

MINUTES
REGULAR MEETING - ECONOMIC DEVELOPMENT AUTHORITY (EDA)
Wednesday, April 13, 2022 – 6:00 p.m.
Academy Room, Monticello Community Center

Members Present: President Steve Johnson, Vice President Jon Morphew, Treasurer Tracy Hinz, Ollie Koropchak-White, Hali Sittig, Councilmember Jim Davidson and Mayor Lloyd Hilgart

Staff Present: Executive Director Jim Thares, Rachel Leonard, Angela Schumann, Sarah Rathlisberger and Hayden Stensgard

1. **Call to Order**

President Steve Johnson called the regular meeting of the Monticello EDA to order at 6:02 p.m.

2. **Roll Call 6:00 p.m.**

Mr. Johnson called the roll.

3. **Consideration of Additional Agenda Items**

None

4. **Consent Agenda**

- a. **Consideration of Approving Regular Meeting Minutes – February 9, 2022**
- b. **Consideration of Approving Workshop Meeting Minutes – February 9, 2022**
- c. **Consideration of Approving Regular Meeting Minutes - February 23, 2022**
- d. **Consideration of Approving Payment of Bills**
- e. **Consideration of Terminating Billboard Sign Leases with Regan Outdoor Advertising and Lamar Sign Company – Outlot A, Country Club Manor**
- f. **Consideration of Accepting the Block 52 TIF Blight-Substandard Property Qualifications Inspection Report prepared by LHB, Inc.**

LLOYD HILGART MOVED TO APPROVE THE CONSENT AGENDA. OLLIE KOROPCHAK-WHITE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

Regular Agenda

5. **PUBLIC HEARING: EDA Land Sale – 11,263 square feet EDA owned land in Otter Creek Business Park (OCBP) to M & B on Chelsea, LLC in the amount of \$7,669.95**

Executive Director Jim Thares provided an overview of the agenda item to the EDA and the public. The sale of this small parcel will help with Suburban Manufacturing's plans to expand their current facility located 10531 Dalton Avenue NE. Mr. Thares noted that the conveyance of land was recommended as consistent with the Monticello 2040 Comprehensive Plan in March of 2022.

Mary Barger, Suburban Manufacturing, Inc., said the expansion will be on the west side of the existing facility. The land sale will also allow the current stormwater pond larger

to handle future development in this portion of OCBP. President Steve Johnson opened the public hearing portion of the agenda item.

OLLIE KOROPCHAK-WHITE MOVED TO CLOSE THE PUBLIC HEARING. TRACY HINZ SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

6. **Consideration of Adopting Resolution #2022-08 authorizing a Purchase Agreement for sale of 11,263 square feet of EDA owned land in Otter Creek Business Park (OCBP), shown in the attached Exhibit and the Otter Creek Crossing 7th Addition Plat Illustration, between the EDA and M & B on Chelsea, LLC in the amount of \$7,669.95**

Mr. Thares provided an overview of the agenda item. This item coincides with Item 5 on the agenda. The City Council recently approved the final plat of the reconfigured area in OCBP to accommodate Suburban's expansion proposal. Mr. Thares noted the motion to be made on this agenda item, if approved, should include language stating the final purchase agreement is contingent upon a final agreement with the buyer's legal counsel and the EDA attorney.

JIM DAVIDSON MOVED TO ADOPT EDA RESOLUTION NO. 2022-08, AUTHORIZING THE EDA TO ENTER INTO A PURCHASE AGREEMENT WITH M & B ON CHELSEA, LLC IN THE AMOUNT OF \$7,669.95 RELATED TO THE CONVEYANCE OF LAND TOTALING 11,263 SQUARE FEET IN OTTER CREEK BUSINESS PARK (OCBP) AS DESCRIBED IN THE ATTACHED EXHIBIT, CONTINGENT ON FINAL LANGUAGE WORKOUT BETWEEN THE BUYER AND EDA ATTORNEYS. LLOYD HILGART SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

7. **Consideration of Adopting Resolution #2022-09 Authorizing Establishing Economic Development Tax Increment Financing (TIF) District #1-44 in connection with a proposed 45,000 square foot industrial warehouse facility expansion by Washburn Computer Group/WashburnPOS**

Mr. Thares provided an overview of the agenda item to the EDA and the public. The City Council held a public hearing regarding this agenda item on April 11, 2022 and approved the establishment of TIF District 1-44.

Mike Willard, Washburn Computer Group, provided an overview of what Washburn does at their current facility and the need for an expansion. Washburn currently rents space from multiple places in town, due to their current facility being at full capacity.

Tracy Hinz expressed support for this project and believed this is a great use of the EDA's efforts in Monticello.

Tammy Omdahl, Northland Securities Inc., provided an overview of the TIF Plan for the establishment of Economic Development TIF District 1-44. The length of the district is set for 9 years, and the increment collected will be strictly on the expansion area.

TRACY HINZ MOVED TO ADOPT EDA RESOLUTION NO. 2022-09, ESTABLISHING

ECONOMIC DEVELOPMENT TIF DISTRICT #1-44 (WASHBURN COMPUTER GROUP EXPANSION PROJECT) WITHIN THE CENTRAL MONTICELLO REDEVELOPMENT PROJECT NO. 1; AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

8. **Consideration of Accepting a Tax Increment Financing (TIF) Application from Wiha Tools, LLC and adopting Resolution #2022-10 requesting the City Council call for a Public Hearing related to establishment of Economic Development TIF District #1-46 in connection with Wiha Tools' proposed 70,000 square foot +/- production facility expansion**

Mr. Thares provided an overview of the agenda item to the EDA and the public. A site for the proposed building has been identified along East 7th Street in Monticello, east of the Post Office location. The site has the capability to accommodate a 120,000 square foot building. Wiha Tools has indicated that it plans to complete its phase 1 building in the next 12 to 14 months and then add additional square footage through a phase 2 expansion at this site in the future.

Mr. Johnson asked if the intention was to build a new facility and move all operation out of the old location. Eric Iverson, Wiha Tools, LLC., confirmed that is the plan moving forward. They would like to sell their old facility.

Eric Iverson provided a summary overview of Wiha's Tools' operations and procedures at their current facility as wells the future growth plans in Monticello.

OLLIE KOROPCHAK-WHITE MOVED TO ADOPT RESOLUTION NO. 2020-10 REQUESTING THE CITY COUNCIL TO CALL FOR A PUBLIC HEARING RELATED TO THE ESTABLISHMENT OF ECONOMIC DEVELOPMENT TIF DISTRICT #1-46 SUPPORTING WIHA TOOLS PROPOSED DEVELOPMENT OF A NEW 60,000 TO 70,000 SQUARE FOOT MANUFACTURING AND WAREHOUSE FACILITY. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

9. **Consideration of authorizing entering into a financial planning agreement with NSI related to TIF Financial Analysis and Plan preparation in the amount of \$9,200**

Mr. Thares provided an overview of the agenda item to the EDA and the public. The financial analysis and plan preparation is related to the establishment of TIF District 1-46 for Wiha Tools' expansion proposal.

LLOYD HILGART MOVED TO APPROVE NSI FINANCIAL PLANNING AGREEMENT FOR SERVICES RELATED TO THE CREATION OF AN ECONOMIC DEVELOPMENT TIF DISTRICT 1-46. JON MORPHEW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

10. **Consideration of authorizing a Contract for Hazardous Material Survey of substandard and/or blighted buildings in Block 52 to WSB & Associates in the amount of \$14,460.**

Mr. Thares provided an overview of the agenda item to the EDA and the public. As noted in the March 9, 2022 meeting, this is a routine step in the redevelopment process

for Block 52. City staff received two (2) proposals for the RFP that was released. WSB submitted the lowest, qualified proposal.

OLLIE KOROPCHAK-WHITE MOVED TO AUTHORIZE A CONTRACT FOR HAZARDOUS MATERIALS SURVEY OF SUBSTANDARD AND/OR BLIGHTED BUILDINGS ON BLOCK 52 TO WSB & ASSOCIATES IN THE AMOUNT OF \$14,460. JIM DAVIDSON SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

11. **Consideration of authorizing a Contract for Structural Engineering Analysis of buildings and demolition mitigation recommendations related to demolition of buildings-structures in Block 52 to WSB & Associates in the amount of \$24,500 and the completion of a Phase I ESA by WSB & Associates at a negotiated price not to exceed \$5,300**

Mr. Thares provided an overview of the agenda item to the EDA and the public. The proposal submitted for the RFP by WSB & Associates was the only proposal City staff received. Staff noted that Phase I information has been completed for a portion of the block in recent years. That information is to be discussed with WSB. The goal is to avoid duplication and potentially reduce the price quote submitted by WSB for the Phase I work.

Jon Morphew asked if the cost of this proposal includes all buildings to be included under the Phase I work. Mr. Thares confirmed.

LLOYD HILGART MOVED TO AUTHORIZE A CONTRACT FOR STRUCTURAL ENGINEERING ANALYSIS OF BUILDINGS AND DEMOLITION MITIGATION RECOMMENDATIONS RELATED TO DEMOLITION OF BUILDINGS-STRUCTURES IN BLOCK 52 TO WSB & ASSOCIATES AT A NEGOTIATED PRICE NOT TO EXCEED \$5,300. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

12. **Consideration of Update – MN-DEED Redevelopment Grant Approval - \$517,500**

Mr. Thares provided an overview of the agenda item to the EDA and the public. The Minnesota Department of Employment and Economic Development awarded the EDA a redevelopment grant related to the application for Block 52 approved by the EDA in January of 2022. The funds included in the grant award will support the redevelopment efforts on Block 52 in the Downtown area of Monticello and more specifically, the demolition and hazardous materials removal work tasks. There was a total of 8 redevelopment projects in Minnesota awarded with funding during the Spring 2022 round.

13. **Economic Development Director's Report**

Mr. Thares provided an overview of the agenda item to the EDA and the public, which included a review of the current prospect list that was included in the agenda.

14. **Adjourn**

TRACY HINZ MOVED TO ADJOURN THE REGULAR MEETING OF THE MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0. MEETING ADJOURNED AT 7:16 P.M.

Recorded By: Hayden Stensgard_____

ATTEST:

Jim Thares, Executive Director