

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

Commissioners: President Steve Johnson, Vice President Jon Morphew, Treasurer Tracy Hinz, Ollie Koropchak-White, Hali Sittig and Councilmembers Lloyd Hilgart and Jim Davidson

Staff: 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 Economic Development Authority to order at 6:08 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 – May 11, 2022**
- b. **Consideration of Approving Regular Meeting Minutes – May 25, 2022**
- c. **Consideration of Approving Payment of Bills**
- d. **Consideration of Accepting WSB & Associates Environmental Site Assessment (ESA) – Phase I Report for Block 52**
- e. **Consideration of Accepting WSB & Associates Structural Engineering and Analysis Report for Block 52**
- f. **Consideration of Accepting WSB & Associates Hazardous and Regulated Materials Survey Report for 121 West Broadway**
- g. **Consideration of Adopting a Resolution supporting Duffy Development’s MHFA funding application for a 59-unit LIHTC (Workforce) Housing Development Proposal**

LLOYD HILGART MOVED TO APPROVED THE CONSENT AGENDA. TRACY HINZ SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 6-0.

Regular Agenda

5. **PUBLIC HEARING: EDA Land Sale and Business Subsidy – Sale of Block 52, First Addition, 65,800 square feet +/- to Deephaven Development for a Mixed-Use Residential-Commercial Redevelopment Proposal and in connection with TIF**

Assistance supporting Deephaven Development's Block 52 Redevelopment proposal; and Consideration of Adopting Resolution No. 2022-18 Authorizing a Purchase and Development Contract with Deephaven Development for Block 52, First Addition, in the amount of \$1.00 related to a proposed Mixed-Use Commercial-Residential Development in connection with and supported by Redevelopment TIF District No. 1-45

Mr. Thares provided an overview of the agenda item to the EDA and the public. The redevelopment will be a part of a newly established TIF District, the developer has asked as part of the TIF application that the land would be conveyed to the developer for \$1.00. Included in this process, the tenants of the commercial spaces will be tasked with employing 41 FTE jobs. For the purpose of continued discussion with the Developer on this redevelopment project, City staff is recommending the public hearing be opened and continued.

Mr. Johnson opened the public hearing portion of the agenda item.

LLOYD HILGART MOVED TO CONTINUE THE COMBINATION LAND SALE AND BUSINESS SUBSIDY PUBLIC HEARING TO THE AUGUST 10, 2022. OLLIE KOROPCHAK-WHITE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 6-0.

6. **Consideration of Adopting Resolution No. 2022-19 Establishing Economic Development TIF District 1-46 in connection with Willi Hahn Corporation's (dba Wiha Tools) 78,400 square foot Manufacturing, Assembly, and Warehouse Facility development proposal**

Items 6 and 7 in the agenda were considered companion items. Mr. Thares provided an overview of the agenda item to the EDA and the public.

Tammy Omdal, Northland Securities Inc., financial consultant to the Monticello EDA, addressed the EDA and the public. Ms. Omdal provided an overview of the proposed TIF plan. TIF assistance related to Economic Development must be established for a maximum of 9 years, which is the recommendation staff had provided to the EDA. Wiha Tools is expected to build their new facility in two phases, which is included in the TIF Plan. Both phases would be constructed at roughly 78,400 sq ft.

TRACY HINZ MOVED TO ADOPT RESOLUTION 2022-19 APPROVING THE ESTABLISHMENT OF ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING (TIF) DISTRICT NO. 1-46 (WILLI HAHN CORPORATION MANUFACTURING FACILITY) WITHIN THE CENTRAL MONTICELLO REDEVELOPMENT PROJECT AREA NO. 1, AND THE ADOPTION OF THE TAX INCREMENT FINANCING PLAN FOR THE TIF DISTRICT. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 6-0.

7. **PUBLIC HEARING: Business Subsidy Hearing – In connection with TIF Assistance**

supporting Willi Hahn Corporation dba Wiha Tools' Manufacturing, Assembly, and Warehouse Facility Development; and Consideration of Adopting Resolution No. 2022-20 Authorizing a Development Agreement with Willi Hahn Corporation related to a its 78,400 square foot development proposal located along 7th Street East in connection with and supported by Economic Development TIF District No. 1-46

Mr. Thares provided an overview of the agenda item to the EDA and the public. The business subsidy portion of the companion items are related to the financing tools sought by Wiha Tools for the construction of their new facility. The assistance includes the JCF, and MIF Grant Programs offered by the MN-DEED office, and EDA's GMEF Loan Programs.

Mr. Johnson opened the public hearing portion of the agenda item.

Seeing and hearing no comment, Mr. Johnson subsequently closed the public hearing portion of the agenda item.

OLLIE KOROPCHAK-WHITE MOVED TO ADOPT RESOLUTION 2022-20 AUTHORIZING A TIF DEVELOPMENT CONTRACT, INCLUDING BUSINESS SUBSIDY AGREEMENT, WITH WILLI HAHN CORPORATION RELATED TO A MANUFACTURING, ASSEMBLY, AND WAREHOUSE FACILITY DEVELOPMENT IN CONNECTION WITH AND SUPPORTED BY ASSISTANCE THROUGH ECONOMIC DEVELOPMENT TIF DISTRICT NO. 1-46. JON MORPHEW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 6-0.

8. **PUBLIC HEARING: Business Subsidy Hearing - In Connection with TIF Assistance supporting Washburn Computer Group's Warehouse expansion development; and Consideration of Adopting Resolution No. 2022-21 Authorizing a TIF Development Agreement with Washburn Computer Group related to its 43,000 square foot warehouse development proposal in connection with and supported by Economic Development TIF District No. 1-44**

Mr. Thares provided an overview of the agenda item to the EDA and the public. Mr. Thares noted that the EDA did not need to open the public hearing portion of this agenda item, as it is planned to be brought back at a later date. It was noted that the TIF District for the project had already been established as of April 13, 2022. The district is not certified yet, however.

No Action was taken on the item.

9. **Consideration of Authorizing an Amendment to the WSB Structural Engineering Analysis Consulting contract scope of work and pricing in the amount of \$3,970 related to Block 52 redevelopment demolition plan review services**

Mr. Thares provided an overview of the agenda item to the EDA and the public. This amendment was brought forth at a prior meeting to the EDA and was then denied. Staff has since scaled down the amendment to the contract to specifically address the

demolition review process related to the Block 52 Redevelopment.

Vice President Jon Morphey asked if WSB was included in plan review and if disagreements arise, who would make a final decision. Mr. Thares clarified that if WSB sees something in the demolition plans that they believe will not work, the developers will have to address the concern and adjust their plan accordingly.

JON MORPHEW MOVED TO AUTHORIZE AN AMENDMENT TO THE WSB STRUCTURAL ENGINEERING ANALYSIS STUDY TO INCLUDE A SERVICE TASK OF "REVIEW OF DEVELOPER DEMOLITION PLANS" RELATED TO BLOCK 52 REDEVELOPMENT EFFORTS IN AN AMOUNT NOT TO EXCEED \$3,970. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 6-0.

10. **Consideration of 2023 HRA Tax Levy Target for Calendar Year 2023 EDA General Fund Budget**

Mr. Thares provided an overview of the agenda item to the EDA and the public. This item was brought forth to provide the EDA and the public on the budget process and potentially get feedback from the EDA regarding the levy needs and goals for 2023.

Treasurer Tracy Hinz expressed interest in support for the full levy amount of \$402,000. Mr. Morphey concurred.

Mr. Thares reminded the EDA that final decision related to the levy amount is reviewed and decided by the City Council. The feedback provided will be used to bring a resolution back to the EDA for consideration at the August 10, 2022.

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

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

12. **Adjourn**

TRACY HINZ MOVED TO ADJOURN THE REGULAR MEETING OF THE MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY. HALI SITTIG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 6-0. MEETING ADJOURNED AT 7:03 P.M.