

Wabasso EDA
Regular Meeting
Wednesday, April 6, 2022
5:00 pm

The meeting was called to order at 5pm with Board Member Pat Eichten, Steve Burns, Karl Guetter (video conference) and Chuck Robasse (video conference) in attendance. Also present were EDA Director Larry Thompson, Pat Dingels, Jim Salfer, Louis Guetter and Anne Guetter.

The agenda was accepted as submitted.

The minutes of the March 2, 2022, meeting was approved on a motion by Robasse, second by Burns. Eichten – Yes; Guetter – Yes; Robasse – Yes; Burns – Yes.

Duplex. Mr. Thompson presented an update as follows:

1. He had met with Travis Woodford and identified several areas where the EDA could potentially reduce costs. No further action was taken until further direction from the EDA.
2. Pat Dingels and he discussed various financial options and concluded that: a) Any public borrowing will require some type of income limitations; and b) The project would need to be built by a “for profit” or “non-profit” organization to avoid the public bidding requirements.
3. Mr. Eichten and he discussed the possibility of reactivating and capitalizing the Wabasso Development Corporation.
4. Redwood County EDC Rep. Briana Mumme is reviewing the RLF funds to see if it is possible to use them for housing. I am waiting to hear from Briana and will forward her comments to the EDA when received.
5. Mr. Eichten and he were going to meet a developer that is currently constructing a 2 phase 72 unit apartment building in Sleepy Eye.

Mr. Guetter noted he had met with an attorney who would be willing to meet with the EDC to discuss financing and ownership options. It was felt that the best housing option would be development by a third party – either profit or non profit. It was agreed that Mr. Thompson would contact the attorney and Mr. Eichten and Mr. Thompson would meet with the developer to explore options and report back.

May Street Utilities – Mr. Thompson noted he had discussed extending utilities and installing street lights with Redwood Electric and was waiting for a proposal. It appeared the timing of the project would not be an issue, but the EDA may have to pay for some of the costs.

Highway 68 Corridor Study. Mr. Thompson reported that the City Council had agreed to pay for half of the study. Mr. Guetter asked what was included in the study. Mr. Thompson stated the area south and east of Highway 68/County Rd. 76 had been deleted per EDA direction but the remainder of the shaded area remained in the study to include most of the watershed outside of the city. The study would include highway accesses, future road layout, sanitary sewer including lift station, storm sewer and ponds and water facilities. It was agreed that the study was critical for future development. Motion by

Robasse, second by Guetter, to authorize Bolton and Menk to prepare a Facilities Plan for the Highway 68 corridor.

Broadband Grant. Redwood County gave a presentation at the last council meeting regarding the county's partnership with Arvig to install fiber optic cable in Wabasso. Mr. Patrick noted Arvig was submitting a grant application to the State for a Border to Border Grant which would cover 30% of the estimated costs of \$2,173,979 and Arvig had committed 25% of the costs. It was noted Arvig's share did not include the engineering and application costs which Arvig was fronting regardless of grant approval. The local share would be 45% which was to be shared by the County and the cities and townships involved with the project. County Commissioner Jim Salfer explained the need for fiber optic, noting that Redwood County ranked 87th out of 87 in broadband service and noted that the county board felt that access to affordable, reliable high speed internet was vital to the future growth of Redwood County. The county was requesting the city commit \$200,000 towards the project by April 30, 2022 and pay that amount during 2023. The County was exploring if RLF funds could be used for this project but had not reported its findings. Mr. Eichten stated this project was consistent with the EDA's mission and felt the EDA had sufficient funds beyond the RLF funds to partner with the City. Mr. Eichten stated he and Mr. Thompson had met with County staff to discuss possible funding options. It was the consensus of the EDA that it would be willing to discuss assisting the City Council with the \$200,000 commitment for the County/Arvig Broadband project.

Eastvail Lot Sale. Mr. Thompson presented the following bid for the duplex: Redwood Building Center (RBC) - \$669,955.25. It was noted that the bid was much higher than anticipated and based on the proforma presented by Mr. Thompson, it would require either a substantial cash infusion or annual subsidy to cash flow the project. The EDA discussed several factors that may have increased the price including market conditions and uncertainty, surety bonds, few bidders, materials, size and bidding requirements. Matt Novak noted that the EDA had three options: accept the bids, reject the bid, table the bid and reevaluate. The EDA discussed possibly meeting with RBC to better understand the high price of the surety and to see if the price could possibly be reduced by reducing the square footage or through value engineering. The EDA also discussed possibly using a non profit to eliminate some of the bidding and surety requirements. Mr. Thompson noted that during the bidding process it was discovered that electricity, telephone and cable tv had not been installed in the Eastvail 3rd/4th Additions. He was in contact with the utilities and it was quoted \$15,000 to install the south row of lots and \$7,000 to install the north row of lots. He needed to do more research. A lengthy discussion followed regarding the amount of the bid, only receiving one bid, and how much subsidy it would take to bring the lease rates down to what the market would bear. It was agreed that the EDA would not use its fund to write down the rates based on the amount of the bid. Mr. Eichten expressed frustration regarding the income limitations imposed by the bond requirements. Mr. Novak indicated the EDA should reject the bid if it wished to discuss the bid with RBC. Motion by Guetter, second by Burns to reject the bid of RBC.

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

The EDA directed Mr. Thompson to meet with RBC to discuss where potential cost savings could be realized and how to attract additional bidders; contact Bolton and Menk and Redwood Electric regarding

installation of electricity, notify the fiscal consultant that the project was on hold, and to research alternate bonding tools.

Strategic Plan – Business Interviews. Ms. Dingels and Mr. Guetter reported that they had concluded the business interviews and presented the results. It was noted that Day Care, additional community events and more presence on social media were the highest priorities. It was the consensus that this item be placed on the next meeting for prioritization.

Strategic Plan – Highway 68 corridor design. Mr. Thompson had received an engineer's estimate of \$12,000 to prepare a design and facilities plan for the Highway 68 corridor business expansion. It was the consensus that the area south east of #68 and #76 be eliminated due to topography issues (sanitary sewer extension) and the areas outside of the city limits be included as an alternate to the estimate.

EDA Lot Purchase. Mr. Eichten reported that a person was interested in purchasing an EDA lot, but due to the construction market wished to have the 12 month construction requirement extended. It was the consensus of the EDA that it did not wish to change its current policy but would consider it if there were extenuating circumstances.

Treasurer's Report – Motion by Burns, second by Guetter to approve the Treasurer's Report as submitted.

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

Bills - Motion by Guetter, second by Burns to approve the bills totaling \$2,325.00 (Dewey Street).

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

Meeting was adjourned at 7:00 p.m.

Larry Thompson
EDA Director