



BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
NOTICE OF REGULAR MEETING AND AGENDA  
CITY HALL, 218 NORTH MERIDIAN STREET  
PLEASE USE THE NORTH ENTRANCE

**MONDAY, MARCH 11, 2019  
5:00 P.M.**

**PLEDGE OF ALLEGIANCE.**

5:00  
P.M.

**1. CALL TO ORDER. 1.1. Roll Call.**

**2. APPROVAL OF AGENDA.**

**3. APPROVAL OF MINUTES.**

3.1. Regular Session Minutes of February 4, 2019.

**4. TREASURERS REPORT.**

4.1. Approval of Bills.

**5. BUSINESS.**

5.1. Resolution 19-003: Resolution Approving Terms Of A ROSE Program Loan To Oldenburg Brewing Co LLC and Colt Oldenburg, Individually, For A Façade Improvement At 116 Main Street West.

5.2. Joint City Council, Planning Commission, and EDA Work Session - Housing.

5.3. TIF Process.

**6. ADMINISTRATIVE REPORTS.**

6.1. Commissioner Comments.

6.2. Director's Update.

6.3. Upcoming Meetings.

1. Regular Session, 5:00 pm, Monday, April 8, 2019.

**7. ADJOURNMENT OF REGULAR SESSION.**

There may be a quorum of the Belle Plaine City Council present at the meeting.

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
FEBRUARY 11, 2019**

**PLEDGE OF ALLEGIANCE.**

Treasurer Coleman led those present in the Pledge of Allegiance.

**OATH OF OFFICE.**

Ashton Pankonin

Commissioner Pankonin read the Oath of Office.

**1. CALL TO ORDER. 1.1. Roll Call.**

The Belle Plaine Economic Development Authority met in Regular Session at 5:01 PM on Monday, February 11, 2019 at City Hall, 218 North Meridian Street, Belle Plaine, MN. Commissioner Coleman called the meeting to order with Commissioners Coop, Meyer, Doyle and Pankonin present. Commissioner Fahey arrived at 5:04 PM and Commissioner Krant arrived at 5:05 PM.

Also present was Community Development Director Smith Strack, City Administrator Meyer and Finance Director Jirik.

**2. APPROVAL OF AGENDA.**

MOTION by Commissioner Coop, second by Commissioner Meyer, to approve the agenda as presented. ALL VOTED AYE. MOTION CARRIED.

**2.1. ELECTION OF OFFICERS.**

**1. President**

Commissioner Coleman called for nominations for President.

MOTION by Commissioner Coop, second by Commissioner Meyer, to nominate Dick Coleman as president.

MOTION by Commissioner Coleman, second by Commissioner Pankonin, to keep nominations the same as 2018.

Coleman called for any other nominations. No other nominations were made.

A ballot vote was taken for president. Commissioner Krant was nominated President with a 5-2 vote.

**2. Vice President**

MOTION by Commissioner Pankonin, second by Commissioner Doyle, to nominate Lisa Fahey as vice-president. Krant called for any other nominations. No other nominations were made.

MOTION by Commissioner Pankonin, second by Commissioner Coleman to close the nominations.

Nomination of Lisa Fahey for vice-president. ALL VOTED AYE. MOTION CARRIED.

**3. Treasurer**

MOTION by Commissioner Fahey, second by Commissioner Meyer, to nominate Dick Coleman as Treasurer.

Krant called for any other nominations. No other nominations were made.

MOTION by Commissioner Pankonin, second by Commissioner Meyer to close the nominations.

Nomination of Coleman for Treasurer. ALL VOTED AYE. MOTION CARRIED.

#### **4. Assistant Treasurer**

MOTION by Commissioner Fahey, second by Commissioner Meyer, to nominate Ashton Pankonin as Assistant Treasurer.

Krant called for any other nominations. No other nominations were made.

Commissioner Pankonin inquired what the duties of the Assistant Treasurer. Community Development Director Smith Strack explained on occasion in the absence of the Treasurer the Assistant Treasurer will sign financial documents.

MOTION by Commissioner Coleman, second by Commissioner Fahey to close the nominations.

Nomination of Pankonin for Assistant Treasurer. ALL VOTED AYE. MOTION CARRIED.

#### **5. Secretary**

MOTION by Commissioner Coleman, second by Commissioner Doyle, to nominate Renee Eyrich as Secretary.

Krant called for any other nominations. No other nominations were made.

MOTION by Commissioner Coleman, second by Commissioner Pankonin to close the nominations.

Nomination of Eyrich for Secretary. ALL VOTED AYE. MOTION CARRIED.

### **3. APPROVAL OF MINUTES. 3.1. Regular Session Minutes of January 14, 2019.**

MOTION by Commissioner Coop, second by Commissioner Fahey, to approve the Regular Session Minutes of January 14, 2019. ALL VOTED AYE. MOTION CARRIED.

### **4. TREASURERS REPORT. 4.1. Approval of Bills.**

MOTION by Commissioner Coleman, second by Commissioner Coop, to approve the treasurer's report. ALL VOTED AYE. MOTION CARRIED.

### **5. BUSINESS.**

#### **5.1. Resolution 19-001: Resolution Approving Terms Of A ROSE Program Loan To Paula Olsen/Jennifer Shinehouse At 103 Main Street West.**

Community Development Director Smith Strack explained Paula Olsen and Jennifer Shinehouse have applied for a ROSE loan for placement of an awning on the eastern most door of 103 Main Street West. The proposed stationary awning will consist of a welded steel frame and fabric covering. No signage is proposed. The color proposed is black background with large polka dots. The proposed awning is illustrated in the application material. Smith Strack noted the Design Committee reviewed the design of

the proposed awning at their February meeting. Smith Strack explained the Design Committee found the awning type and placement sympathetic in scale to others in the vicinity.

Commissioner Coop requested clarification on if the awning would cover the whole front of the building. Community Development Director explained the awning would only cover the business with the white door. Commissioner Fahey expressed concern with the awning over one tenant verses over the whole building. Commissioner Meyer inquired from Commissioner Krant whom is also on the Design Committee if the Design Committee was concerned about polka dots in the downtown area. Krant explained the Design Committee liked the artistic flair and believed it was similar to the donuts and deli awning. Commissioner Pankonin inquired how funding works if two years the building wants to do a full building awning. Community Development Director Smith Strack explained the requester could apply for a ROSE Loan for up to \$1,500.00 with a 50 percent match noting if the other awning is taken down a new one could be installed. Commissioner Doyle inquired the how long the business has operated at the current location. Smith Strack explained since 2016.

MOTION by Commissioner Coleman, second by Commissioner Coop, to approve Resolution 19-001: Resolution Approving Terms of a ROSE Program Loan to Paula Olsen/Jennifer Shinehouse at 103 Main Street West. ALL VOTED AYE. MOTION CARRIED.

**5.2. Resolution 19-002, Resolution Requesting The City Council Of The City Of Belle Plaine Consent To The Process For The Creation Of A Housing Tax Increment Financing District In Support Of A Proposed 72-Unit Multifamily Rental Housing Project.**

Community Development Director Smith Strack showed the Committee a brief power point explaining Troy Schrom, President of Schrom Construction, Inc. has submitted a preliminary application for housing tax increment financing assistance for workforce housing development at 561 Elk Street South. Smith Strack noted Schrom has a purchase agreement for the property and has proposed a phased development which consists of two 36-unit apartment buildings. Smith Strack explained phase one is to be built in 2019 with phase two coming three years from now. Smith Strack noted the cost of construction is estimated at \$8.5 million with an estimated market value when done of \$7.2 million. Schrom is requesting \$473,700.00 present value, per phase in TIF pay as you go. Smith Strack explained proforma schedules with and without TIF were handed out for review. Smith Strack noted how workforce housing works and cited eight units per apartment building would be reserved for income limited families.

Smith Strack introduced Todd Hagen from Ehlers. Hagen explained many builders need help with economic development within the City. Hagen explained the requested financing comes at no risk to the City as the developer pays the property taxes and the City than rebates a portion. Hagen explained his review of in and out of state and confirmed the developer requested 15-year repayment is within standards.

Community Development Director Smith Strack explained Troy Schrom is in the audience and available for questions. Commissioner Coleman inquired if he has requested TIF from any other projects and if so is it a standard part of his business plan. Schrom confirmed TIF has been requested from almost all of his projects. Coleman inquired how TIF affects the School District. Smith Strack explained in tax increment financing, the additional taxes generated by the development for previously approved and locally voted on referenda are automatically captured. The School District is able to comment on the proposed TIF project but not able to 'opt out' of participating.

Commissioner Meyer inquired on how the City handles if an unforeseen circumstance the developer doesn't do phase two but instead comes back further down the road for completion. Todd Hagen explained if the project doesn't happen on time the agreement can be amended providing it is not in default. Discussion was held regarding the previous development of the property and review of applications.

Commissioner Meyer explained the shortage of workforce housing on the 2040 Comp Plan, Meyer noted the development is a good option for young families and a benefit to our population. Smith Strack confirmed the City and County is in need of workforce housing and the proposed development appears to be a good solution.

Commissioner Coop inquired how enforcement on workforce housing is done. Smith Strack explained it's done on an annual basis. Hagen added in the TIF development agreement an annual eligibility renewal pertaining to income based criteria is conducted, if the criteria is not met, the TIF payment is not issued.

Commissioner Meyer inquired if the proposed project was zoned for a multi-unit development. Smith Strack confirmed it was. Meyer inquired if the previous plan for this property was multifamily. Smith Strack confirmed the project was initially proposed as two 40 unit buildings, noting utilities were set up to support such units. Meyer inquired if provisions were made in the developers agreement where TIF could be withheld if development was not done correctly. Smith Strack confirmed said provisions noting the unit must follow rental code with yearly inspections.

Commissioner Doyle inquired if the plan called for any handicap accessible apartments. Schrom confirmed two apartments on the first floor. Smith Strack explained her research confirmed no elevator is needed as long as handicap units are on the first floor.

MOTION by Commissioner Meyer, second by Commissioner Fahey to approve Resolution 19-002, Resolution Requesting The City Council Of The City Of Belle Plaine Consent To The Process For The Creation Of A Housing Tax Increment Financing District In Support Of A Proposed 72-Unit Multifamily Rental Housing Project. Commissioner Coleman abstained from the vote. Commissioners, Meyer, Fahey, Doyle, Pankonin and Krant VOTED AYE. MOTION CARRIED.

## **6. ADMINISTRATIVE REPORTS.**

### **6.1. Commissioner Comments.**

No comments were made.

### **6.2. Director's Update.**

Community Development Director Smith Strack highlighted an attachment to her report.

Commissioner reminded Committee members of the upcoming EDA/Chamber Gala on Wednesday.

### **6.3. Upcoming Meetings.**

- 1. Regular Session, 5:00 pm, Monday, March 11, 2019.**
- 2. Chamber & EDA Gala – February 13, 2019.**

Commissioners were reminded of upcoming meetings as listed.

## **7. ADJOURNMENT OF REGULAR SESSION.**

MOTION by Commissioner Coop, second by Commissioner Pankonin, to adjourn the meeting at 6:06 PM. ALL VOTED AYE. MOTION CARRIED.

Respectfully submitted,

Renee Eyrich  
Recording Secretary



## MEMORANDUM

DATE: March 11, 2019  
TO: EDA President Krant, EDA Board Members, and Administrator Meyer  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 4.1 Payment of Claims

**REQUEST: Motion to Approve Payment of Claims**

### GENERAL INFORMATION

The EDA approves accounts payable for the EDA fund (801) and EDA Revolving Loan Fund (800) at each regular meeting. Attached please find claims for March for your consideration.





## MEMORANDUM

DATE: March 11, 2019  
TO: EDA President Krant, EDA Board Members, and Administrator Meyer  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.1 ROSE Program Application: Colt Oldenburg – 116 Main Street West

### REQUEST: Review Façade Loan Request

#### GENERAL INFORMATION

Colt Oldenburg, Manager, Oldenburg Brewing Co, LLC has applied for a ROSE loan in the amount of \$1,500. Colt Oldenburg proposes redevelopment of a storefront at 116 Main Street West. The former 'Volleyball Products' building is being converted into a brew pub. Façade changes are proposed including:

1. Removal of storefront, street-facing window and replacement with glass overhead garage door.
2. Replacement of commercial entry door (west side).
3. Replacement of awnings using existing structures.
4. Replacement of louvers.

Oldenburg requests ROSE loan to assist with installation of a glass overhead door. Illustrations of the proposed materials and cost estimate are attached.

ROSE loan policy standards and Section 1170.20, Subd. 11(2) of the Code require design review prior to further action. The Design Committee reviewed the design of the proposed awning and storefront façade at their March 4<sup>th</sup> meeting. The DC found the proposed façade updates in harmony with adjacent properties.

Oldenburg is expected to attend the EDA meeting.

Please find a ROSE loan project match matrix attached. The proposed façade changes are eligible for a \$1:\$1 match (50% of project) to a maximum loan amount of \$1,500. Project estimate is \$3,136.

The attached promissory note will be used to secure the loan; in the event a loan is issued.

#### ACTION

The EDA is to consider the ROSE loan request. The EDA included \$8,000 in the 2019 budget for ROSE projects. Over \$7,000 remains available for projects. A resolution approving/denying the request is attached.

## ATTACHMENTS

- Loan application, contractor estimate for window replacement.
- Illustration of proposed facade
- ROSE Loan Matrix
- Sample Resolution **EDA 19-003** Approving/Denying ROSE Loan

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
RESTORATION, OPPORTUNITY, SUSTAINABILITY AND ENTERPRISE (ROSE) PROGRAM  
APPLICATION FOR FUNDS**

**Company Information:**

Name of Business: OLDENBURG BREWING COMPANY  
Current Address: 116 WEST MAIN STREET  
Telephone: 952-818-0504 E-mail OLDENBURGBREWCO@GMAIL.COM  
Primary Contact Person: COLT OLDENBURG  
Title: OWNER  
Telephone: 952-818-0504  
Nature of Business: BREW PUB

**Form of Business Organization:**

CD Purchaser                       Tenant Operator                       Other \_\_\_\_\_  
 Sole Proprietorship                       Limited Partnership \_\_\_\_\_  
 Partnership                                       Corporation (Cooperative)

Number of Employees: Total: 3 Full-Time: 3 Part-Time: \_\_\_\_\_

Property Owner(s): COLT OLDENBURG

Number of years in businesses in Belle Plaine: NEW

**Project Description:**

Briefly describe the nature of the project: CONSTRUCTION OF NEW ROLL-UP  
DOOR.

Approximate Amount Requested: 1500.00

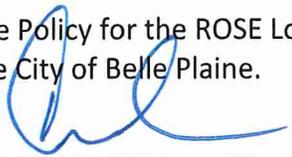
Attach copies of all quotes/estimates for proposed work, at least two contractors shall submit quotes.

Funds to be used for: ~~REPAIRS~~ CONSTRUCTION OF  
NEW ROLL UP DOOR. FULL VIEW GLASS DOOR

Is the proposed building a conforming use or legal non-conforming use under the City of Belle Plaine's Zoning Ordinance?  Yes  No

What is the estimated completion date for the project?: APRIL 15TH 2019

I have read, understand, and agree to comply with the Policy for the ROSE Loan Program of the Belle Plaine Economic Development Authority and the City of Belle Plaine.



Applicant Signature

COLT OLDENBURG

Applicant Name (printed)

Property Owner Signature

Property Owner Signature

02/22/19

Date

For Office Use Only:	
<input type="checkbox"/> Reviewed by: _____ Approved: _____ Denied: _____	<input type="checkbox"/> Invoice submitted: _____ Amount: _____ Date Paid: _____
<input type="checkbox"/> Reviewed by Design Committee Approved: _____ Denied: _____	



TWIN CITY GARAGE DOOR CO.,<sup>®</sup>

The Complete Overhead & Rolling Steel Door Co.  
Sales - Service - Installation  
[www.twincitygaragedoor.com](http://www.twincitygaragedoor.com)

5601 Boone Ave. N.  
New Hope, MN 55428  
763-533-3838  
763-533-9704 fax

2963 Yorkton Blvd. / Suite F  
Little Canada, MN 55117  
651-641-0420  
651-487-6107 fax

1172 East Cliff Road East  
Burnsville, MN 55337  
952-894-8500  
952-894-8502 fax

**Proposal Submitted To:**

Oldenburg Brewing  
116 W. Main St  
Belle Plain MN 56011

**Attention:**  
Colt

**Job Name**

**Job Address**  
116 W. Main St  
Belle Plain MN 56011

**Phone**

952 818 0504

**Fax**

**Date**

02-21-2019

**We Hereby Submit Specifications and Estimates For:**

**1- 14' X 5'2" MIDLAND FULL VISION ALL GLASS DOOR WITH BLACK/BRONZE FRAME, DUAL PANE/TEMPERED CLEAR GLASS, STANDARD RADIUS TRACKS, WIND LOAD TO ZONE 1, AND PVC WEATHER STRIPPING**

**INSTALLED..... \$ 3,136.00 INCLUDING TAX AND LABOR  
ALL PRICING BASED ON IF EVERYTHING IS STANDARD UPON JOB CHECK  
HALF DOWN TO GET DOOR ON ORDER / REST TO BE PAID DAY OF INSTALL**

*Note: Preparation of openings and wiring of operators and controls by others. Floors must be poured prior to installation of doors and operators.*

**Terms:** Net 30 Days With Approved Credit

Authorized  
Signature

Matt Siegel

Date: \_\_\_\_\_

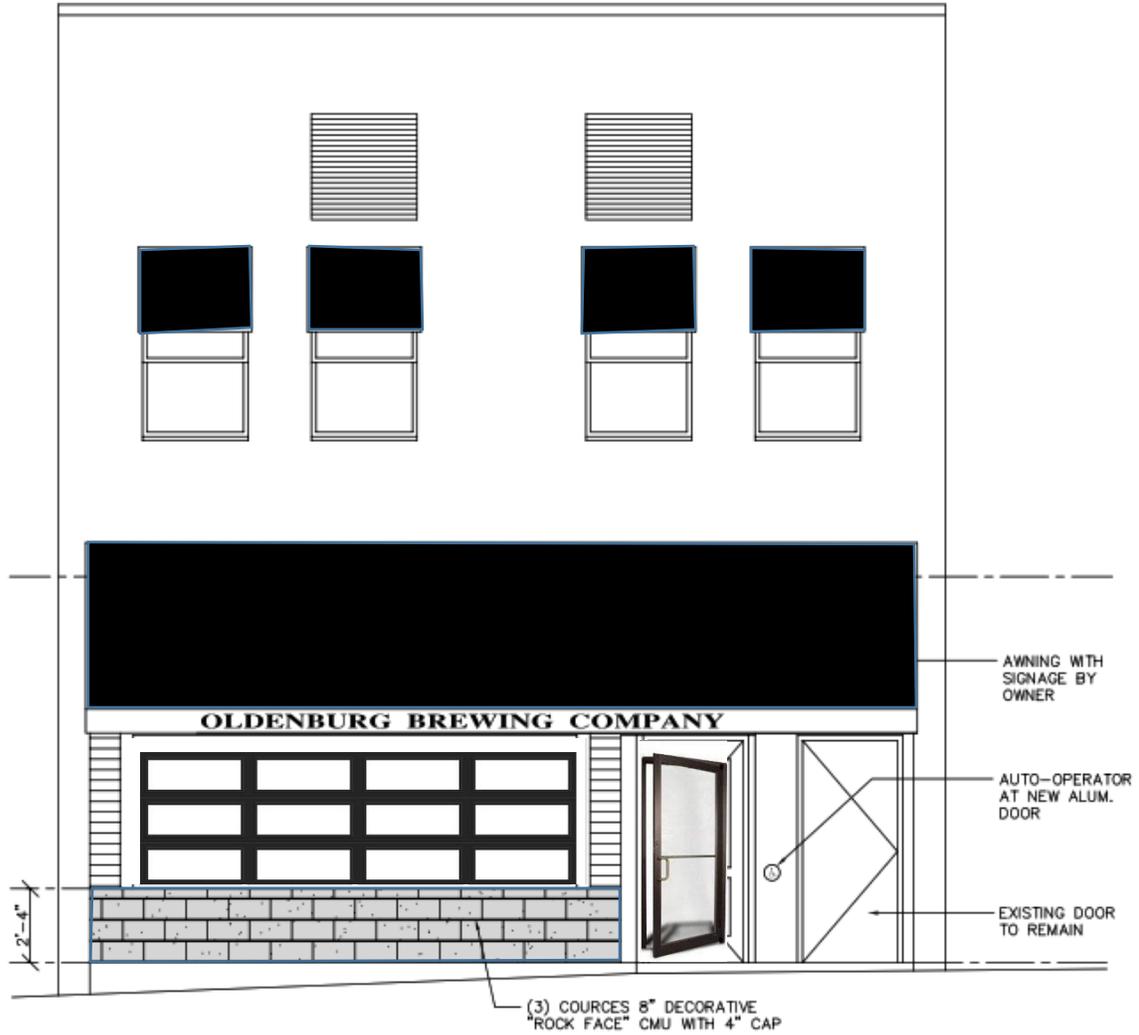
**Note:** This proposal may be withdrawn by us if not accepted within 30 days.

**Acceptance of Proposal** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_ Date: \_\_\_\_\_

**Customer #:**

# PROPOSED FAÇADE 116 MAIN STREET WEST



7  
A2

EXTERIOR ELEVATION

1/4" = 1'-0"

116 W Main St

Belle Plaine, Minnesota

Google

Street View - Aug 2014



Google








## PROMISSORY NOTE

\$1,500.00

\_\_\_\_\_, 2019

Colt Oldenburg, Individually and Cold Oldenburg, the Manager of Oldenburg Brewing co LLC (the "Property Owner", the "Borrower" and the "Maker"), for value received, hereby promises to pay to the Belle Plaine Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota or its assigns (the "EDA" and any assigns are collectively referred to herein as the "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of One Thousand Five Hundred Dollars (\$1500.00) or so much thereof as may be advanced under this Promissory Note (the "Note"), in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. This Note evidences the obligation of the Borrower to repay a loan provided by the EDA (the "Loan") in the event the Loan is not forgiven in the manner described herein. The principal of this Note is payable in installments as described herein.

1. The Borrower requested the Loan in order to finance façade improvements consisting of the placement of a commercial, glass overhead garage door on a structure located at 116 Main Street West (the "Property") in the City of Belle Plaine, Minnesota (the "City"). The Board of the EDA approved the Loan at its meeting on March 11, 2019, and the City Council of the City approved the Loan at its meeting on February 18, 2019. The Loan is to be made from the EDA's Restoration, Opportunity, Sustainability, and Enterprise (ROSE) Program in the amount of \$1,500.00 and will be considered a forgivable loan provided that the Borrower remains in business on the Property for at least one (1) year following the disbursement of the Loan or transfers ownership of the business to another entity that maintains the business in the improved building for at least one year following disbursement of the Loan. The obligation of the Borrower to repay the Loan in the event that any portion of the principal amount of the Loan is not forgiven will be evidenced by the Note.

2. If the Borrower does not remain in business on the Property for at least one year following the disbursement of the Loan, the Loan shall be due and payable within thirty (30) days of demand by the EDA.

3. The Borrower shall have the right to prepay the principal of this Note, in whole or in part, on any date.

4. It is agreed that time is of the essence of this Note. If the Borrower does not remain in business on the Property for at least one year following the disbursement of the Loan, the Holder of this Note may at its right and option, with thirty (30) days' notice, declare immediately due and payable the principal balance of this Note, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Holder of this Note as provided herein, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. If any term of this Note, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

7. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

8. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the date and year first written above.

**MAKER**

By: \_\_\_\_\_  
Colt Oldenburg, Individually

By: \_\_\_\_\_  
Colt Oldenburg, oldenburg brewing co, LLC

Its: \_\_\_\_\_  
Manager

STATE OF MINNESOTA        )  
COUNTY OF SCOTT         )

This instrument was acknowledged before me \_\_\_\_\_ (date) by  
Colt Oldenburg, individually and Colt Oldenburg as Manager (title) of oldenburg brewing co LLC, the Owner  
of the Property at 116 Main Street West in the City of Belle Plaine Minnesota.

\_\_\_\_\_  
Notary Public

(stamp)

My Commission Expires: \_\_\_\_\_

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION NO. 19-003**

**RESOLUTION APPROVING TERMS OF A ROSE PROGRAM LOAN TO COLT OLDENBURG, OLDENBURG  
BREWING CO, LLC (PROPERTY OWNER) AT 116 MAIN STREET WEST**

BE IT RESOLVED BY the Board of Commissioners (the "Board") of the Belle Plaine Economic Development Authority (the "Authority"), as follows:

1. Façade Improvement Loan Program. The City and the Belle Plaine Economic Development Authority (the "EDA") previously approved the EDA's Restoration, Opportunity, Sustainability, and Enterprise (ROSE) Program which provides financial support for improvements to commercial properties in our community, and which is administered by the EDA.

2. Request for Loan. Colt Oldenburg, Individually and Manager of Oldenburg Brewing Co, LLC (Property Owner) the "Applicant" has requested a ROSE loan in the amount of one thousand, five hundred dollars (the "Loan") in order to finance façade improvements consisting of the placement of a glass overhead door in the structure at 116 Main Street West in the City of Belle Plaine (the "Property").

3. Proposed Terms of Loan. The Loan is to be made from the EDA's Façade Improvement Loan Program in the amount of \$1,500.00 and will be forgiven provided that the Borrower remains in business on the Property for at least one year following the disbursement of the Loan or transfers ownership of the business to another entity that maintains the business in the improved building for at least one year following disbursement of the Loan. The obligation of the Borrower to repay the Loan in the event that any portion of the principal amount of the Loan is not forgiven will be evidenced by a Promissory Note (the "Note") to be delivered by the Borrower.

4. Board Approval. The Board hereby approves the Loan proposed to be provided to the Borrower contingent on:

- a. Issuance of a building permit prior to project initiation.
- b. Execution of a promissory note by the Applicant and the Property Owner.
- c. Submittal (to the office of the Community Development Director) of valid invoices from a licensed contractor relating to the door replacement/relocation project.

5. Promissory Note. The Board has had an opportunity to review the Note to be executed by the Borrower. The Board hereby approves the form of Note.

6. Effective Date. This resolution shall be effective as of the date hereof.

Approved by the Board of Commissioners of the Belle Plaine Economic Development Authority this 11<sup>th</sup> day of March, 2019.

BELLE PLAINE ECONOMIC  
DEVELOPMENT AUTHORITY

\_\_\_\_\_  
Rick Krant, EDA President

ATTEST

\_\_\_\_\_  
Cynthia Smith Strack, Community Development Director



## MEMORANDUM

DATE: March 11, 2019  
TO: EDA President Krant, EDA Board Members, and Administrator Meyer  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.2 Joint Work Session: City Council, Planning Commission & EDA

### **REQUEST: Input Joint Work Session**

#### **GENERAL INFORMATION**

The EDA established the following 2019 goal: *joint meeting of City Council, Planning Commission, and EDA in first quarter 2019 with purpose of plotting efforts to increase rooftops.*

City Administrator Dawn Meyer recommends the discussion be held Monday, March 18<sup>th</sup> during a planned work session of the City Council.

The EDA previously received background information on properties which were the subject of past discussion pertaining to residential development and building permit trends. The EDA also plans to have discussion pertaining to HRA programs in 2019. At this time, we have two grant programs: façade revitalization/energy efficiency and new home down-payment assistance. The HRA programs, especially the new home down-payment assistance program, have been underutilized.

Here's a quick recap:

- Several properties have been the subject of conversation pertaining to residential development.
- 2040 Comprehensive Plan update provides adequate land for new residential use – high, medium, and low densities. Official zoning map will be updated to be consistent with planned land use.
- Affordable and workforce housing is needed in Belle Plaine and across Scott County.
- Belle Court Apartments – 72 units – are proposed, previous most recent general occupancy market rate apartments built in 1980.
- A total of 33 vacant residential lots (non-infill) remain.
- No active conversations pertaining to new single family (one family detached) residential plats.
- Local builders responsible for vast majority of new housing starts over previous five years.
- Cost of bringing new residential lots to market (land purchase, fees, cost to improve land, soft costs) is higher than resulting appraised value.
- Take down schedule for creation of new lots is also a concern.
- Increasing residential units in/close to Downtown a priority along with revitalization.

Potential focal points:

1. Strategies to encourage new residential subdivisions: allow higher density, new bldg. permit incentive, financing of trunk fees, more builders, increase City 'it' factor, etc.
2. Strategies to encourage new multiple family units. Site acquisition, reduce zoning public hearings, consider financial assistance, , etc.
3. Strategies to encourage increased residential use in Downtown and revitalization: site acquisition, local 4d housing program for existing downtown rentals, financial assistance, identify target area, target hsg unit type – i.e. lofts, studios, find public-use partnership for mixed commercial/residential redevelopment etc.
4. Prioritize specific target areas, developments, strategies, etc.

**ACTION**

Discussion of joint work session proposed for March 18<sup>th</sup>, including but not limited to proposed date and planned outcomes.



## MEMORANDUM

DATE: March 11, 2019  
TO: EDA President Krant, EDA Board Members, and Administrator Meyer  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 5.3 Review of TIF Process Information

**REQUEST: Information - Discussion**

### GENERAL INFORMATION

The City Council reviewed basic information on local financial incentives and TIF process. The information was well received. Since development inquiries are increasing it appears information could be pertinent to the EDA as well. Please find attached a copy of the presentation viewed by the City Council.

In addition, the Planning Commission also recently discussed residential density as it pertains to the 2040 Comprehensive Plan. The information was provided as a baseline for future discussion and for reference when discussing how to encourage new residential lot development and affordable housing needs.

Staff would like to highlight a few items in the presentations and provide an opportunity for discussion.

### ACTION

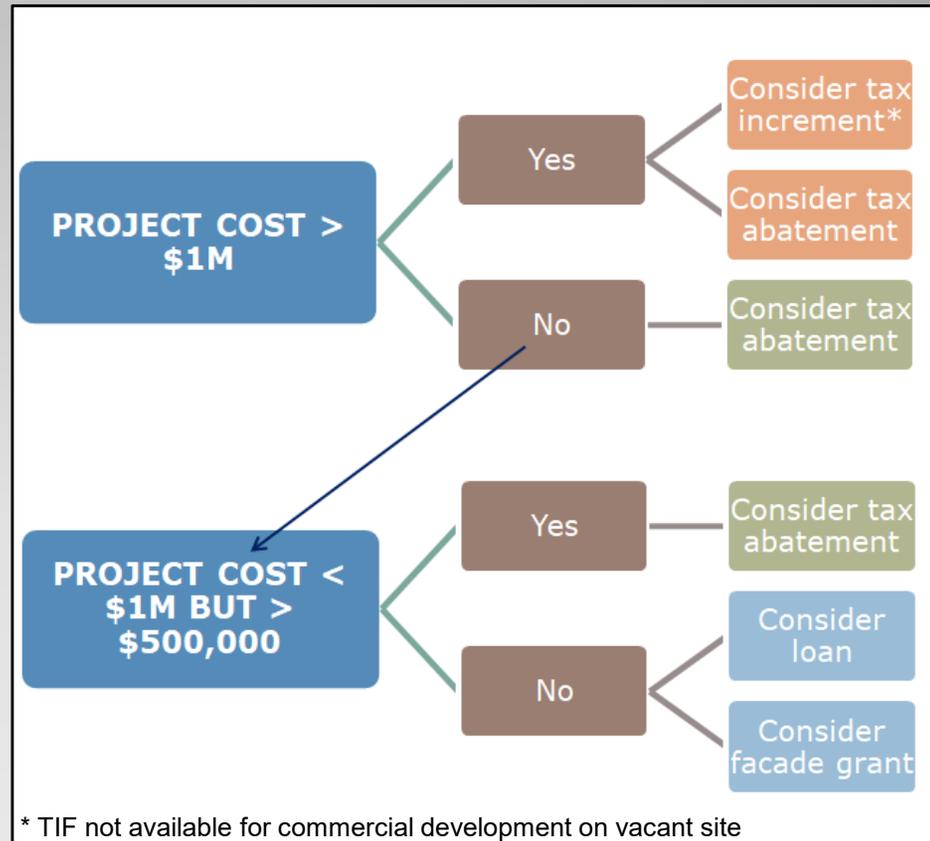
This item is for information and discussion.

# Tax Increment Financing

Information

- **Local** incentives available in most MN cities

- Tax increment financing
- Tax abatement
- Revolving Loan Fund
- Façade Loan



# Background

# Participation in Project

	City	County	Local School
Increment			
Abatement			

TIF vs Abatement

Economic Development  
Jobs



Redevelopment/Revitalization  
Renewal



Contamination/Correction  
Clean up - remediation

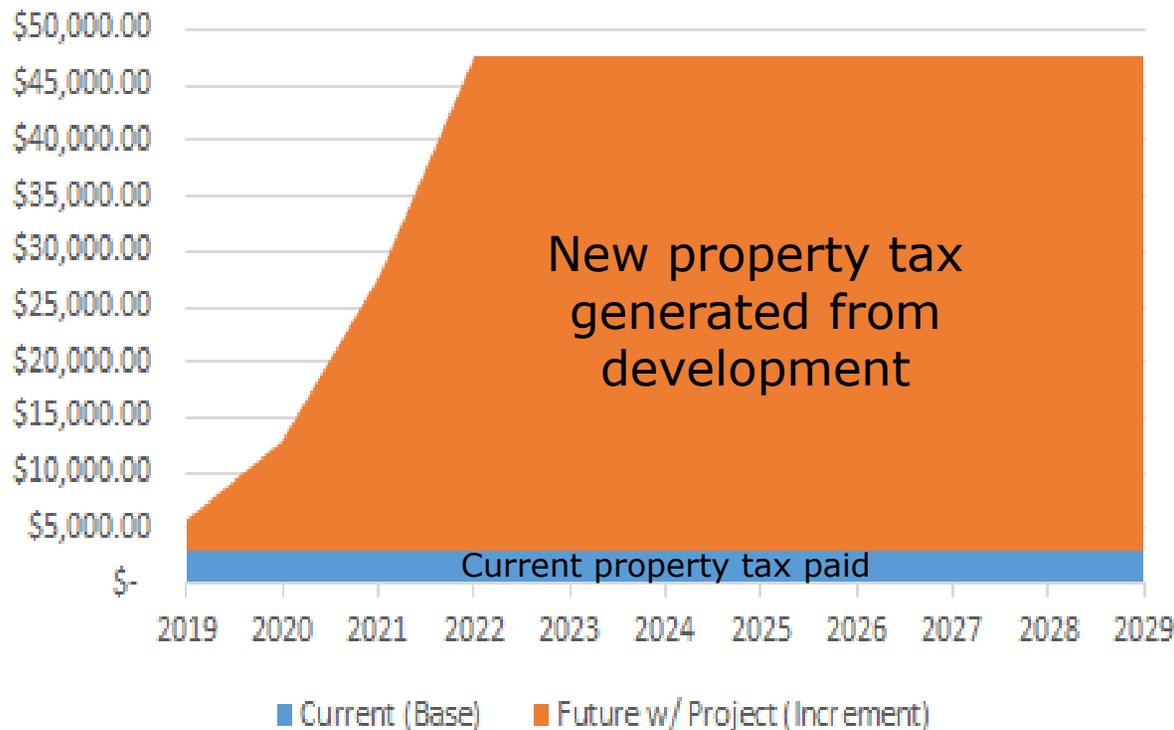


Affordable Housing



## Eligible Projects – Differing Goals

## Property Tax Paid



Portion of new local & county property taxes generated 'captured'

'Captured' taxes used to make development happen

"But for" TIF project wouldn't happen & new taxes would never be generated

Chart is an actual comparison of current property taxes paid vs projected taxes for one 36 unit apartment bldg. – increment doubles if two apartment bldgs constructed

# TIF Basics



TIF **always**  
dependent on new tax  
revenue generated by  
development

Abatement policy has  
been new taxes  
generated

Not 'giving' developer  
money

City plans for  
residential and C/I  
growth and adding  
staff & other  
resources as needed

New taxes generated vs existing – not  
using current taxes



Post Office



Shinehouse Gansen Bldg



Cardinal Ridge



Cambria Building



Coborns

# Actual Projects in Belle Plaine

- **Project Eligibility**

- Increase access to quality housing
- Increase access to affordable housing
- Diversify tax base
- 80% market rate/available to anyone
- 20% income qualified/50% or less of area median income (\$90K+)

- **“50%” jobs – at or below \$45,000**

- Starting teacher, peace officer, public works
- Hair stylists
- Restaurant workers
- Customer service reps
- Production/warehouse workers
- Administrative Assts

**NOTE: College grads average 2018 starting wage = \$50K**

(Source: National Association of Colleges & Employers)



When was last time  
72 or even 36 MF  
units added to City  
that were not age  
restricted?

Where is a  
comparable  
development in BP?

Maxfield Research  
Housing Studies:  
**Zero** vacancy in  
general occupancy  
2012 & 2016

Rents on the rise

Why needed: the numbers don't work  
without TIF – we have evidence



LOGIC

GUT FEEL

Q: How do we know the Developer isn't using bogus numbers?

**A: Ask & trust the professionals working on City's behalf to review the numbers**

Q How do we know if we are paying for inflated costs?

**A: "Look Back" provision in TIF agreement – sworn construction statement of costs at completion of project required, adjust if needed**

How do we know if we are getting a fair deal?



The site was previously approved for two 40 unit apartments

People can see utilities were installed for apartments

Matches planned land use (high density) and zoned correctly (R-7 Mixed Housing)

Garages adjacent to west property line, stormwater pond directly north

This is NOT the right location!!!!  
**(Actually, these are the facts. . . )**



80% - 56 units  
general occupancy,  
market rate rent

20% - 16 units rented  
to those earning less  
than 50% area  
median income – no  
reduced rent rate

“Section 8??” –  
maybe renter voucher  
- benefit goes w/  
renter. This is not  
where property owner  
contracts with state or  
local housing program  
and benefit goes with  
rental unit (BP  
Apartments –  
Commerce St E)

Who is going to live there?



Pay-as-you-go type

Developer pays all costs up-front

No City bonds or direct loans

Developer finances cost and receives semi annual payments from part of available increment

Limit both maximum payment and term – whichever comes first ends assistance

Developer shoulders risk – not the City

DO  
HISTORY

Economy & project  
need is fluid

City has used tax  
increment and  
abatement effectively  
in the past

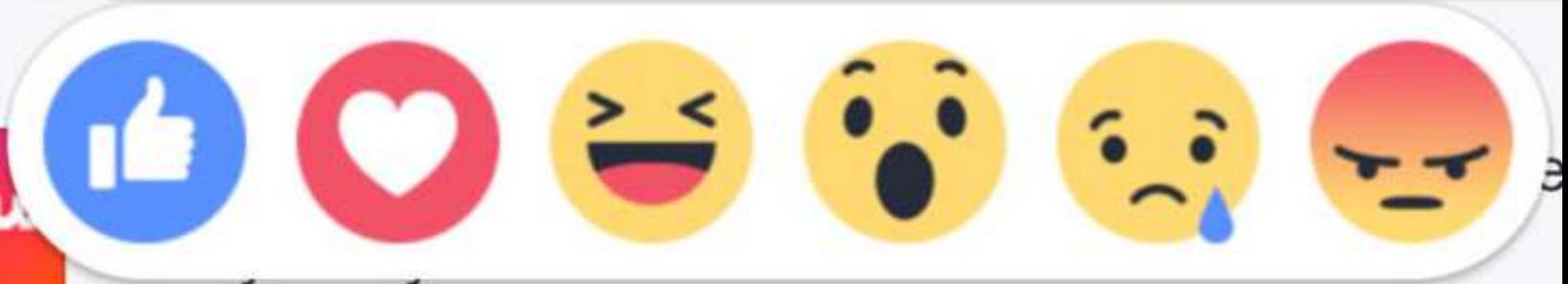
If you decide to  
participate in a  
project you don't set  
precedent or have to  
participate in another  
similar project

What makes sense  
today may look  
different next month,  
year, decade, etc.

Every instance is different



Write a comment...



[Like](#) · [Reply](#) ·   15 · 1 hr

Comments/Questions

# Residential



Density





# Residential Density Discussion

- Receive information for future discussion purposes
- Adjustment may or may not be pursued
- Most important: Provide perspective on future residential development review – flexibility & openness
- Cross check/control - TCMC



# Net Residential Density (DU/AC)

- Metropolitan Council prescribes minimum net density for residential development.
  - Belle Plaine minimum net density: 3 du/ac
- City must provide for its share of affordable housing need allocation (min. density 12+)
- Rationale
  - Manage the form and pace of growth
  - Maximize public's investment in local/regional systems
  - Provide for affordable dev'l & housing
  - Preserve prime agricultural lands



# Net Residential Density (DU/AC)

- Net density minimum required = **3 du/ac**

- Net density calculation:

gross acres platted – undevelopable acres = net acres

net acres ÷ dwelling units = net density

- Undevelopable area = bluffs, wetlands, protected waters, & floodplain
- Roads, storm ponds, easements, trails, & parks are **developable areas**
- City code doesn't include minimum or maximum density rqmts
- City code does include minimum lot size which functions as max density limit
- Some cities require minimum densities for resid. development



# R-1 District

- R-1 Single Family Low Density District

- Minimum lot size = 12,000 sf

- Maximum Net Density = 2.54 du/ac

- =  $43,560 - \text{sum}(43,560 \times .3)$  result is 30,492

- Net density maximum =  $30,492 \div 12,000$

- Minimum net density (3 du/ac) may be achievable if non-developable areas are present

- Alternative = PUD





## R-2 District

- R-2 Single Family Low Density District
    - Minimum lot size = 20,000 sf
    - Maximum Net Density = 1.52 du/ac  
=  $43,560 - \text{sum}(43,560 \times .3)$  result is 30,492  
Net density maximum =  $30,492 \div 20,000$
    - Alternative = PUD (mixed residential classes)
- 

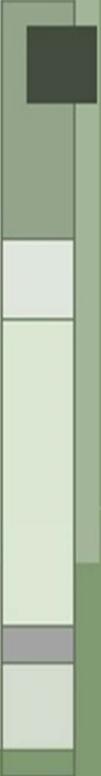


## R-3 District

- R-3 Single and Two Family Low to Medium Density
    - Minimum lot size one family = 8,000 sf
    - Maximum Net Density = 3.81 du/ac  
=  $43,560 - \text{sum}(43,560 \times .3)$  result is 30,492  
Net density maximum =  $30,492 \div 8,000$
    - Tops out at less than 4 du/ac
- 



## R-3 District

- R-3 Single and Two Family Low to Medium Density
    - Minimum lot size two family = 5,250 sf
    - Maximum Net Density = 5.81 du/ac
      - =  $43,560 - \text{sum}(43,560 \times .3)$  result is 30,492
      - Net density maximum =  $30,492 \div 5,250$
    - Tops out at less than 6 du/ac – minimum density for areas intended to fulfill affordable housing need must be greater than 6 and some greater than 12 du/ac
- 



# R-7 District

- R-7 Mixed Housing District
    - Minimum lot size
      - 2,625 for first four du
      - 2,000 for each du thereafter
    - Maximum Net Density = approx. 14 du/ac
      - =  $43,560 - \text{sum}(43,560 \times .3)$  result is 30,492
      - Net density (first four) = 11.62 du/ac
      - Net density (remaining) = 15.25 du/ac
    - Presumably building up equates to less area devoted to roads, easements, storm, etc.
    - PUD to accommodate higher density
- 



## MEMORANDUM

DATE: March 11, 2019  
TO: President Krant, Members of the EDA, and Administrator Meyer  
FROM: Cynthia Smith Strack, Community Development Director  
RE: Item 6.2 Director's Report

### **Design Committee**

The Design Committee met on March 4<sup>th</sup>. The DC provided input on a proposed storefront for Oldenburg Brewing Co at 116 Main Street West. The Committee also addressed 2019 work plan and meeting frequency.

### **Planning Commission**

The Planning Commission will meet at 6:30 p.m. on March 11<sup>th</sup>. Agenda items include:

- Consider after the fact variance requests for 326 Ash St South pertaining to a parking lot.
- Considered rezoning request from Scott Schmidt for properties mid-block in the southeast quadrant of Meridian Street North and Court Street West. Rezoning proposed is from B-3 Central Business District to R-7 Mixed Housing. The sites were previously the subject of request to establish ministorage which was denied in 2015.

### **Other**

- Discussion Façade Improvement Loan program with two businesses.
- Zoning information to two businesses.
- Verification of property listings with CoStar.
- Coordinate review of housing TIF preliminary application.
- Prepare presentation re: TIF information.
- EDA/Chamber gala.
- Façade review by DC and ROSE loan to 116 Main Street West.
- Coordinate review of draft sidewalk café code update.
- Joint OAA Board meeting (Belle Plaine Township) March 6<sup>th</sup> asphalt plant Kornder property.
- Met with three developers regarding potential for development.
- Easement vacation and lot combination coordination – City property.
- Code amendment outside storage and off-street parking follow up.
- Informal site plan review – for two I/C District retail uses.
- Coordinate review of rezoning for properties in CBD.
- Coordinate review of after the fact variance requests for parking lot.
- Coordinate receipt of plat, easement, and draft development agreement for Jane Properties Subdivision.
- Code compliance issues processed.

# MINNPOST

## STATE GOVERNMENT

# At Capitol, Minneapolis Fed chief talks immigration, affordable housing, and why Minnesota's labor shortage may not be all that

By Peter Callaghan | 03/06/2019



MinnPost photo by Peter Callaghan

Neel Kashkari shown speaking to the Minnesota Senate Finance Committee on Tuesday.

The president of the **Federal Reserve Bank of Minneapolis** offered a little something for everyone when he spoke to the Minnesota Senate Finance Committee Tuesday.

**Neel Kashkari** said that if Minnesota is to meet its workforce needs over the coming decades, it needs to be open to more immigration, not just from within the United States but from around the world.

**But he also said that if the state wants to take on its housing shortage, especially at prices accessible to low-and-middle-income households, it needs to rely on the private sector — and therefore must look at how government regulations and requirements contribute to the high cost of building.**

While more open immigration policies are core to the Democratic agenda, over-regulation of the economy fits well with that of Republicans. Those were hardly the only hard-to-pigeonhole views Kashkari expressed to lawmakers Tuesday.

Kashkari took over the Minneapolis Fed in 2016 and is one of the 12 members of the **Federal Open Market Committee**, which sets much of the monetary policy for the United States. Since taking office, he has made racial and geographic disparities one of the primary research areas of the Minneapolis Fed. While based in Minneapolis, the bank oversees all of the Ninth Federal Reserve District, which includes Minnesota, Montana, North and South Dakota, and parts of parts of Wisconsin and Michigan.

Kashkari has set his research branch off on projects ranging from early childhood development to affordable housing. “How do we educate as many Americans as possible, given the resource constraints we have as a country?” he said.

One of those constraints, he said, housing affordability. “Red area or blue district, affordable housing is becoming an increasing challenge and we’re trying to understand why isn’t the private market able to step in and build more units, build more apartments, build more homes that people can afford. We need the private market to move in this direction, to meet the scale of the need.”

He complimented the city of Minneapolis for its recent land use plan that seeks to increase density. “We do think density has a role to play. It can’t solve everything, but we do think more private-market supply is part of the solution.”

But he also warned about the unintended consequences of policies with noble intentions. **California will require solar panels on all new homes** by next year, a mandate that will add up to \$10,000 to the price of a new home.

“That is a direct impact on affordability for low-income families,” said Kashkari, who was the Republican nominee for governor of California in 2014. “Sometimes we have very different public policy goals that can work at cross purposes with each other. I’m not here to tell you that solar panels are a good idea or a bad idea. I’m here to say all of us should do rigorous analysis to say what are the real consequences of these policies. Is it helping families or is it making the problem worse?”

His researchers are now looking at the reasons housing developers can’t and won’t produce housing that meets the needs of lower- and middle-income buyers. “Why is it that the minimum costs of a unit or a house has gotten so high that the economics just don’t make sense for that development or that family and what are the policy solutions that can lower that level?”

Sen. Carla Nelson, R-Rochester, asked Kashkari about the impacts of the tight labor market on the state’s economic growth. The inability to find workers was one of the reasons state economists have lowered growth projections and revenue growth projections in coming years.

Kashkari said that one of the Fed’s most-significant powers — setting interest rates for borrowing — is dependent on accurate data of growth in the economy. “I have been in the camp that I don’t think we

are yet at maximum employment,” he said.

When he hears employers complain of a worker shortage, he asks them: “Are you raising wages? And usually the answer is, ‘no.’”

“Literally millions of people have come off the sidelines who previously said they weren’t interested in working who are now taking jobs,” he continued. “So the question is, how many more are out there. I’m of the view that there is still slack in the labor market and until we see wage growth really pick up, I’m going to believe that there are still more Americans out there.”

But he said attracting immigrants will be a vital part of the workforce solution. “If you look at our country, we’re having fewer kids than we did in prior generations,” he said. “And a big part of economic growth is population growth: more workers to produce things, more consumers to buy things. And if our population growth is slowing because we’re having fewer kids, where is our economic growth going to come from?”

“You have three choices. You can either accept slower growth, you can turn to immigration or you can try to subsidize fertility,” he said. “That’s just the math. If it were up to me, I would say that immigration is a huge competitive strength for America.”

“Japan has very low fertility, yet culturally they are very resistant to immigration so they are trying to subsidize fertility. They are literally trying to offer tax credits and financial incentives to encourage Japanese families to have more babies. Let me tell you, it takes 20 years to grow a new worker. It’s not a fast solution even if it’s even possible.”

## Combating disparities

When he arrived in Minnesota three years ago, Kashkari said was surprised to find the state has some of the biggest disparities in the country when it comes to outcomes for whites and people of color. So he asked his economists to explain the causes.

“To be honest, we didn’t get very good answers,” he said.

In response, the Minneapolis Fed created the **Opportunity and Inclusive Growth Institute**, which just hired a Notre Dame professor, Abigail Wasniak, to lead it.

Sen. Bobby Joe Champion, DFL-Minneapolis, took issue with Kashkari’s stated emphasis on immigration to fill future labor needs. He said the first source should be the unemployed and underemployed people already in the state. “It seems you are falling into the same challenge that others have, which is you look past those who are sitting on the sidelines,” Champion said. “African-Americans, for example; Native Americans, for example; other American-born individuals who are on the sidelines.”

“That causes me some trepidation,” Champion said. “I’d like to know how you can reconcile those two notions, because I think you’re just falling into the same challenge.”

But Kashkari pushed back. “I don’t see any conflict because I said two things. One, immigration; and second I said education. And education is about giving all Americans, all Minnesotans, the skills that they need to realize their full potential and to participate fully in the economy.”

He said most of the work his staff has done is focused on making sure all Minnesotans “and in particular Minnesotans in low-income communities and Minnesotans in communities of color” are getting the same education as other communities, Kashkari said.

One hot topic that Kashkari did not allow himself to get embroiled in was whether the current tax structure in Minnesota — with relatively high state taxes and a cap on the deductibility of state and local taxes (known as SALT) under the federal tax reform bill of 2017 — is having an impact on the economy. He said he has not looked at the latest state revenue forecast and would leave that analysis to state economists.

Afterward, when asked if the SALT cap could be (as New York Gov. Andrew Cuomo has said) causing high earners to flee high tax states, Kashkari said it is too soon to tell. And since the Fed is concerned with the national economy, movement within the country might impact individual states but not the overall economy. “If the flight flows from one state to another state, it’s not going to move the national economic statistics any,” he said.

#### RELATED CONTENT:

ECONOMY

### **With Minnesota unemployment so low, why aren’t wages going up more?**

BY **GRETA KAUL** | 02/05/2019

Under normal economic assumptions, when the supply of something — labor — is low, its price — wages — should go up.

TWIN CITIES BUSINESS

### **Neel Kashkari on banking, bailouts, blind spots, Jamie Dimon and Donald Trump**

BY **BURL GILYARD** | 06/09/2017

The Minneapolis Fed President is concerned that recent financial reforms did not go far enough to prevent another financial system meltdown.

#### ABOUT THE AUTHOR: