

**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