

**CITY OF ELKO NEW MARKET
ECONOMIC DEVELOPMENT AUTHORITY
ELKO NEW MARKET AREA HALL
601 MAIN STREET
ELKO NEW MARKET, MINNESOTA 55054
THURSDAY, FEBRUARY 22, 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, Kate Timmerman and Josh Berg.

Also Present: Executive Director Tom Terry and City Clerk Sandra Green.

Absent: Patricia Timmons and Bob Vogel

2. ADOPT/APPROVE AGENDA

It was moved by Crawford, seconded by Timmerman to approve the agenda as presented. Motion carried (4-0).

3. APPOINTMENT OF OFFICERS

a. Resolution 18-01 Concerning Annual Organizational Matters of the Elko New Market Economic Development Authority

Commissioner Crawford suggested that the position of Chair of the EDA be moved around and suggested that Commissioner Timmons be appointed as Chair. Following discussion on the matter, it was moved by Julius seconded by Timmerman adopt Resolution 18-01, appointing Commissioner Julius as Chair, Commissioner Timmerman as Vice-Chair, and City Clerk Sandra Green as Secretary and Treasurer of the Economic Development Authority, and establishing regular meeting dates for 2018. Motion carried: (4-0)

4. CONSENT AGENDA

There were no items to approve on the consent agenda

5. PUBLIC HEARINGS

a. None

6. CONTINUED BUSINESS

a. None

7. NEW BUSINESS

a. Development Fee Comparison

Community Development Specialist Christianson gave an overview of a development fee comparison that was completed. The comparison used one hypothetical residential development and one commercial development. The comparison used the following surrounding Cities for comparison purposes:

- Shakopee
- Savage
- Prior Lake
- Belle Plaine
- Elko New Market
- Jordan
- New Prague
- Lakeville

The residential comparison was a development containing 53 lots on approximately 23 acres, and showed that Elko New Market was more expensive than the other communities. The commercial development comparison was for a 40,000 square foot grocery store and showed that Elko New Market would have the second highest development fees.

Commissioner Berg questioned the \$400 application fees and whether they were necessary. He also stated that he did not believe we should be comparing ourselves to Lakeville and Prior Lake.

City Administrator Terry explained that the adopted development fees are based on a large financial model which includes projected growth, fund reserves, city debt and payment obligations, development fees and building permit fees. The more growth that is projected, then the lower the development fees could be. He stated that the current model shows realistic growth projections and that over-projecting growth could cause an additional adverse effect if that growth is not realized.

The Commission discussed other alternative ways to reduce development fees, including the possibility of an EDA levy which could then be used to subsidize the development fees. Terry explained that an EDA levy could be enacted which would be spread across the general taxpayers of the City. That money would then be used to subsidize the utility funds and reduce development fees.

Chair Julius stated concern about shifting fees from developers to builders.

There was discussion about the option of assessing development fees until the time the lots were sold. It was noted that securities, such as a letter of credit, would be required to ensure payment. Also discussed was the possibility of completing development using M.S. 429. Also noted is that the City's current minimum residential lot size requirements and codes have an impact on the cost of development.

Chair Julius stated that he would like to continue to discuss City development fees. No action was taken by the Commission on this item; it was considered informational only at this time.

b. Community Development Updates

Christianson provided the Commission verbal updates on the following possible projects:

- Christmas Pines final plat application
- Boulder Pointe 7th Addition
- Dakota Acres (phase II)
- Adelman property concept plans
- Pete's Hill Park
- Pheasant Hills

8. EXECUTIVE DIRECTOR'S REPORT

There was no report.

9. ADJOURNMENT

It was moved to adjourn the meeting at 7:28 p.m. Motion carried (4-0).

Respectfully Submitted,

Renee L. Christianson

Renee L. Christianson
Community Development Specialist