

Economic Development Authority Minutes
Thursday, October 24, 2019
5:30 p.m. Arbor Gardens, Community Room, Eyota, MN

1. Call to Order/Roll Call

Members:	X Dale Heintz	A Connie Meiners
	X Craig Horan	X Tony Nelson
	A Darcy Higgins	A Bryan Cornell
	X Tom Aleshire	
Staff:	X Cathy Enerson	X Marlene Schauland

2. Approve the Agenda: *Motion by Tony Nelson to approve the agenda with the addition of the CEDA annual contract, motion seconded by Tom Aleshire, motion carried 4/0.*

3. Consent Agenda

Approve the Arbor Gardens Financials:

Tom asked why the Director highlighted a \$19,000 and \$3,000 expense, Enerson replied the management fees and interest/bond payments were made

Approve the EDA minutes for September 2019 - presented

Approve EDA Financials: Enerson went through the EDA accounts, she mentioned that the EDA operating account 250 is being used to pay out Small Cities Block Grant Funds, and therefore there is much lower balance in the 250 account than last month. Grant funds used to pay for reimbursable expenses for the block grant will be used to reimburse the EDA fund. *Motion by Tony Nelson, to accept the consent agenda as written, and motion seconded by Craig Horan, motion carried 4/0.*

4. Arbor Gardens Report– Chris and Marlene

Report presented by Marlene, Chris who sometimes participates by phone was not on the phone. Census is going up to 29, vacancies are primarily found in the independent living suites, expenses were high compared to receivables, the year to date debt service ratio has gone .8, a predicted concern. Staff requested funds to put in a new security motion light for staff at a cost of \$455, replace a tub, to a walk in shower at a cost of \$2,400, to replace the third natural gas water heater at a cost of \$9,001.88. The board was pleased that local contractors were asked to provide bids. *Motion by Tony Nelson to recommend three requests funded using the Enterprise Fund at a total cost of \$12,356.88 to install a new security motion light at a cost of \$455, replace a tub in independent living to a walk in shower at a cost of \$2,400, replace the third natural gas water heater at a cost of \$9,001.88, motion was seconded by Tom Aleshire, and motion carried 4/0.*

5. Revolving Loan Fund Requests, none

6. Rochester Sales Tax- Façade Improvement: Work has been completed at Westphals, and Burt's Meats, Westphal has turned in receipts, the sale tax deferred loan grant documents to be signed and notarized was turned in by Westphal without a notary signature, the documents were resent to Mary and Lanny Westphal through their son. Burt's has not yet turned in receipts, Renken's project is out for bids his project is pending.

7. Senior Housing Update; Enerson presented the board with correspondence she has had with the League of MN Cities. The League attorney informed Eyota that the League cannot act as legal counsel for the sale of Arbor Gardens, the League did however review the offer to purchase contract and made suggestions for potential edits that were shared with the board. Enerson present the board with a cost

estimate from Briggs and Morgan who is the bond attorney for the City, which also has sophisticated real estate and business divisions to assist with the sale of Arbor Gardens. The proposed cost for assistance to both transition the Arbor Gardens real estate, and the business was estimated to cost \$27,000 - \$33,500. *Motion by Tony Nelson, and motion seconded by Tom Aleshire to recommend to proceed with hiring Briggs and Morgan at a cost not to exceed \$33,500, the expense to be paid using the 655 Enterprise Fund, and motion was carried 4/0.* The board was presented with a resolution prepared by Briggs and Morgan that calls for an EDA public meeting to discuss the sales terms of Arbor Gardens. *Motion by Tom Aleshire, and motion seconded by Tony Nelson to resolve to hold an EDA public meeting on November 21, at 6:30 pm at Eyota's City Hall.* The meeting location was chosen to allow senior living community residents to watch a televised public hearing and call in comments. Enerson shared with the board correspondence she had with the Director of Spring Valley's Living. Spring Valley Living has not submitted a purchase agreement, but is continuing to work with their board. The organization would need to manage and purchase as a lease to own. Not ideally what the EDA wants for the community, however should a sale to the buyer with a contract not complete, the Director for Spring Valley Living has impressed the EDA Committee. The Spring Valley Director also asked when the public meeting will be held. The board packet contained a proposed time line for the sale, for the board to follow in order to close on a proposed sale date of December 30, 2019, or January 15, 2020.

9. Director's report & Informational Pieces

- **Chiropractor Expansion – Open House October 29th** – The open house will be held from 4:30 – 6:30 pm, Ribbon cutting is at 5:00 pm, Cathy, Bryan and Dale will attend, Craig will try to make it, Tony is out of town
- **IRC Expansion –Eyota Holdings** – Continued progress on the construction of the building, the building is close to completion. The EDA staff will send leads to Brian Halverson, to date there has been one inquiry
- **Developers, Industrial and Commercial Inquires** – The board packet contained a list of projects, those projects can be shared with planning, not all projects evolve or evolve quickly. These are inquires that staff has been assisting
- **Small Cities Block grant progress report** – One project is completed, one underway, and one getting bids
- **Summary of Connecting Entrepreneurial Cities Conference** – The board was presented with a summary of the event, there was not time during the board meeting to go through the information
- **Community Video Status** - Completed
- **Local meeting for new businesses – propose November 21st** – This will be moved to another date given that the board and staff will have an EDA meeting, and a public hearing that same evening. The event was not discussed by the board due to lack of time
- **Council report and December 19th, December 12th City Council truth and taxation** – These are dates to keep in mind, the EDA public meeting should not be held on these dates.
- Other **grant and loan programs** were provided to the board in their board packet
- Cathy will be a presenter at the **Regional Housing Summits November 6th and 14th** for the work completed in Preston, the program flyer was in the board packet

11. **Recap of the MN Design Team Goals** – Not discussed by the board due to lack of time

12. **Board Sent a Link to the Community Health Needs Study – Discussion** – There was not discussion by the board due to lack of time.

Other: The 2020 CEDA contract was reviewed, the contract include a 3% increase as stated for the budget the board submitted to council. *Motion by Tony Nelson to approve the CEDA contract as presented pending city council approval, motion seconded by Tom Aleshire, and motion carried 4/0.*

Adjourn: At 6:55 p.m. *Tony Nelson motioned to adjourn, Tom Aleshire seconded the motion, and motion carried 4/0.*

Next meeting: November 21st, and December 19th: In the previous section, number 7, the board elected to meet on the 21st.

Respectfully Submitted,

Cathy Enerson 11/21/19.

Cathy Enerson **Date**

EDA Director

Dale Heintz November 21, 2019

Dale Heintz **Date**

EDA Chair