

**CITY OF ELKO NEW MARKET
ECONOMIC DEVELOPMENT AUTHORITY
ELKO NEW MARKET AREA HALL
601 MAIN STREET
ELKO NEW MARKET, MINNESOTA 55054
THURSDAY, APRIL 23, 2014**

1. CALL TO ORDER

The meeting was called to order by Chair Crawford at 7:00 p.m. with the following members present: Chair Crawford, Joe Julius, Josh Berg, Jason Stern, and Patricia Timmons. Absent: none.

Also Present: Executive Director Tom Terry, Ex Officio Member Bob Vogel, Engineer Rich Revering, Police Chief Steve Mortenson, Development Coordinator Renee Christianson, Secretary Sandra Green, and Rebecca Kurtz from Ehlers.

2. ADOPT/APPROVE AGENDA

It was moved by Julius, seconded by Berg to approve the agenda as presented. Motion carried (5-0).

3. APPOINTMENT OFFICERS FOR 2015

It was moved by Julius, seconded by Crawford to nominate Commissioner Julius as Chairman of the EDA. Motion carried (5-0).

It was moved by Timmons, seconded by Stern to nominate Commissioner Timmons as Vice-Chair of the EDA. Motion carried (5-0).

4. CONSENT AGENDA

It was moved by Timmons, seconded by Stern to approve the consent agenda as presented. Motion carried (5-0).

- a. Approve Minutes of the October 23, 2014 Meeting of the Economic Development Authority.

5. PUBLIC HEARINGS

None

6. CONTINUED BUSINESS

a. Grocery Store Update

Renee Christianson updated the Commission regarding Doug Loeffler and the City's search for a grocer to operate in Elko New Market. Mr. Loeffler is interested in constructing a grocery anchored retail development on the east side of town. She noted that the City's EDA had partnered with Mr. Loeffler on a market study in 2014 which showed favorable results. Since that time Mr. Loeffler has continued to meet with all major grocery store chains and has found little interest. He is currently working with an Iowa based grocer that has expressed some limited interest. City staff and engineer joined Mr. Loeffler in meeting with the grocer on

February 19th. Christianson also noted that the staff has prepared property tax estimates based on a store size that they suggested, and also consumer expenditure information. The grocer has expressed to Mr. Loeffler that there is a financial gap which prevents them from moving forward, however, city staff has not viewed any financial pro-forma associated with the grocery store so cannot address the potential gap.

Commissioner Julius asked how many grocers have been contacted, and over what time period. Christianson noted that Loeffler has met with approximately 10 grocery stores over a nine month period. Commissioner Stern asked if a coop option has been explored.

b. Senior Housing Update

Renee Christianson noted that city staff has been working with Tom Wasmoen from Firm Ground Architects to evaluate the feasibility of constructing a senior housing project in Elko New Market. Over the past three years Mr. Wasmoen has completed two housing studies which indicate there is a market for an assisted living and memory care project. Three Links out of Northfield is interested in operating the facility if constructed. Mr. Wasmoen has recently presented conceptual building elevations, floor plans and site plans to city staff, and is currently looking at property owned by the City of Elko New Market. Currently 32 assisted living units and 20 memory care units are planned. Staff continues to work with Mr. Wasmoen on the project.

7. NEW BUSINESS

a. Discussion on Business Subsidy

Renee Christianson presented the topic. She stated that the City's first EDA was established in 2011. Following the establishment of the EDA the City adopted the Economic Development Strategy and Action Plan which is policy created to help guide the City's decisions regarding economic development. And following that, the City adopted a Business Subsidy Policy. Christianson reviewed the contents both of these documents with the Commission.

Rebecca Kurtz with Ehlers, a financial advisory company serving the public sector, gave a presentation on TIF and tax abatement. She explained how TIF and tax abatement work, how funds can be used, and the required statutory process for each. She reviewed the different types of TIF districts available.

Due to time constraints, at 7:29 p.m. it was moved by Crawford, seconded by Stern to continue the meeting until after the City Council meeting. Motion carried (5-0).

Chairman Julius reopened the EDA Meeting at 8:54 p.m.

Renee Christianson reviewed five sample development scenarios which included industrial/manufacturing, retail and housing projects. She reviewed hypothetical building values, tax estimates, job numbers and salaries, and estimated TIF and tax abatement revenues for each project. She requested feedback from the Commission as to what they may support, if requested, in each scenario.

Tom Terry explained that staff was trying to gauge where the Commission's priorities were in terms of a) increasing tax base b) providing jobs within the community c) providing retail and

quality of life conveniences for the residents, etc. Is the council looking for a certain type of jobs? Is the council looking for development that will spur other development?

Chair Julius stated he would like the EDA and council to become knowledgeable about the tools available, determine what the city's economic development priorities/goals are, and how they can use the tools to achieve their goals. He stated that he consistently hears from constituents that they want more businesses in town. He also suggested that the EDA meet more frequently than quarterly.

Josh Berg stated that he would be open to considering incentives any one of the scenarios presented at this time, because there has been so little commercial/industrial development currently.

Chair Julius stated his first priority is creating jobs in town. Bob Vogel asked "What does the community need?" Commissioner Crawford stated that he believes the city needs retail, particularly a grocery store. Jason Stern stated his priority is attracting a grocery store and associated retail. He also believes that attracting the industrial development at I35 may spur a grocery store. Patricia Timmons suggested that the development on I-35 may come on its own

The EDA members agreed that they were very open to discussions on business subsidies including tax abatement and TIF. Chair Julius suggested one more meeting to discuss economic development priorities. It was decided hold one additional meeting to discuss priorities on May 28th at 5:30 p.m., just before the city council meeting.

8. EXECUTIVE DIRECTOR'S REPORT

There was no report due to the late meeting time.

9. ADJOURNMENT

It was moved by Vice-Chair Timmons, seconded by Crawford to adjourn the meeting at 9:57 p.m. Motion carried (5-0).

Respectfully Submitted,

Renee L. Christianson

Renee L. Christianson
Economic Development Coordinator