

projects that they have been a part of. Nelson wants to get more numbers in order to show why this was successful before presenting it to Lakefield and then the County.

- b. Finance Report - EDA Fund, 616, fund balance is at \$261,266, Committed Funds at \$62,500, funds should be released soon for Reed & Brinkman, Nelson does not have an update on funds for Jasper or Pillars yet on their projects, Expenditures at \$7,952; Revolving Loan Fund, 801, is at \$612,761, YTD Income at \$3,860, 5 traditional and 20 Covid related loans, outstanding principal at \$232,595, Nelson has a couple leads with some potential business transition opportunities and/or new businesses for gap financing; SCDP, 802, fund balance at \$17,875, YTD Income at \$5,706, with 5 outstanding loans with the principal at \$30,904; Housing Program, 804, with \$39,326, YTD Income at \$13,163, Expenditures at \$9,000 for one of the last outstanding ones, 18 loans total with the Outstanding Principal at \$60,651. One of the grants got paid off early in the 804 fund, Hesper paid his off early, they had gotten 60% through their forgiveness period but then decided to sell so that had to be paid off and will reflect as income.

5. Other Business

- a. Retirement housing/split level discussion - Nelson shared an update from last year when we had Jorge Lopez present to the Board on a potential project to bring in some different housing options for pre-sales. Last year he was working with just APX as the owner and construction company, in Blue Earth they had the EDA do it. Now he has reached out with a contractor who is looking to do them and they have secured a bank who is willing to finance them as well. The goal this year is to work with us to identify pre-sales, if they get some pre-sales they may additionally do some speculatives this year also. More likely if they can get some pre-sales and then if they can prove the market then next year do the speculatives. Nelson presented a couple options of renderings for the slab on grade to target the retiree crowd. They are 1,250 sq/ft with a two car garage roughly 570 sq/ft. They would be looking to market them with appliances included. The second thing they are looking to do based on some interest in Worthington is bringing in the concept of some split level homes, more of an entry level housing. The concept is to finish off just the top level with the bottom level unfinished, the goal is to provide a lower entry price for homeownership with the ability in the future for it to be finished. They are looking for pre-solds for this project as well. They have our lot prices, one of the obstacles they are having in Worthington is their lot prices are \$40,000. Nelson hopes that our lower lot prices are attractive and he did let them know that if they are going to want any type of assistance with this project that we would expect them to bring a portfolio to show a gap and why they would need some help. Additionally we would want them to commit to more than just one lot at a time, more like five units so we can justify assistance with this project. They are looking for any leads for feedback on these projects to give back to them. It was asked if we should get some exposure by putting something in the paper or internet for people to contact our office if they have any interest. They initially would like us to push it out to our existing contacts for feedback to see if we are on the right track. Then if they can create a flyer then we can put that in the paper or if they are going to partner with a real estate agency. Their goal is to get construction for each unit down to under \$200k and they are reaching out to a couple local real estate office to get their opinion on what they can sell for in our area. Sieler stated that he likes the look at them but also noticed on the Option 1 floor plan that when you go into the house from the garage you enter into the living room and have to go all the way across the house to get to the kitchen and wondered if that would appeal to people. They are aware of the Construction Interest Incentive Program, that has not been used since Nelson has been here, but it is a tool we can use. Porter did bring up that the results from the survey we had sent out, almost all of them had wanted at least a partial basement and these are slab on grade. The next step would be to send out the renderings with a summary to our list of existing individuals who have previously noted interest to get their feedback to then

pass that back to Jorge to get them in communication with him. Depending on the development of how many units are needed they would be willing to start construction even late summer if not sooner.

- b. HF430 Resolution of support - The Greater Minnesota Partnership sent this out yesterday, it's a bill they are supporting, one of the main pillars that they are focusing on is housing in Greater Minnesota. It's a proposed program that they are pushing forward to potentially be on the bonding bill this year. It's a Greater Minnesota Housing Public Infrastructure Grant program, which is modeled after the BDPI in which Jackson successfully received 3 BDPI grants totaling about \$500k. This is set to assist Cities in development of subdivisions for housing projects by paying up to 50% of the infrastructure that would be going into the project. Typically the developers are going to ask either we pay for it ourselves which is how our last subdivision was built, or the developer will come in and do it but then requesting TIFF, such as Eagle Ridge. This is a way for the State to assist Greater Minnesota with up to \$20k for single family housing and up to \$50k for multi-family projects. They are looking for our group to pass on a recommendation to the City Council to pass the resolution of support for the creation of this program. It was asked if Nelson is in full support of this, he stated that his experience with the BDPI grant has been good and this one seems pretty straight forward. Lots of housing grants include prevailing wage which makes it more challenging. It makes sense for municipalities to get involved in the infrastructure aspect. This would be good for us for when we get our current subdivision filled up and looking to start a new one, the Council already has a very large checklist for existing roads so it would be hard to ask them for assistance and this could be a very good tool as we are looking to develop more subdivisions in the future. Mayor stated that he feels that our local representatives need to know what we are thinking and that if we show support for this and to give them feedback. Nelson shared some of the information that he knows as far as which representatives are working on this with his intention to reach out to Senator Rosen after talking with our group to give her our opinion and feedback.

Mayor moved to support the HF430 Resolution of Support; seconded by Bargfrede. Motion passed.

- c. Purchase Agreement - Finck/Fransen - We have a Purchase Agreement from Brandon Finck and Richard Fransen to purchase Lot 2, Block 1 of Sunset View First Addition. About four years ago we had this request and it was discussed and at that time the Board decided to have more time to market the property and that time has expired, it was a three year window, it was discussed in May of 2016 and expired in May of 2019. The offer is \$11,100 for the lot to close on or before April 15th. Due to trying to get the Purchase Agreement in front of the EDA Board it is currently only signed by Finck, Don Wachal will get it to Fransen's for their signature shortly. A concern was brought up about setting a precedence for selling additional lots that will not have a home built on them. Finck has shared that the lot in question is undesirable and difficult to build on as the back of the lot slopes off and a lot of back fill would be needed, he had originally purchased that lot and then moved to the neighboring lot in order to build his current home. Since we don't have a full Board in the meeting, it was asked when Finck needs an answer by. He stated that he needs an answer today as he needs about 10 more feet to build his shed, he has a contractor ready to go and he got a variance for the side approved last night. He got approval for a variance on the side and setbacks, but he's only got 21 feet and he has to stay 6 feet from his house at a minimum and that leaves 14 feet and the garage he wants to build is 28 x 44. Sieler read the motion from May 17, 2016 - "From Bargfrede/Froderman - It was moved and seconded and it was carried to delay the option for Finck/Fransen to purchase the lot for 3 years (until May 17, 2019) and reconsider at that time to allow ample time for lot sales in Sunset View Phase 2." Bargfrede asked if the REA payment per diem is that expired now, answer is yes, and that was \$1,800. Second question was to ask the cost of the building he wants to build in regards to potential tax

increase due to the improvement, the quote Finck got for a two car garage with heat and electricity is \$75,000. It was also asked if the other property owner is planning on building on their portion of the lot or if they are just going to use it for green space, Finck has not asked Fransen. It was agreed that if future situations come up that each case will be discussed and decided upon on a case by case basis. Part of the issue is that when the subdivision was first plotted, they had a certain amount of money that was spent so they jammed in as many lots as they could to get the lot prices down, so it made some messed up lots, especially on the corners. Plus the sizes of homes are no longer 1,250 sq/ft anymore so larger lots are needed. Since they are looking at purchasing the lot together, it was asked if they are going to pay the legal fees to split the lot and Finck agreed that they would. It was brought up that nothing was marked regarding the property taxes, Sieler asked Finck if they would pay the property taxes for this year and Finck agreed to that and that needs to be marked as such on the final purchase agreement.

Bargfrede moved to accept the Purchase Agreement presented today for Lot 2, Block 1 for \$11,100 with the intent that they are doing a building, the title work and property taxes are covered and recommending acceptance to the Council ; seconded by Mayor. Motion passed. Finck abstained from voting.

6. Adjourn

Chair Sieler adjourned the meeting at 1:04 pm