Economic Development Authority Meeting MINUTES
AUGUST 19, 2025

1) **CALL TO ORDER**
The meeting was called to order by Chair Berg at 6:01 pm
Commission Members Present: Josh Berg, Amanda Novak, Kate Timmerman, and Megan Thielfoldt
Commission Members Absent: Andrew Ganfield and Bob Vogel
Also Present: Executive Director Terry, Senior Planner Christianson, Planner Malecha, Dawn Weitzel and Nicole Weber.

2) **PLEDGE OF ALLEGIANCE**
Chair Berg led the Economic Development Authority and audience in the Pledge of Allegiance.

3) **ADOPTION OF AGENDA**
Chair Berg asked Executive Director Terry if there were any changes to the agenda. Terry informed Berg there are no changes.
MOTION by Timmerman, second by Novak to approve the agenda as presented.
MOTION CARRIED: 4-0

4) **CONSENT AGENDA**
a. Approve Minutes of the April 24, 2025 Meeting of the Economic Development Authority
b. Approve Minutes of the June 11, 2025 Special Meeting of the Economic Development Authority
c. Approve Minutes of the June 12, 2025 (AM) Special Meeting of the Economic Development Authority
d. Approve Minutes of the June 12, 2025 Special Meeting of the Economic Development Authority
MOTION by Thielfoldt, second by Timmerman to approve the consent agenda as presented.
MOTION CARRIED: 4-0

5) **PUBLIC HEARINGS**
a. None

6) **CONTINUED BUSINESS**
a. Economic Development Strategic Planning – Tax Base
Executive Director Terry gave a presentation continuing the discussion regarding the Economic Development Strategic Planning efforts, focusing on tax base. Terry began the presentation by giving a visual example using a jug of water and some glass cups, where the water in the jug represented the levy and the glasses represented the properties. The purpose of the demonstration was to use a simple visual explanation to demonstrate the impact the levy has on taxable properties, and how the impact is affected when more taxable properties are in play.

Terry began the PowerPoint portion of his presentation. He stated that tax base is the total assessed value of all taxable property in the community, and it includes residential, commercial, and industrial, among other categories. Terry said that the distribution of the property tax burden is determined by value and class rate. Terry explained the property tax formula in Minnesota. There are three key elements – assessed value, property classification rate, and local tax rate; shown as: (assessed value) x (classification rate) x (local tax rate) = property tax.

Terry explained that there are over 60 different class rates in Minnesota but focused on examples of classifications regularly seen in Elko New Market (Residential Homestead, Apartments, Commercial/Industrial). Terry presented an example that compared the values of a single family residential home, apartment building, commercial site, and an industrial site. Terry also noted that local municipalities capture 100% of the tax value of residential properties, while commercial and industrial are impacted by fiscal disparities and other factors that splits up the tax value and is dispersed elsewhere. Dawn Weitzel inquired as to how much of the value is dispersed away from the local municipality, Terry said approximately between 30-40%. The point Terry was making here is that different types of properties pay at different rates relative to the same value.

Terry continued his presentation by discussing tax base diversification. He stated that a diverse tax base can help cities better manage their finances and provide essential services for residents. Some benefits for residents residing in a city with a diverse tax base generally include:

- Reduces the overall tax burden for residential units
- Having a mix of commercial and industrial property helps a city to cover expenses related to city services
- Additionally, these properties have less demand for the same city services when compared to residential developments

The next portion of the presentation compared the tax base diversity of Elko New Market to surrounding cities in the area. Terry explained that cities are unique and have specific circumstances that help to shape their tax base, such as transportation networks and landforms. In 2025, Elko New Market was at 94% residential compared to the other end of the spectrum with Shakopee at 55%. With the onset of a new industrial facility to the tax base in Elko New Market, the City went from 93% residential to 84% from 2025 to 2026. Weitzel asked Terry as to how many homes are currently in the community, Terry stated approximately 1,500.

Terry continued his presentation by explaining an analysis that was done by Staff to, at a high level, see what our tax base diversification would look like if we built out to the 2024 Land Use Plan. Staff determined an estimated dollar per acre value for low, medium, and high density residential, commercial, and industrial properties. Staff then applied those values to the net acreages in the 2024 Land Use Plan in the Comprehensive Plan and used that to determine the estimated tax base composition upon full-build out of the 2040 Land Use Plan. The 2040 full build out turns out to be 80% residential, 9% commercial, and 11% industrial. Terry posed the question to the group; how do you feel about this tax base mix?

Chair Berg responded by stating that this is where the differing opinions of current residents comes into play, where in general some people would like to remain more residential, and some would like better access to businesses.

Commissioner Timmerman stated that an 80/20 mix seemed reasonable. Weitzel concurred and added that a lot of the land planned to be part of the City someday, specifically towards the east on County Road 2, is already filled with businesses. Chair Berg added that based on this analysis he would see no need to make any changes to the land use plan now, but as situations come up for re-guidance requests, he would be open to considering those, as the Council has done in the past. Timmerman added that it is important to keep the small-town feel and felt that this mix still provides for that because the commercial is concentrated on CR2 and the industrial is far away from large residential developments.

Weitzel stated that where her business is currently located is a great area, and the business that outgrow their unit want to locate here, but do not have anywhere to do so. Christianson stated that businesses that outgrow that area are intended to go on the north side of CR2, on what Staff refer to as the Adelmann Property, which was a change that was made during the last comprehensive planning update. Chair Berg points out the high/medium density resident zoning that is proposed on the north side of CR2, between Xerxes and France. He questions where that has changed recently and whether it should be re-guided to something more suitable for light industrial/mixed. Christianson stated that the logic she applies to this is that it is more suitable for a community to break up their commercial rather than have one long stretch on the main road through the community. Terry concurs with Christianson and stated that when he was involved in the tail end of the comprehensive planning efforts before 2010, the idea was to have commercial nodes at the major intersection rather than along the entirety of CR2.

Weitzel asked the following question: if churches, schools, or other things of that nature were looking to locate in ENM, where would they be able to locate? Terry responded by stating they can essentially go anywhere they want to, and the zoning designation would be changed to institutional. A discussion regarding the possibility of a mega church locating in the city commenced. It can be summarized by saying that the group would assume a mega church would want to locate among CR2, but it seems unlikely that one would want to locate in ENM in the next few decades due to population size. Weitzel asked if it makes sense to designate land as institutional in preparation for when a church or school would want to locate here, in a sense guiding them to where the City would like them to locate. Terry stated that it is his understanding that if the City were to designate land as institutional, it could be considered a taking.

Terry closed by stating that the plan for the next EDA Meeting is to discuss infrastructure – where can we develop, where would we expect to develop in the future, what needs to be done from an infrastructure standpoint to be able to facilitate development will be some of the core points in the discussion.

The task force asked Planner Malecha to post the recordings of these meetings on YouTube going forward, beginning with the next meeting. Nicole Weber asked to add clarification on

the video with a disclaimer stating that these meetings are more informal and that this is a task force working specifically on the economic strategic plan.

7) **NEW BUSINESS**
None

8) **EXECUTIVE DIRECTOR'S REPORT**
None

9) **ADJOURNMENT**
MOTION by Novak, second by Berg to adjourn the meeting at 7:16 pm.
MOTION CARRIED: 4-0