using the Adviser's calculations, pending City Council approval, Bryan Cornell seconded the motion, and the motion carried 5/0.* Brian explained he would like to have the building built by October. He would like to perhaps in the next year build a second building to the west. Brian asked the board if they plan to waive the commercial building fees, the Mayor asked that the issue of waiving commercial building fees be brought to the Council.

9. Informational pieces found in the EDA packet

- Council updates, build and save for commercial, the board will have the items added to the City Council agenda, based on the request from Brian Halverson
- PEC June 6th recap – the board was reminded that there will be a public notice for the meeting with People's Energy Cooperative (PEC) and that all board members are welcome and encouraged to attend
- PEC Round-Up Grant - \$2,962.70 submitted by EDA/AG
- Small cities block grant progress report
- Olmsted County Health Department
- Area meetings
- A copy of the PEC rail site selection response was included in the board packet.
- The City received a making that Meir lots are being marketed to all builders now and he is selling the lots as a package to free up his assets.
- The board packet has a copy of the CEDA event program and notes from the event, topics were Workforce Education/Student Engagement, Gathering a d utilizing community input, helping farmers on the farm, building a comprehensive recreation map for Fillmore County, Infrastructure Readiness even without a major business coming to the industrial park in St Charles.

