

February 27, 2020

Economic Development Authority Monthly Meeting Minutes

MEETING LOCATION: Arbor Gardens, 535 Canyon Drive NW, Eyota

1. Call to Order/Roll Call

Members: X Dale Heintz X Brian Halverson
X Craig Horan X Tony Nelson
A Darcy Higgins X Bryan Cornell
A Tom Aleshire

Contracted Staff: X Cathy Enerson X Dena Otto City Staff: Marlis Knowlton

Guest: Wendy and Joe Loftus

2. Approve the Agenda:

Motion by Tony Nelson to approve the agenda as written, motion seconded by Brian Halverson, motion carried 4/0. Bryan Cornell was not yet present at the time of the vote.

3. Consent Agenda

Approve the Arbor Gardens Financials – Included in the packet
Approve the EDA minutes for January - Pending
Approve EDA Financials – Financials for 2020 were not available at meeting time

Motion by Craig Horan to approve the EDA consent agenda, motion seconded by Brian Halverson, and motion carried 4/0. Bryan Cornell was not yet present at the time of the vote.

4. Arbor Gardens Report – Dena Otto, Tealwood Interim Director, provided up to date census information, and the facility’s preparation plans for the change of ownership and change of management. Dena found the new management company and owners warm, welcoming, and knowledgeable. Dena will be converting staff to the new management company, and signing up the tenants into their new lease agreements. She will be setting up lease and vendor contracts. The resident’s only concern expressed is the potential for rent increases, which will depend on factors like occupancy and rising expenses. The Tealwood software will be turned off on Feb 29th at midnight.

Joe Loftus and his wife Wendy attended the EDA meeting to thank the City for their commitment and ongoing support of Arbor Gardens. Joe indicated that the residents and facility were well taken care of. Don spoke highly of former employees Don and Connie, mentioning the many years they put into creating a welcoming senior campus. Joe explained a recent water leak in one of the apartments and how responsive B&C plumbing was and has always been to Arbor Gardens.

5. Arbor Gardens: Transfer of Ownership : The board packet included the proposed closing settlement statement, and a letter to the Marlene Schualand, RN indicating the legal status of the Senior Housing Management Minnesota Comprehensive home care license HFID 21810. The board was informed of a land title discrepancy based on the meets and bounds description the City received when the property was divided. NW investments meets and bounds description appears to be accurate, all sales from NW investments to others. Due to the fact that 1.99 feet of the property the City would like to convey to the buyer for Arbor Gardens is in discrepancy the City and buyer would like to have an escrow agreement of \$50,000 signed at closing to provide the City time to remedy the title discrepancy. The City will have options to replat, or work with NW Investments to obtain a quit claim

deed. Title discrepancies are not uncommon. The EDA is working with NW Investments using a memo prepared by Taft describing the discrepancies. Taft is the EDA attorney for the sale of Arbor Gardens. A copy of the escrow agreement was placed into the EDA packet. A copy of the memorandum prepared by Taft was presented to the board. A copy of the quit claim deed was presented to the board. Mike Bubany will continue with the process of defeasing the bond once the property closed. A copy of the letter directing Northland Securities was presented in the EDA board packet. *Motion by Tony Nelson and seconded by Brian Halverson to continue on with the process to sell Arbor Gardens, sign the escrow agreement to hold back \$50,000 to clean up the title, and defease the EDA housing bond with, Dale Heintz and Tony Nelson as signers, motion carried 5/0.*

6. Revolving Loan Fund Requests – Current

7. Potential Industrial Park Overview: Enerson presented the board with a but for letter from the firm that would like to develop a 28-acre industrial parcel. The but fors are: turn lane(s) are needed to enter the property from a public road, sewer and water is needed to be brought up from the south end of the property to where MnDOT will allow entry from the highway which is the North end of the property, and the firm has found up to 9 feet of soft soil conditions to remedy. This information is to be shared with other departments, the EDA can write grants and use TIF to assist with the matching grant costs, or other uncertain costs. Enerson presented the board with the financial impact of the project on new taxes that could be collected and what can be obtained using TIF to assist the project.

8. Council Report: Tony and Bryan shared the results of the planning and zoning meeting, the Pries property will be recommended to city council to be rezoned from R-1 to M-1, it was noted there seemed to be proper findings of fact to make this recommendation. The Vehrenkamp request to rezone Ag land to R-2 was considered, planning and zoning made a recommendation to not rezone the property at this time. The EDA board discussed the concept of highest and best use, and how legally there would need to be finding of facts not to rezone the property. The board discussed how the project as presented by the developers would not necessarily pass given current ordinances. Discussed any future project would be subject to the Eyota's planning and zoning criteria. *The board unanimously voted to recommend to council to bring the property to highest and best use, protecting the use of land through local ordinances, codes, which will need to meet planning and zoning criteria, motion by Bryan Cornell, seconded by Brian Halverson, motion carried 5/0.*

9. Director's report & Informational Pieces

Enerson noted that the Build and Save and potential for MnDOT planning services, including a MnDOT highway landscaper grant were shared with the two new single family home developers. MnDOT requires the City to initiate a planning grant, Marlis is aware of this, the use of the programs will go to planning and the city council. The EDA staff would be available to assist with application's or application materials.

The EDA will be working on an application for disaster relief funds to assist with the cost to develop a storm water retention area in the 10 acres near Hwy 42 and second street. Enerson presented the board with a resolution in support of disaster relief funding with a map of the area. Enerson explained in order to get a cost study to implement a design a request for proposal that meets federal guidelines must be created. Enerson is working on the request for proposal. Both the resolution and request for proposal will be sent to the City Council for approval.

People Energy Cooperative has a new full time economic development person, Marty Walsh. Enerson met with Marty. He shared a document that showcases the beneficial and efficient energy programs for new construction. Enerson shared the entire document with the board in the board's packet. Enerson has

