

**CITY OF ELKO NEW MARKET
ECONOMIC DEVELOPMENT AUTHORITY
ELKO NEW MARKET CITY HALL
601 MAIN STREET
ELKO NEW MARKET, MINNESOTA 55054
THURSDAY, DECEMBER 20, 2018**

6:30 P.M.

- 1. Call to Order**
- 2. Adoption of Agenda**
- 3. Consent Agenda**
 - a. Approve Minutes of the July 26, 2018 Meeting of the Economic Development Authority
- 4. Public Hearings**
 - a. None scheduled
- 5. Continued Business**
 - a. None
- 6. New Business**
 - a. Conduit Financing, Ehlers
 - b. Aligning Public Participation in Economic Development, Ehlers
 - c. 2018 Fast Track Business Challenge Results
 - d. Community Development Updates
 - e. Available Properties
- 7. Executive Director's Report**
- 8. Adjournment**

**CITY OF ELKO NEW MARKET
ECONOMIC DEVELOPMENT AUTHORITY
ELKO NEW MARKET AREA HALL
601 MAIN STREET
ELKO NEW MARKET, MINNESOTA 55054
THURSDAY, JULY 26, 2018**

1. CALL TO ORDER

The meeting was called to order by Chair Julius at 6:30 p.m. with the following members present: Chair Julius, Bob Crawford, Josh Berg, Kate Timmerman and Patricia Timmons.

Also Present: Community Development Specialist Renee Christianson, City Engineer Rich Revering, City Clerk Sandra Green, and Executive Director Tom Terry via teleconference.

Absent: Bob Vogel

2. ADOPT/APPROVE AGENDA

It was moved by Timmons, seconded by Timmerman to approve the agenda, amended to include Reports as shown on the City Council Business Meeting agenda. Motion carried (5-0).

3. CONSENT AGENDA

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

4. PUBLIC HEARINGS

- a. None

5. CONTINUED BUSINESS

a. 2018 Fast Track Business Challenge

Renee Christianson reminded the EDA that applications to participate in the 2018 Fast Track Business Challenge were being accepted through the end of August. The Challenge is an entrepreneurial business competition, created to:

- Assist entrepreneurs and put their business ideas on the fast-track to success
- Match entrepreneurs to resources
- Enhance economic development and create jobs in Scott County
- Increase the success rate of start-up businesses

Christianson encouraged the EDA to market the program and encourage Elko New Market area entrepreneurs to participate in the program. Berg noted that a LinkedIn page and Facebook page has been set up.

6. NEW BUSINESS

a. Presentation by Dan Mueller, Ryan Companies US

Dan Mueller, Director of Real Estate Development for Ryan Companies US, was present at the meeting and provided an overview of the industrial development process and current market conditions. Mueller provided information on the following:

- Overview of Ryan Companies US
- Reviewed history of Ryan's involvement in Park I-35 and his experience working with City staff
- Reviewed his expectations that there is a high likelihood that warehouse/distribution/logistics type users would be likely to locate on the site
- Comparison to competitive sites in Lakeville and south metro

Crawford asked if having commuter buses available to this area would be a plus for attracting companies. Mueller stated that finding labor is an issue so it would be a plus. It is probably not a game changer but would be a positive addition.

Berg asked how the Elko New Market site fit into the overall Ryan portfolio. Mueller stated that industrial development market is a large part of their portfolio and the Elko New Market site is a real priority for Ryan. They feel the site is a viable option and have invested hundreds of thousands of dollars on the site.

Chair Julius asked about utility extension to the site. Mueller stated that some users may be too small to trigger the utility extensions to the site. Christianson noted that the cost of extending utilities to the site is currently estimated at \$3.5 million, so the City needs to evaluate each potential user to determine what revenue might be generated to help off-set those costs. Terry stated that there will be a degree of risk associated extending utilities to the site for most users.

Crawford asked if the Metropolitan Council SAC fee surcharge is hurting the City's ability to attract users. Mueller stated that for larger users the surcharge may not affect their decision; decisions may be based on larger operational issues. It was noted that Elko New Market's surcharge is \$2,000 higher than other metro communities.

In conclusion, Mueller stated that he believes that he expects to see activity on the site within 3 to 5 years. E-commerce does not appear to be going away so he believes the site will remain a viable option. There has been a slowdown in the large warehouse build-to-suit users over the past 12 to 18 months, but Ryan remains committed to the Park I-35 site.

b. Community Development Updates

Christianson provided the EDA with a memorandum containing the status of projects currently be worked on by Community Development staff. Verbal report was also given on the following projects:

- KL Goup Property
- Boulder Pointe 7th Addition
- Christmas Pines

- Preserve at Elko New Market
- Pheasant Hills

c. Vacant Lot Inventory

Renee Christianson presented the EDA with an inventory of vacant residential, commercial and industrial lots which included a text description and a visual map of the vacant lots. The inventory was well received by the EDA members.

d. Reports

Administration, Community Development, Parks Department, and 50 x 30 Collective Impact Project reports (as shown on the City Council Business Meeting agenda) were reviewed.

7. EXECUTIVE DIRECTOR'S REPORT

There was no report by the Executive Director.

8. ADJOURNMENT

It was moved by Berg, seconded by Timmons to adjourn the meeting at 7:28 p.m. Motion carried (5-0).

Respectfully Submitted,

Renee L. Christianson

Renee L. Christianson
Community Development Specialist



STAFF MEMORANDUM

SUBJECT:	Conduit Financing
MEETING DATE:	December 20, 2018
PREPARED BY:	Renee Christianson, Community Development Specialist
REQUESTED ACTION:	Provide Feedback Regarding Draft Conduit Financing Policy

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

DISCUSSION:

Staff would like to introduce the topic of conduit financing to the Commission. Conduit financing, also referred to as conduit bonding, is a situation where tax-exempt bonds are issued by a government agency and the proceeds are used for a defined purpose by another entity, such as a private developer or non-profit agency. Local units of government commonly used conduit financing as an economic development tool. By issuing tax exempt bonds for a development project, the developer/recipient will benefit from a lower interest rate. Bruce Kimmel from Ehlers will attend the EDA meeting to give the Commission a short presentation and explain conduit financing.

If the Commission supports the use of conduit bonding, a policy regarding its use should be adopted. Staff has provided a draft policy for review. The draft policy has been reviewed by the City's Attorney. A recommendation regarding its adoption should be made to the City Council.

City of Elko New Market, Minnesota

Private Activity / Conduit Revenue Debt Policy

Adopted: _____, 2018

The City of Elko New Market, Minnesota is granted the power to issue private activity bonds (referred to here as conduit revenue bonds) under Minnesota Statutes, Section 469.152-469.165, as amended, and Minnesota Statutes, Chapter 462C, as amended.

The Elko New Market City Council, being aware that such financing may help to introduce new health care service options and/or attainable senior and workforce housing options into the City, and/or prevent the emergence of blighted land, excessive unemployment and the need for redevelopment financing from the State and Federal governments, has expressed its support for the use of such financing but has reserved the right to approve or reject projects on a case-by-case basis. The following criteria have been developed as a guide for review of applications:

1. Criteria

- a. The project is to be compatible with the overall development plans and objectives of the City and neighborhood where the project is located.
- b. New businesses developing facilities in Elko New Market must show new tax base being generated by the project.
- c. Locating in areas of the City that the City wishes to develop, redevelop, or which in any way complements any development plans or policy of the City, will constitute a prime purpose under this policy.
- d. It is the City's intent to assist in business expansions or relocations within the City where it can be shown that such would have a substantial, favorable impact on employment, tax base, or both.
- e. It is the City's intent to assist new or existing businesses in the acquisition of existing facilities, where such acquisition will maintain the stability of the tax base, employment, or both.
- f. The project must not put a burden on existing City services or utilities beyond that which can be reasonably and economically accommodated.

- g. The applicant must show complete development budget and plan of finance. Applicant must provide copies of all financing agreements relating to the proposed conduit bond transaction for review by the City
- h. The credit rating and method of offering conduit bonds are important considerations. The City will not entertain applications for such financings unless:
 - (i) the debt is rated investment grade by a nationally recognized rating agency; or
 - (ii) the debt is sold in a private placement.

Debt will be considered sold in a private placement if:

- (i) no advertising or solicitation of the general public occurs, and
- (ii) the bonds are initially sold to not more than ten purchasers (not including any underwriter or placement agent as a purchaser), and
- (iii) the City receives written certification from each initial purchaser (or each underwriter or placement agent based on its reasonable belief) that:
 - (a) such purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and the risks of the debt, and
 - (b) such purchaser is not purchasing for more than one account or with a view to distributing the debt.

In addition, for a private placement either:

- (i) all bonds or notes (except for one bond or note) must remain in minimum denominations of not less than \$100,000, with the exception of charter schools which may have minimum denominations of \$25,000; or
- (ii) investment letters from not only each initial purchaser, but from any subsequent purchaser must be obtained which contains the above described certifications from the purchasers.

- i. The term “conduit” refers to any type of City revenue obligation, the proceeds of which are loaned to a private party and for which the City has no financial obligation. Any offering material for a private placement must prominently state in effect that: “THE CITY OF ELKO NEW MARKET HAS NOT ASSUMED ANY RESPONSIBILITY TO REVIEW THIS OFFERING MATERIAL AND HAS NO RESPONSIBILITY FOR ITS ACCURACY OR COMPLETENESS. THE CITY HAS NO FINANCIAL OBLIGATION OF ANY NATURE WITH RESPECT TO THE OFFERED BONDS.” Finally, to qualify as a private placement the financing documents must require annual financial statements from the benefited private party (or the ultimate provider of credit) to be delivered to each bond purchaser / investor (or a trustee).
- j. Applications for acquisition of or replacement of machinery and equipment will be discouraged unless in conjunction with a totally new business in Elko New Market, a physical plant expansion of an existing business, or where it is shown that the equipment acquisition is essential to the continued operation of the business in Elko New Market. It is the City’s intent to assist where possible in the acquisition of pollution control equipment for any new or existing business being required to meet mandated standards.

2. Procedures

- a. The applicant shall make an application for financing on forms available from the City of Elko New Market. The completed application is to be returned to the City Administrator and/or Community Development Specialist, accompanied by the processing fee, whereupon the application will be forwarded to the City Council with a staff recommendation. Findings shall be made and recited regarding the criteria as well as satisfaction of public purposes of the applicable statutes.
- b. The applicant shall furnish along with the application, a description of the project, plat plan, rendering of proposed building, etc., and a brief description of the applicant company, all in such form as shall be required at the time of application. This data, as necessary, may be furnished to members of the City Council for background information.

- c. The application cannot be considered by the City Council until tentative City Code findings and requirements have been made with respect to zoning, building plans, platting, streets and utility services.
- d. The applicant is to select qualified financial consultants and/or underwriters, as well as legal counsel, to prepare all necessary documents and materials. The City may rely on the opinion of such experts and the application shall be accompanied by a financial analysis (pro forma income statement, debt service coverage, mortgage terms, etc.) as to the economic feasibility of the project and the financing provider's anticipated ability to market and/or purchase the Bonds. Financial material submitted must also include most recent fiscal year-end, audited, financial statements of the applicant and/or of any major lessee tenant, if readily available.
- e. Further, in the case of tax-exempt mortgage placements, the applicant will be required to furnish the City, before passage of the Final Resolution, a comfort letter (but not necessarily a letter of commitment) from the lending institution, to the effect that said lending institution has reviewed the economic feasibility of the project, including the financial responsibility of the guarantors and find that, in their professional judgment, it is an economically viable project.
- f. If an allocation of bonding authority is required under Minnesota Statutes, Chapter 474A, as amended, the applicant shall be required to pay any required application fee and provide any required application deposit as specified in Chapter 474A, without regard to whether the application fee or application deposit will be refunded.
- g. The applicant shall covenant in the applicable conduit bond documents to comply with all applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Treasury Regulations, including, but not limited to: (i) the arbitrage and rebate requirements of Section 148 of the Code; and (ii) the qualified bonds provisions of Sections 141(e), 142, 143, 144, and 145 of the Code. The applicant shall be the party responsible for monitoring the conduit bonds for compliance with such requirements and to remediate nonqualified bonds in accordance with the requirements of the Code and applicable Treasury Regulations. The applicant shall be the party responsible for monitoring compliance with the requirements of Section 148 of the Code.

- h. The applicant shall covenant in the applicable conduit bond documents to reimburse the City for all costs paid or incurred by the City (including the fees of attorneys, financial advisors, accountants, and other advisors) as a result of the City's response to or compliance with an audit, inspection, or compliance check (random or otherwise), by the Internal Revenue Service, the Minnesota Department of Revenue, the Minnesota Office of the State Auditor, or any other governmental agency with respect to the conduit bonds or the project financed with the proceeds of the conduit bonds.

3. Administrative Fees and Provisions

- a. The City Council reserves the right to deny any application for financing at any stage of the proceedings prior to adopting the final resolution authorizing issuance of the conduit financing. The City Council may waive any provision of this Conduit Bonds Policy if the City Council determines that such waiver is in the best interests of the City.
- b. The City is to be reimbursed, and held harmless, for and from any out-of-pocket costs related to the actual or proposed issuance of conduit revenue bonds. An application fee and escrow shall be placed with the City, as adopted on the City's annual fee schedule. Upon closing, an administrative fee is due and payable to the City based on the following schedule:
 - On the first \$10 million: _____% of Par
 - On the portion in excess of \$10 million: _____% of Par
- c. In the case of a refinancing, the fee shall be calculated at 50% of the above schedule. The City will be reimbursed for any technical changes to a bond issue previously issued at 25% of the above schedule.
- d. All applications and supporting materials and documents shall remain the property of the City. Note that all such materials may be subject to disclosure and/or public review under applicable provisions of State law.
- e. The City Finance Department shall, report all conduit debt issues in the Comprehensive Annual Financial Report in accordance with Generally Accepted Accounting Principles and shall report any material events with regard to all conduit debt issued by the City, and still outstanding, to the City Council.

- f. The applicant will be responsible for providing the City any required arbitrage reports, continuing disclosure reports, and annual financial statements after the issuance of the debt.

[Conclusion of City Private Activity / Conduit Debt Policy]

DRAFT



Introduction to Private Activity / Conduit Bonds

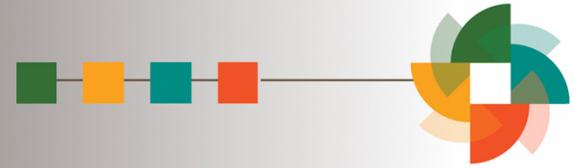
*City of Elko New Market
December 20, 2018*

Bruce Kimmel



EHLERS
LEADERS IN PUBLIC FINANCE

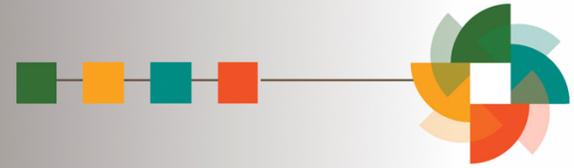
Conduit Bonds



- Issued by the City but **NOT** a City Obligation to Repay or Guarantee
 - City may issue on behalf of 501(c)(3) non-profit organization – typically for senior housing, nursing home, etc.
 - Requires no State allocations / approvals
 - City may also issue on behalf of for-profit entities, for eligible development purposes
 - Does require State allocation of tax-exempt “private activity” bonding authority



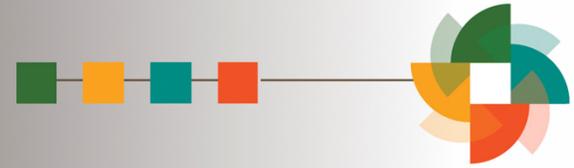
Conduit Bonds



- City (or EDA) issues bonds and transfers bond proceeds to the non-profit or for-profit “borrower”
 - Borrower assumes ALL responsibility to repay bonds in full, as scheduled and per all requirements
- **Benefit to Borrower is tax-exempt interest rates**
 - Investor does not owe federal or state income tax on interest payments, and therefore can accept a lower interest rate (with a higher taxable equivalent yield)
 - But NOT to be confused with tax-exempt bonds that City may issue for public purposes (e.g. G.O. water revenue bonds) – there is NO City obligation to repay



Conduit Bonds



- City needs to receive evidence that non-profit borrower is “bona fide” 501(c)(3), and that any conduit financing is for an eligible purpose
 - Also important to ensure that the Borrower will complete all required post-issuance compliance tasks (continuing disclosure, arbitrage / rebate reporting)
- Private Activity / Conduit Bond Policy
 - Criteria for issuance
 - Procedures for issuance
 - Administrative fees and provisions





Aligning Public Participation in Economic Development with your Community's Values

*City of Elko New Market
December 20, 2018*

Bruce Kimmel

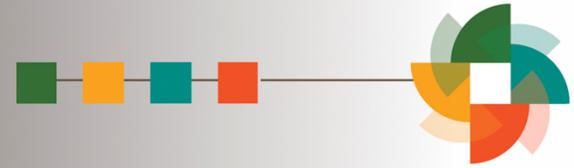




- Independent Municipal Advisors
- Debt Planning, Issuance and Management
- Financial Management Consulting
- ***Economic Development Consulting***
 - Development Feasibility / Budget / Proforma Analysis
 - Fiscal Impact (Public Cost – Benefit – Risk) Studies
 - Tax Increment Financing and Other Incentive Projections
 - Public – Private Partnership Negotiations



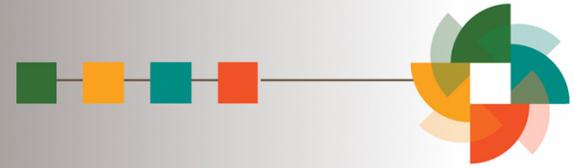
Development participation can seem overwhelming



- Many factors to consider:
 - Development plan and cost estimates
 - Related public infrastructure requirements
 - Anticipated impact on public services
 - Developer's financial and practical capacity
 - Project's potential to generate public revenues
 - Options for directing those revenues toward private and/or public costs
 - ***How to balance risk and reward?***



Development participation can seem overwhelming



- **And to make matters worse...**
 - Developers sometimes arrive with a plan and a specific incentive / public participation proposal “ready to go” for council consideration
 - If the city does not have a framework for deciding whether and how it will participate in the project, the city may feel forced to:
 - Say no...but worry about the missed opportunity
 - Say yes...but fear having given away the store



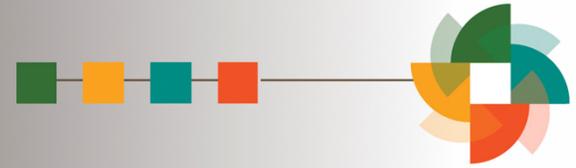
A better, more logical way



- **There is no one size fits all approach**
 - Each community has its own unique priorities, growth patterns, public finance and infrastructure characteristics, and appetite to participate.
 - Cities can ensure their decision on whether and how to participate in a project is aligned with its values by considering a progression of questions
 - ***Strategic to Tactical, Macro to Micro, Big to Small***



A suggested framework



- Is economic development a priority?
- What types of development are higher priorities?
- Are there specific areas of the city in which development is a higher priority than others?
- What benefits and costs (quantitative / qualitative) would the proposed project bring to the city?
 - Are the benefits at risk? Can the costs be mitigated?



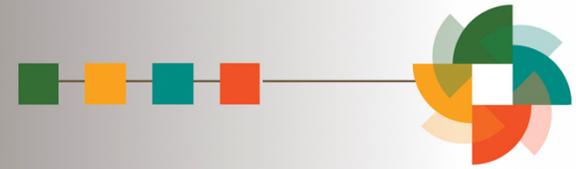
A suggested framework



- Does the developer have the capacity to complete the project and will they be a strong, committed development partner?
- Depending on the answers to the first five questions, then the city might ask...is it willing to assist the project with its financial participation (the exact forms / amounts to be determined)?
- Is there a need for city participation – that is, what is the fiscal “gap” and why does it exist?



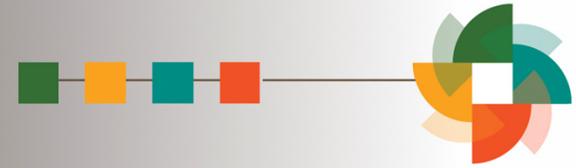
A suggested framework



- What incentives and other public tools are available to fill the gap, and how might they be used alone or in combination?
- What negotiated public - private agreement allows the project to move forward as a “win-win”?
 - Gives the developer confidence to commit resources, based on opportunity to achieve a reasonable profit
 - Advances the city’s development priorities, with best possible risk / reward balance for this specific project



Analysis to support good public decision-making



- Research developer track record / reputation;
- Analyze developer financial capacity;
- Evaluate project feasibility – upfront and ongoing;
- Compare project budget / financing / operating proforma / sale assumptions to similar projects;
- Estimate the internal rate of return (IRR) without any participation, compare to similar projects;
- Rerun IRR with alternate forms and amounts of incentives and/or other tools, as applicable; and
- Evaluate public costs / benefits...the “City IRR”



Negotiating the specifics is rarely “easy” but...



- Working through a logical framework of questions, supported by objective research and analysis, typically leads a community to **the right decision**: whether it is to participate actively in making a project happen or to look for other development opportunities.
- Bruce Kimmel
 - 651.697.8572 / bkimmel@ehlers-inc.com





For Immediate Release

October 26, 2019

Scott County 2018 FAST-TRACK Challenge Winners Announced

The FAST-TRACK Challenge is pleased to announce Alan Tholkes, President and CEO of Medthera Inc. is the 2018 FAST-TRACK Challenge 1st place winner! The company, based in Shakopee, MN has developed the first walk therapy station designed to restore health and function for those who cannot stand, walk or have difficulty walking. The NeuroWalk will be marketed to the 6.5 million people who use a walking assisted device and 2.3 million wheelchair users.

Second place was presented to Melanie Cole and Vicky DeRouchey of ugo wear LLC., in Prior Lake. The company offers the first and only compact electronics dry bag, with ugoZIP™ survival suit waterproof zipper technology.

Third place honors went to Paul and Lisa Atkinson of Atkinson Artisan Foods. The Prior Lake based company featured their BIG MOUTH pistachios. The healthy alternative to traditional seasoned snacks are now found in over 20 locations.

The three winners were among five finalists who were selected from applications submitted in August. Over the past month, the finalists have met with representatives from Technology Village's Board of Directors, Open to Business and First Stop Shop to practice their pitches and fine tune their business plans. Finalists included Atkinson Artisan Foods, Catboxpro, Gifthorse, Medthera and ugo wear, LLC.

The panel of judges included Angela Heikes, President and CEO of the Shakopee Mdewakanton Sioux Community (SMSC) Gaming Enterprise; Mike Derheim, Co-Founder and Chairman of the Board at The Nerderly; Charles Shannon, VP of Corporate Development for Equus Holdings; Kristin Haugen, Principal & Managing Attorney at KC Haugen Law, LLC.; and Justin Schultz, District Sales Manager for Wells Fargo's SBA Lending.

Sponsors of the 2018 FAST-TRACK included the Shakopee Mdewakanton Sioux Community, Scott County Community Development Agency & First Stop Shop, Minnesota Valley Electric Coop's Operation Round-Up, Wells Fargo Bank, State Bank of Belle Plaine, and Klein Bank. Professional Service Providers included Argos Risk, KC Haugen Law, LLC., Michael Beach Coaching and Consulting, Technology Village Prior Lake, Open to Business, the New Prague Chamber of Commerce, Prior Lake Chamber of Commerce, Savage Chamber of Commerce and Shakopee Chamber and Visitors Bureau. Nearly \$18,000 in start-up cash and professional services were awarded to the three winners.

This was the second annual Scott County FAST-TRACK Challenge. The inaugural event, held in October 2017, received the Economic Development Association of Minnesota's Program of the Year in January, 2018. The 2018 FAST-TRACK Challenge event was taped and will be available to view on the FAST-TRACK Challenge website in November.

The Scott County FAST-TRACK Challenge is a free, annual business competition designed to fast-track start-up and first-stage businesses to success. For more information, to sign up as a sponsor or service provider for 2019 or register for the October 24, 2019 event, please visit: www.scottcountyfasttrack.com

Judges Present the 1st Place Award to Medthera for the NueroWalk



Above: left to right: Mike Derheim, Justin Schultz, Alan Tholkes of Medthera -Winner of the FAST-TRACK Challenge, Kristin Haugen, Angela Heikes, and Charles Shannon.

Below, Judges are pictured with Melanie Cole and Vicky DeRouchey, Co-Founders of ugo wear, LLC, 2nd Place Winners





Above: FAST-TRACK Challenge Judges present the 3rd Place Award to Paul and Lisa Atkinson, Atkinson Artisan Foods for the BIG MOUTH Pistachios

Below: The Final Five! The five finalists for the 2018 FAST-TRACK Challenge
Back row: Atkinson Artisan Foods, Gifthorse, Catboxpro
Front Row: Medthera and ugo wear LLC.





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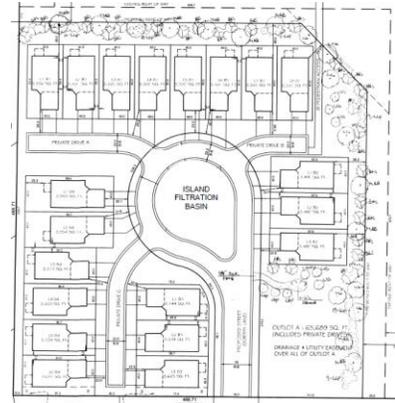
MEMORANDUM

TO: CITY COUNCIL, PLANNING COMMISSION, EDA & CHAMBER OF COMMERCE
FROM: RENEE CHRISTIANSON, COMMUNITY DEVELOPMENT SPECIALIST
SUBJECT: COMMUNITY DEVELOPMENT UPDATES
DATE: DECEMBER 14, 2018

Background / History

The purpose of this memo is to provide updates regarding miscellaneous projects and activities being worked on by Community Development staff. Below is a summary of projects that are currently being worked on, inquiries received, and miscellaneous information:

Christmas Pines – This is a residential detached townhome subdivision containing 20 lots. The City issued an early grading permit to the developer in September and initial site grading is complete. The developer decided to withhold installation of utilities due to early winter weather. The plat and development contract need to be signed by the developer; the project has been fully approved by the City.



Oakland Property / The Preserve at Elko New Market – Staff had been working with a developer regarding the proposed residential development of ten acres on the west side of the City (diagram to left). The property owner and developer petitioned for annexation of the property which was completed in November. The City can now accept applications for zoning and plat approval.

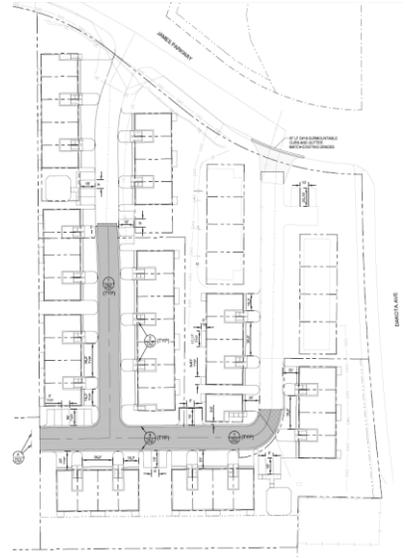
Dakota Acres / City Owned Property – On June 14th the City Council approved a purchase agreement for the sale of a 3.1 acre City-owned property in Dakota Acres. A closing on the property is scheduled for Tuesday, December 18, 2018. The property can reasonably be used for medium or high density residential development. The buyer’s intended use of the property is a 60-unit apartment development (two separate buildings). Below is a rendering of a proposed thirty-six unit building.



Dakota Acres / Syndicated Properties – On May 15, 2018 the City issued building permits to construct 13 townhome units in Dakota Acres (rendering below). The City has now issued Certificates of Occupancy on the first four units. All units contain three bedrooms and were originally expected to be all rental units. The developer has decided to sell some of the initial units to raise equity for the second phase of the project, which will contain an additional 28 units in Dakota Acres 1st Addition.



Dakota Acres 1st Addition – On September 27, 2018 the City Council approved the final plat of Dakota Acres 1st Addition, a townhome development containing 28 units. The plat has been finalized and fully approved by the City. The developer has decided to wait to record the plat with the County until early in 2019. This phase of the development will connect the two existing streets in the townhome development.



Adelmann Property – City staff recently completed working with the Adelmann family on concept development plans for their properties located adjacent to the I-35 / CR 2 interchange (approximately 243 acres). The project included coming to an agreement regarding future land uses for the property, and the creation of concept development plans. An impressive marketing package was created, including a flyover video /rendering of how the property could be developed.

<https://www.youtube.com/watch?v=uGubOWmGRi0&feature=youtu.be>

A second phase of the project was kicked off in November 2018 and will include preparation of an AUAR, a required environmental study, a wetland delineation and tree inventory. The AUAR project is expected to be completed late summer of 2019.



KL Group Property – City staff continues to communicate with KL Group, LLC regarding their commercially zoned property located at the southeast quadrant of Co Rd 2 & 91. A wetland application was recently approved by the city.

Aaron Le Property – City staff recently provided feedback on a concept development plan and possible annexation. The concept plan submitted depicts 81 single-family residential lots on approximately 33.5 acres. The property owner also met with the City’s Development Review Team to review the concept plan. (Concept plan to the right.)



Building Permits – The City issued permits for one single family home in November, 2018. The running total for the year is 29 housing unit permits, 13 of which are townhomes. (11 total units in 2017.)

Ordinance Updates – The Planning Commission recently recommended approval of updates to the City’s zoning code which would allow a smaller single family residential lot size than is currently permitted by the City’s code. The City Council will consider the ordinance amendment on December 20, 2018.

The City Council recently approved amendments to the City’s Zoning Ordinance regarding permitted and conditional uses in the B1 Neighborhood Business zoning district. The changes will make it easier for certain business to locate in the B1 zoning district without needing a conditional use permit and will also clean up some of the currently listed definitions.

Roundabout Project –The City’s engineering firm, Bolton & Menk, has been working on final engineering design for the proposed Co Rd 2 & 91 roundabout. Preliminary construction limits have been established. A meeting with adjacent property owners is scheduled for December 19, 2018. A public open house is planned for late January or early February. City staff updated the City’s website with the most recent information - <https://www.ci.enm.mn.us/roundabout>.





AVAILABLE PROPERTIES
Properties listed on MLS or MnCAR
as of 12.17.18

