

MINUTES
REGULAR MEETING - ECONOMIC DEVELOPMENT AUTHORITY (EDA)
Wednesday, March 9, 2022 – 6:00 p.m.
Mississippi Room, Monticello Community Center

Members Present: President Steve Johnson, Vice President Jon Morpew, Ollie Koropchak-White, Hali Sittig, Councilmember Jim Davidson

Members Absent: Treasurer Tracy Hinz, Mayor Lloyd Hilgart

Staff Present: Executive Director Jim Thares, Hayden Stensgard

1. **Call to Order**

President Steve Johnson called the regular meeting of the Monticello EDA to order at 6:00 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 Workshop Meeting Minutes – January 12, 2022**

b. **Consideration of Approving Regular Meeting Minutes – January 26, 2022**

c. **Consideration of Approving Payment of Bills**

JON MORPHEW MOVED TO APPROVE THE CONSENT AGENDA. JIM DAVIDSON SECONDED THE MOTION, MOTION CARRIED UNANIMOUSLY, 5-0.

Regular Agenda

5. **Consideration of Duffy Development Multifamily Housing Development Proposal Update related to EDA Support for submittal of LIHTC Funding Application to Minnesota Housing Finance Authority**

Executive Director Jim Thares provided an overview of the agenda item to the EDA and the public. Duffy Development Company has been working on a proposed 53-unit affordable apartment complex along with six affordable rental twin-homes as well (total of 59 rental units). The proposal was originally brought to the EDA in 2020. Duffy Development has continued to seek funding from the state for the development. Awards for Low Income Housing Tax Credits (LIHTC) occur two times per year, and Duffy Development is prepared to resubmit their application to the state with the support of the Monticello EDA.

Jeff VonFeldt of Duffy Development Company provided an update on the multifamily housing development proposal to the EDA and the public. Recently, they submitted their application in July of 2021. The project was not awarded in that funding cycle, and they are planning to resubmit the same application again for the late March 2022 round.

JON MORPHEW MOVED TO SUPPORT DUFFY DEVELOPMENT RELATED TO RESUBMITTAL OF ITS LIHTC FUNDING APPLICATION TO MHFA. JIM DAVIDSON SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 5-0.

6. **Consideration of GMEF Loan Application from Washburn Computer Group in the amount of \$265,000 and authorizing staff to begin loan underwriting process and prepare loan documents related to proposed facility expansion at 218 Chelsea Road**

Mr. Thares provided an overview of the agenda item to the EDA and the public. Washburn Computer Group is seeking financial assistance from the EDA to proceed with their expansion proposal. Mr. Thares noted that this is connected to the TIF application recently reviewed by the EDA in February.

Mr. Johnson asked if this is a similar situation to UMC Inc. and their request during their expansion process. Mr. Thares confirmed and said this is a similar step in the process that the EDA has been asked to consider before.

Jon Morphew noted that this is the type of assistance the EDA was established to be involved in.

JIM DAVIDSON MOVED TO ACKNOWLEDGE WASHBURN COMPUTER GROUP'S GMEF LOAN APPLICATION AND TO AUTHORIZE APPROPRIATE LOAN UNDERWRITING STEPS AS WELL AS PREPARATION OF LOAN DOCUMENTS RELATED TO WASHBURN COMPUTER GROUP'S 45,000 TO 50,000 SQUARE FOOT FACILITY EXPANSION PROPOSAL. OLLIE KOROPCHAK-WHITE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 5-0.

7. **Consideration of Adopting Resolution #2022-07 approving an Interfund Loan for advance of certain costs in connection with Redevelopment TIF District #1-45 related to Deephaven Development's Block 52 vertical mixed-use commercial residential redevelopment proposal**

Mr. Thares provided an overview of the agenda item to the EDA and the public. The resolution for the Interfund Loan is related to the eventual establishment of TIF District #1-45.

Mr. Morphew asked where the funds for immediate expenses incurred for the Block 52 Redevelopment efforts will come from related to this Interfund Loan. Mr. Thares clarified that the funds needed to pay for current expenses will be from the EDA general fund. The Interfund Loan will allow tax increment, provided there is enough, and the EDA determines at some point to repay the Interfund Loan, to be collected through

future Block 52 development increment in the coming years. The limit of the Interfund Loan is set at \$85,000.

OLLIE KOROPCHAK-WHITE MOVED TO ADOPT RESOLUTION #2022-07 AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TIF DISTRICT #1-45 RELATED TO DEEPHAVEN DEVELOPMENT'S BLOCK 52 REDEVELOPMENT PROPOSAL. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 5-0.

8. **Consideration of authorizing solicitation of quotes for Limited Environmental and Structural Engineering Analysis Services related to Block 52 Redevelopment proposal**

Mr. Thares provided an overview of the agenda item to the EDA and the public. Recently, per a study completed by LHB Engineering, Inc., the EDA owned buildings in Block 52 in Monticello were found to be substandard and blighted. One of the next steps in this redevelopment process, is to further analyze the buildings to determine additional mitigation procedures for the eventual demolition of the buildings.

HALI SITTIG MOVED TO AUTHORIZE STAFF TO PROCEED WITH SOLICITATION OF REQUEST FOR PROPOSAL FOR LIMITED SCOPE ENVIRONMENTAL AND STRUCTURAL ANALYSIS STUDY RELATED TO BLOCK 52 REDEVELOPMENT EFFORTS AND MORE SPECIFICALLY PROPOSED DEMOLITION OF EXISTING STRUCTURES. OLLIE KOROPCHAK-WHITE SECONDED THE MOTION, MOTION CARRIED UNANIMOUSLY, 5-0.

9. **Consideration of authorizing solicitation of quotes for Hazardous Material Survey of substandard and/or blighted buildings in Block 52 related to redevelopment proposal**

Mr. Thares provided an overview of the agenda item to the EDA and the public. Similar to Item 8., this survey is a key step in the demolition procedure. Both the structural engineering analysis and the hazardous material survey are key components to guiding and understanding how the demolition on site will take place.

Mr. Morpew asked if the contractor during the demolition of the buildings is able to take whatever is left in the building for their own. Mr. Thares clarified that when the time comes for the buildings to be demolished, anything left in the buildings will go with the buildings.

OLLIE KOROPCHAK-WHITE MOVED TO AUTHORIZE STAFF TO PROCEED WITH SOLICITATION OF REQUEST FOR PROPOSAL FOR HAZARDOUS MATERIAL SURVEYS RELATED TO BLOCK 52 REDEVELOPMENT EFFORTS AND MORE SPECIFICALLY TO THE PROPOSED DEMOLITION OF EXISTING STRUCTURES. JON MORPHEW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 5-0.

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

Mr. Thares provided an overview of the agenda item to the EDA and the public. A recap

of the Wright County Economic Development Partnership's annual meeting was given by Mr. Thares.

The EDA recessed from the regular meeting and moved to a closed session at 6:57 p.m.

11. **Closed Session - Consideration of Recessing to Closed Session to Develop or Consider Offers or Counteroffers for the Purchase or Sale of Real or Personal Property Pursuant to Minnesota Statute 13D.05, Subdivision 3(c)(3).**

PID # 155033900010

12. **Adjourn**

OLLIE KOROPCHAK-WHITE MOVED TO ADJOURN THE REGULAR MEETING OF THE MONTICELLO EDA. JON MORPHEW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 5-0, MEETING ADJOURNED AT 7:09 P.M.

Recorded By: Hayden Stensgard_____

ATTEST:

Jim Thares, Executive Director