

Wabasso EDA  
Regular Meeting  
Wednesday, May 5, 2021  
5:00 pm

The meeting was called to order at 5pm with Board Member Pat Eichten, Steve Burns, Jeff Olson, Chuck Robasse and Karl Guetter in attendance. Also present were EDA Director Larry Thompson, Pat Dingels, Matt Novak, Jorge Lopez (APX Construction) and Paul Sobocinski.

The minutes of the April 2021 Regular meeting were approved on a motion by Olson, second by Burns with the correction that Charlotte Guetter be changed to Anne Guetter.

Eichten – Yes; Olson – Yes; Burns – yes; Robasse – yes; Guetter – yes.

The HRA discussed the duplex construction. Mr. Thompson presented three contract formats from APX ranging from General Contractor to Construction Manager. Mr. Thompson also state he and Mr. Novak had discussed the financing with the financial consultant and bond counsel. Mr. Novak indicated that it appeared the most feasible financing tool would be a private placement general obligation tax abatement bond. Staff had used a \$500,000 estimate at this time, but it might be low given market conditions. Mr. Thompson stated the board should decide what framework for service it would like with APX. Mr. Novak indicated that if the EDA chose the General Contractor format the project would probably have to be bid. The board could select APX as a construction manager and have APX bid the various components of the project. The consensus of the board was that the construction manager relationship was best. It was added that the board wanted to ensure that local contractors would have the opportunity to bid. Mr. Olson indicated that he would like to see as much management done in house as possible. Total estimated cost of the project was discussed. There was a consensus that prices had risen significantly and that the last estimate from APX was probably not accurate. Mr. Lopez indicated that he would try to get a new estimate by next meeting. Mr. Lopez indicated that the construction management fee could be as high as 17%. Mr. Thompson indicated he would work with Mr. Lopez regarding the services provided with the hope of reducing the fee. The board felt that the new estimated costs may make the project not feasible. It was noted that from the onset it was felt that the board may need to use some of its other assets to subsidize the rents. The board indicated it would like to tour the duplex in Blue Earth on Friday, May 14, 2021. Mr. Lopez indicated he would make arrangements. Mr. Thompson indicated that he had reviewed that finance consultant contract and had concerns with the fee. He would discuss with the consultant. Mr. Thompson indicated he would prepare a budget and pro forma for the next meeting.

The EDA considered a consultant agreement from Achieve to assist with the strategic planning process at a cost of \$4,900. Ms. Dingels indicated she had worked with the consultant and felt she would be a good fit for the community. The board discussed the merits of utilizing the services and felt the contract was a good way to proceed. The board indicated it would like to have a budget for the entire project presented at the next EDA meeting for consideration. It was noted that the board would need to appoint a planning committee of approximately 5 community leaders. The board directed Mr.

Thompson to contact the various community organizations for recommendations including the school district, Lions, Commercial Club, Jonti-Craft and main street. Motion by Olson, second by Burns to approve the contract with Achieve for \$4,900 with a cost sharing with the City.

Eichten – Yes; Olson – Yes; Burns – yes; Robasse – yes; Guetter – yes.

Mr. Novak presented an outline for a lease/rental policy. Mr. Novak indicated that while regulations should be place on applicants and the lease agreement, the emphasis should be the lease agreement. Mr. Novak recommended the EDA stick with the 30 day lease term. Mr. Novak indicated he would draft the applicant/screening policy and lease agreement including a section on pets and present it at the next meeting.

Motion by Robasse, second by Guetter to accept the Treasurers report.

Eichten – Yes; Olson – Yes; Burns – yes; Robasse – yes; Guetter – yes.

Motion by Olson, second by Burns to pay the bills as submitted.

Eichten – Yes; Olson – Yes; Burns – yes; Robasse – yes; Guetter – yes.

Mr. Thompson informed the board that a group had been formed to study the community center and possible improvements. The board indicated that it would be open to possible financial participation with the improvements.

The board adjourned at 6:45 pm.