

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
APRIL 8, 2019**

**PLEDGE OF ALLEGIANCE.**

President Krant led those present in the Pledge of Allegiance.

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

The Belle Plaine Economic Development Authority met in Regular Session at 5:00 PM on Monday, April 8, 2019 at City Hall, 218 North Meridian Street, Belle Plaine, MN. Commissioner Krant called the meeting to order with Commissioners Coleman, Pankonin, Meyer, Fahey and Coop present. Commissioner Doyle was not present.

Also present was Community Development Director Smith Strack.

**2. APPROVAL OF AGENDA.**

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

**3. APPROVAL OF MINUTES.**

**3.1. Regular Session Minutes of March 11, 2019.**

MOTION by Commissioner Coleman, second by Commissioner Meyer, to approve the Regular Session minutes of March 11, 2019. ALL VOTED AYE. MOTION CARRIED.

**3.2. Joint Work Session Minutes of March 18, 2019.**

MOTION by Commissioner Pankonin, second by Commissioner Coop, to approve the Joint Work Session Minutes of March 18, 2019. ALL VOTED AYE. MOTION CARRIED.

**4. TREASURERS REPORT.**

**4.1. Approval of Bills.**

MOTION by Commissioner Coleman, second by Commissioner Fahey, to approve the Treasurers Report. ALL VOTED AYE. MOTION CARRIED.

**5. BUSINESS.**

**5.1. Discussion Trunk Area Fee Financing Policy.**

Community Development Director Smith Strack explained at a joint work session on March 18<sup>th</sup> the City Council, Planning Commission, and EDA discussed measures to 'set the table' for apartment construction and new single family lots or new subdivisions.

Smith Strack explained one potential method to help developers was to allow financing of trunk area fees. In 2017 a financing policy was adopted for WAC/SAC fees, a similar program could allow financing of trunk fees for lot creation. Smith Strack referenced information included in the packet. Smith Strack noted sample policy language is attached to the memo. Smith Strack explained as a starting point, the minimum total fees due would have to exceed \$50,000 total to be eligible for financing. Smith Strack noted the applicant would have to be the fee simple owner of subdivided property at the time of assessment agreement execution. Contract for deed arrangements or land leases would not be eligible for financing. Smith Strack also explained fees related to processing and filing the assessment would be assigned to the applicant. Smith Strack explained potential terms: (a)\$50,000 to \$100,000 fifty percent paid at signing

of subdivision development agreement; interest rate: prime plus one, maximum term five years spread equally across all resulting lots of record included in the associated final plan; (b) \$100,001 to \$200,000 fifty percent paid at signing of subdivision development agreement; interest rate: prime; maximum term six years spread equally across all resulting lots of record included in the associated final plat; and (c) \$200,001 and up fifty percent paid at building permit issuance; interest rate as set by council; maximum term seven years spread equally across all resulting lots of record included in the associated final plat. Smith Strack explained for background, Jane Properties Subdivision trunk area fees total \$107,236 (three commercial lots). Provence Second Addition, Phase 1 (19 lots) totaled \$84,704 in trunk fees. Ridgeview Health Campus trunk area fees totaled \$51,136 for 7.5 acres (two lots). Robert Creek Preserve trunk fees totaled \$175,125 for all phases (28 acres); only fees applicable to first addition were paid. Smith Strack requested input, discussion and direction on a potential trunk area fee financing policy program.

Commissioner Meyer inquired if this policy is requested and if it is offered in other communities. Community Development Director Smith Strack explained other cities offer WAC/SAC fees as incentives and noted the merit to working around the edges. Commissioner Coleman inquired on the trunk area fee acreage clause. Smith Strack explained the fee includes water, sanitary sewer and storm sewer which is assessed per acre of developable area. Smith Strack noted trunk fees may only be charged at the time of platting and that they do not apply to minor subdivisions. Commissioner Coop inquired on the purpose of trunk fees. Smith Strack explained the City has three different ways to receive fees in order to offset their infrastructure costs pertaining to building, operations and maintenance. Smith Strack explained WAC/SAC fees are used to "buy in" to an existing system. Smith Strack further explained the trunk fees are what the City banks for future expansion and capital improvements. Coop inquired on what the process is if the developer goes bankrupt. Smith Strack explained if development is built the fees are paid, if not built the fees would follow the property noting in some cases the fees would need to be readdressed. Smith Strack explained if the EDA decides to move forward the policy will be reviewed by the City Attorney.

MOTION by Commissioner Meyer, second by Commissioner Fahey to move forward with the Trunk Area Fee Financing Policy to be reviewed by City Council. ALL VOTED AYE. MOTION CARRIED.

## **5.2. Discussion New Home Permit and Plan Review Fee Waiver Program.**

Community Development Director Smith Strack explained the EDA has two incentive programs available to residential property owners: an income qualified new home down payment assistance program and a residential rehabilitation/energy efficiency program. Smith Strack noted the EDA has previously discussed and provided for other incentive programs explaining at the March 18<sup>th</sup> joint work session those in attendance reached consensus to investigate a fee waiver program tied to new homes proposed for lots in new residential subdivisions platted after a certain date (e.g. January 1, 2019). The fee waiver incentive could assist in facilitating take-down rates of lots in new subdivisions. Smith Strack explained a similar program was started in 2012 and noted the fee waiver could be similar to one in effect from 2012-2015. Smith Strack explained as envisioned, the fee waiver would be limited to building permit and the plan review fee. This means the applicable state surcharge, water meter, tracer wire, and WAC/SAC fees would still apply.

Commissioner Meyer inquired on the new home projection for 2019. Community Development Director Smith Strack explained the City has received five applications noting Loomis is not building so far this year. Smith Strack explained this program has been used in the past and has helped spur development. Commissioner Pankonin clarified the incentive would be used for new subdivisions only. Smith Strack confirmed. Commissioner Coop inquired if the waiver accurately reflects staff time. Smith Strack explained most subdivisions replicate the same houses thus creating efficiency by looking at the same plan but a different lot. Commissioner Coleman noted long-term benefits of creating tax base. Coleman inquired what is budgeted for this plan. Smith Strack explained the HRA incentive program currently has \$8,000 budgeted for incentives. Coop inquired on the total cost for the program. Smith Strack explained if no cap is placed and the incentive is not tied to any other program on 2018 building numbers would have

cost the City \$70,000. Discussion regarding the viability of the program and how to rate if it's successful. Discussion on future expansion and how many waivers could be used to spur development. Commissioner Coop inquired what area of the budget should be cut to support this program or if Commissioners are agreeable to an increase of taxes. Commissioner Pankonin stated an increase of taxes would be acceptable to spur development. Commissioner Coleman inquired money is not used will the remaining balance roll over to the next year. Smith Strack confirmed the money should roll over. Coop noted his concern with taking public funds and providing for private parties. Pankonin noted the same approach is used for façade loans. Coleman inquired if any negative feedback came from the program in 2012. Smith Strack said no.

MOTION by Commissioner Fahey, second by Commissioner Pankonin to move forward with a \$2,500.00 incentive with a maximum of three incentives for 2019. ALL VOTED AYE. MOTION CARRIED.

It was noted the incentive money would need Council approval for the reallocation of the funds.

## **6. ADMINISTRATIVE REPORTS.**

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

Commissioner Meyer explained his quarterly meeting with the County Commissioner and County Administrator is coming up and inquired if the board and anything to bring forward. Commissioner Coleman requested a status update for the Renaissance Festival. Community Development Director Smith Strack requested a status update of the County's CIP and County Road Eight.

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

Community Development Director Smith Strack highlighted the Directors Report.

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

#### **1. Regular Session, 5:00 pm, Monday, May 13, 2019.**

Commissioners were reminded of upcoming meetings as listed.

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

MOTION by Commissioner Pankonin, second by Commissioner Coop, to adjourn the meeting as 5:53 PM. ALL VOTED AYE. MOTION CARRIED.

Respectfully submitted,

Renee Eyrich  
Recording Secretary