

Economic Development Authority Monthly Meeting Minutes
Thursday, November 21, 2019, SPECIAL MEETING DATE, as November 28th is a holiday
Time: 5:30 pm

METTING LOCATION CHANGED TO: Eyota City Hall 38 S. Front St SW

1. **Call to Order/Roll Call:** Dale Heintz called the meeting to order at 5:32 p.m.
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| 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 | X__ Marlene Schauland and Dena Otto |

2. **Approve the Agenda:** *Motion by Tony Nelson and motion seconded by Bryan Cornell to approve the agenda as written, motion approved 4/0, Tom Aleshire had not yet arrived.*

3. **Consent Agenda**

- Approve the Arbor Gardens Financials
- Approve the EDA minutes for October 2019
- Approve EDA Financials

Motion by Tony Nelson and motion seconded by Darcy Higgin to approve the consent agenda as written, motion approved 4/0, Tom Aleshire had not yet arrived

4. **Arbor Gardens Report**– Dena Otto is serving as interim director, both her and Marlene the head nurse attended the EDA meeting. Dena reported five campus tours, 28 residents, 7 open apartments, 2 new residents have signed with their intent to move in. There was a cost estimate to change out the carpet and vinyl in apartment 106. The new resident will move in December 1, 2019. The cost estimate came in at \$2,338,00. *Motion by Darcy Higgins, and motion seconded by Bryan Cornell to move forward with the suggested carpet and vinyl change out for apartment 106 at a cost of \$2,338 using the City Enterprises fund, pending City Council approval, motion carried 4/0.*

Resident count for Arbor Gardens is 31, 31 residents meets the operating budget forecast. When asked about how the residents are doing related to the possible sale of Arbor Gardens, Dena shared one concern. One representative of a resident shared concern that they may need to find other living arrangement for their parent if the new owners make significant changes to the cost of rent. It was reported that the residents and their personal representatives were all made aware of tonight's public meeting. Residents are award of a potential EDA sale of Arbor Gardens.

5. **Revolving Loan Fund Requests** – Cathy reported loan payments are timely and Robin's loan for the former flower shop will be repaid in full next month.

6. **Rochester Sales Tax- Façade Improvement:** Cathy reported she is waiting for notarized documents to be returned from Westphals in order to request payments. Cathy is waiting on Burt's Meats bills to present the final project.

7. **Senior Housing Update:** The board packet contained a hand out defining the purpose of holding tonight's public meeting, and the findings of facts as to why the EDA is interested in selling Arbor Gardens to a buyer that can also manage the senior housing campus. The EDA packet contained an explanation to answer two questions asked by a council member. The board packet contained recommendations from EDA legal counsel, Briggs and Morgan, describing the steps and time line that lie

ahead if the board and City Council move forward with the sale. Allen Phillips, buyer, was at the EDA meeting, with Mark Dickson. Allen shared that when purchasing a senior campus, he has never changed the use of a senior campus that he has purchased. Allen explained there are potential plans for a building addition that will expand memory care in Eyota, something Paul is doing currently at another facility he has purchased within the year. There is likely to be a level of care increase but the facility plans are not to move into skilled care. Level of care may be higher on the spectrum that offers residents a home until a nursing home is required. He will encourage residents to have rehabilitation and when needed hospice their homes. Transfers will remain as one person transfers. A new business entity will be created for the purchase, likely with the name Place at the end of Arbor Gardens. Allen has no facilities that he owns in Minnesota. He however is an owner of the management company and the company manages senior residents in for example the city of Kasson, LaCrescent, Harmony and Preston.

9. Director's report & Informational Pieces: Using the community future land use map with outlined development opportunities, the board was informed of six potential development projects. The board packet contained a report about the potential projects to be shared with the volunteer planning and zoning board. The board packet contained information about concerns from a building owner that for the purpose of selling this building would like the entire building to be rental units. The building is within a commercial zone; main levels are meant to be used as commercial. The City Clerk is aware of the concern. The building owner would require overnight street parking. The owner will need to bring both issues to planning and zoning. Cathy was on the SE MN Together Housing Panel to present a community project in which the community worked together to uncover housing development opportunities and created a livability website tab. The content informs potential buyers of opportunities within the community. The board packet contained information about Launch MN a new agency at the State of Minnesota focused on launching technology start up businesses, grants and a variety of support will be offered to qualified applicants.

11 Close the EDA meeting and adjourn: At 6:30 pm the EDA meeting adjourned to open a public hearing regarding the terms of the EDA's proposed sale of Arbor Gardens Senior Housing. Public hearing minutes can be found in a separate document prepared by the City Clerk.

12. Open the EDA Public Hearing: At 6:32 pm Dale Heintz opened the EDA public hearing.

13. Close the public Hearing/14. Open the EDA meeting

After the EDA board heard public comment, the board closed the public hearing to continue their meeting. The board addressed the resolution prepared by Briggs and Morgan, counsel for the Eyota EDA, the resolution was prepared to potentially terminate the existing management contract for Arbor Gardens with Tealwood pending a successful real estate and business transfer to Allen Philip's LLC. The board also discussed the potential recommendation to City Council to sign a purchase agreement from Allen Phillips to sell Arbor Gardens Senior Living within the same terms shared with the public. *Motion by Bryan Cornell, seconded by Tom Aleshire to resolve to approve and adopt the resolution prepared by Briggs and Morgan calling for the termination of Tealwood Management Company pending the sale of Arbor Gardens Senior Living, and resolve to convey the EDA's real property, Arbor Gardens, through an asset purchase agreement, terms of which are based on the price, time line, and buyer presented to the public at the November 21th public hearing, motion carried 5/0.* The resolution will be moved to City Council for Council's potential ratification.

Other: The board provided staff with guidance relating to the next community newsletter. The focus will be on providing information that addresses the 2019 accomplishments. EDA items still in progress do not

need to be addressed. Cathy will attend the December 10th area economic summit. Cathy reminded the board to take the CEDA employee survey.

Adjourn: Motion by Bryan Cornell, seconded by Tony Nelson to adjourn the meeting, and without further comment the board adjourned at 7:30 p.m.

Next meeting: December 19th, 2019

Respectfully submitted,

Cathy Emerson 12/19/19
Cathy Emerson, EDA Director, date

Dale Heintz 12-19-19
Dale Heintz, EDA Chair, date