

Meeting Minutes - Draft Economic Development Authority

Thursday, April 28, 2016

7:30 AM

Council Chambers

Rollcall

Present: 6 - Richard Jackson, Todd Bornhauser, Dale Gehring, Dana Graham, David Ludescher and Britt Ackerman

Absent: 1 - Fred Rogers

Note

Community Planning & Development Director Chris Heineman, Northfield News Associate Editor Brad Phenow, Brett Reese, Scott Koester, Brett Nystrom, Jack Horschouer, Jeff Hasse, Housing Coordinator Janine Atchison, Northfield Enterprise Center Executive Director Chris Whillock, and Administrative Assistant Mikayla Fischer.

I. Call to Order and Approval of Agenda

Heineman recognized Jack Horschouer for his service with the EDA and he looks forward to working with him on other community events in the future. Graham expressed gratitude from the City's viewpoint. Bornhauser stated his appreciation of Horschouer's leadership as well.

A motion was made by Board Member Graham, seconded by Board Member Gehring, to approve the agenda. The motion carried by the following vote:

Yes: 6 - Board Member Jackson, Vice President Bornhauser, Board Member Gehring, Board Member Graham, Board Member Ludescher and Board Member Ackerman

II. Approval of Minutes

A motion was made by Board Member Ludescher, seconded by Board Member Gehring, to approve the EDA Meeting Minutes for 03-31-2016. The motion carried by the following vote:

Yes: 6 - Board Member Jackson, Vice President Bornhauser, Board Member Gehring, Board Member Graham, Board Member Ludescher and Board Member Ackerman

1. [16-191](#) Draft 03-31-2016 EDA Meeting Minutes

Attachments: [1 - 03-31-2016 Draft EDA Meeting Minutes](#)

2. [16-192](#) March 2016 EDA Financials

Attachments: [1 - March 2016 Revenue & Expense Report](#)
[2 - EDA Loan Statement - March 2016](#)

Heineman reviewed the EDA financial reports and stated the EDA Coordinator interviews will be scheduled for the first or second week in May.

III. New Business Items

3. [16-193](#) NEC 2016 First Quarter Report

Attachments: [1 - EDA Reprt - 1st Qtr 2016](#)
[2 - NEC Services Contract 2015-2016](#)

Whillock reviewed the Northfield Enterprise Center's first quarter report to the EDA.

4. [16-194](#) Crossings Hotel Proposal

Attachments: [1 - Crossings Parcel Map](#)
[2 - Preliminary Site Plan](#)
[3 - Business Subsidy Application](#)
[4 - Crossings Term Sheet \(DRAFT\)](#)
[5 - Crossings TIF Analysis](#)
[6 - Development Review Timeline](#)
[7 - Memo from Fred Rogers](#)

Heineman reviewed his staff report on the Crossing Hotel Business Subsidy and Development Agreement proposal.

Brett Reese spoke on the hardships of the site, how they are trying to come up with the best plan and package to bring forward as possible.

The EDA members held discussion on:

- how to facilitate the discussion*
- land transactions*
- the sites original development intent*
- how a letter from Highland Bank would be needed to release the City to sell the lot*
- how the City acquired Lot 5 from MNDOT*
- other developers may be interested in these lots*
- increase of tax base*
- other potential interest in developing the site*
- selling City land to Rebound Hospitality for a monetary amount of \$1.00*
- if an easement would be a part of the development agreement for trail access, would need to be added to the term sheet*
- how construction of a commercial site would be required one year prior to the completion date of the agreement, or there would be claw back*
- pay-as-you-go note for the remaining life of the district*
- additional TIF downtown district money in the amount of \$300,000*
- creation of 5 full time jobs*
- future assistance if the legislature approves a pending special law extending the "5 year rule"*
- administrative costs*
- the end result would be in the City Council's hands*
- subsidy tools for this project*

A motion was made by Board Member Gehring, seconded by Board Member Graham, to recommend approval of the draft terms, included in the Development Agreement with Rebound Hospitality, to City Council. The motion carried by the following vote:

Yes: 4 - Vice President Bornhauser, Board Member Gehring, Board Member Graham and Board Member Ackerman

No: 2 - Board Member Jackson and Board Member Ludescher

IV. Reports and Discussion Items

- a) **Commissioner Comments and Reports**
- b) **Staff Updates and Reports**
- c) **Comments from the Chair**

V. Adjournment

A motion was made by Board Member Graham, seconded by Board Member Gehring, to adjourn the meeting. The motion carried by the following vote:

Yes: 6 - Board Member Jackson, Vice President Bornhauser, Board Member Gehring, Board Member Graham, Board Member Ludescher and Board Member Ackerman