

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, NOVEMBER 17, 2022 – 6:00 P.M.**

AGENDA

1. Call to Order/Roll Call/Pledge of Allegiance
2. Approval of Agenda
3. Open Forum
4. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. Stearns County Invoice for RDB Project
 - e. Ambulance Department Bad Debt Account
 - f. Fire Department Bad Debt Account
 - g. Resolution No. 2022-62 Designating Polling Place
 - h. Kings Mart Tobacco License
 - i. Donation Resolution
 - 1) Resolution No. 2022-61 Donation from Rahn's Oil & Propane
 - 2) Resolution No. 2022-63 Donation from Linda Wessel Beaver and James Beaver
 - 3) Resolution No. 2022-71 Donation from the Veterans of Foreign Wars Post 7050
 - 4) Resolution No. 2022-72 Donation from the Melrose Fire Relief Association
5. Public Hearing
 - a. Business Subsidy To Riverside Development Group, LLC
6. Reports
 - a. Police Department Monthly
 - b. City Attorney Report
 - c. City Planner Report
 - d. City Engineer Report
 - e. Economic Development Consultant Report
 - f. City Administrator Report
7. Action Items
 - a. Canvass November 8, 2022 Election Results / Resolution No. 2022-64, Canvassing Election Returns and Declaring Election Results
 - b. Resolution No. 2022-65, Resolution Approving Case No. 9-2022-401 Conditional Use Permit (CUP) Requested by Kwik Trip, Inc. to Allow the Construction of a New Facility
 - c. Resolution No. 2022-66, Resolution Approving Case No. 10-2022-100 Variance (VAR) Requested by Riverside Development Group, LLC for Off-Street Parking Under Section 501.01.

- d. Resolution No. 2022-68 Resolution Approving a Business Subsidy and Development Agreement by and Between the City of Melrose and Riverside Development Group LLC in Connection with the Redevelopment of the Former Kraft Site.
 - e. Riverside Development Group LLC Deferred Loan Agreement
 - f. Granite City Real Estate Partners Terms Letter
 - g. Resolution No. 2022-67, Resolution Authorizing Application for Minnesota State Active Transportation Infrastructure Grant
 - h. Resolution No, 2022-69 A Resolution Calling for a Public Hearing on the Proposed Creation of Housing Tax Increment Financing District No. 13-1 Within Development District No. 13, The Proposed Adoption of a Tax Increment Financing Plan Relating to GC Partners Project and Other Housing Development Opportunities
 - i. 2023 Railroad West Improvements Supplemental Letter Agreement
 - j. 2023 Street Improvements Supplemental Letter Agreement
 - k. Medical Director – Ambulance Department
 - l. Ryan Consultant Contract Revision
 - m. Resolution No 2022-70 Resolution Accepting Council Member Resignation and Declaring a Vacancy
 - n. Council Member Appointment
8. Old Business
- a. Relocate Network Panels
9. New Business
- a. Proposed 2023 Meeting Schedule
 - b. Administrative Staff Computer Purchase
 - c. Industrial Park Lot Sales
 - d. Land Sale
 - e. Nature Energy
10. Informational Items
- a. Utilities Commission Meeting Minutes
11. Adjournment

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, NOVEMBER 17, 2022 – 6:00 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

The Melrose City Council met in a Regular Meeting on Thursday, November 17, 2022, at 6:00 p.m. pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Justin Frieler, Travis Frieler, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Travis Frieler, seconded by Mr. Klasen and unanimously carried to approve the agenda as submitted.

A.I. #3 OPEN FORUM

Mayor Finken then opened the floor to public comment. There were no comments.

A.I. #4 APPROVAL OF CONSENT AGENDA

Approval of the following:

- a. The minutes from the Council's October 20 Regular Meeting
- b. List of bills in the amount of \$ 435,216.15 (See attached list)
- c. List of investments for the month of October (See attached list)
- d. The City received Invoice #228-2022 in the amount of \$357,905.56 for our portion of the construction fees. The breakout of the invoice is \$327,075.69 General Fund and \$30,829.87 Utility.
- e. Ambulance uncollectible accounts in the amount of \$43,402.49 have been submitted to Revenue Recapture, collections, or written off. A complete list of accounts is on file at the City Office. There was also a total of \$9,766.71 collected from account holders during the third quarter.
- f. Fire uncollectible accounts in the amount of \$1,175.00 have been submitted to Revenue Recapture, collections, or written off. A complete list of accounts is on file at the City Office. There have not been any balances collected from account holders during the third quarter.
- g. Resolution No. 2022-62 Resolution Designating Polling Place. Per Minnesota Statute section 204B.16, Subdivision 1 the governing body of each municipality must annually designate a polling place for each election precinct.
- h. The Council to give consideration to approval of a tobacco license to Imperial Operating MN DBA Kings Mart #58Minnesota law requires cities to obtain proof that all license holders provide workers' comp insurance for their employees. Also, the City has obtained licensees' social security numbers, and Minnesota and federal tax identification numbers for the Department of Revenue's use. The licenses are effective November 17, 2022.
- i. Donation Resolution
 - 1) Resolution No. 2022-61 Donation from Rahn's Oil and

- Propane in the amount of \$200 towards the Melrose Police Department
- 2) Resolution No. 2022-63 Donation from Linda Wessel Beaver and James Beaver in the amount of \$100 towards the Melrose Ambulance Department.
 - 3) Resolution No. 2022-71 Donation from the Veterans of Foreign Wars 7050 in the amount of \$9,747.73 towards the Veterans Memorial
 - 4) Resolution No. 2022-72, Donation from the Melrose Fire Relief Association in the amount of \$1,800 towards the Melrose Fire Department for flashlights.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried to approve the Consent Agenda items.

A.I. #5 PUBLIC HEARING

- a. Pursuant to Minnesota Statutes Section 116J.993 through 116J.995 the City Council of the City of Melrose held a public hearing for the purpose of presentation of the business subsidy agreement for Riverside Development Group LLC.

Traci Ryan of Ryan Development LLC presented terms of the Business Subsidy Agreement and the Deferred Loan Agreement.

There being no further comment the Public Hearing was closed at 6:11 p.m.

A.I. #6 REPORTS

- a. Police Chief Craig Maus presented the Police Department's October 2022 report. He noted there were 279 calls for service during that month, compared to 277 for October of 2021. A total of 18 citations were written for the month of October. There were 49 verbal warnings and 5 written warning. The year-to-date number of calls is 2,949 compared to 3,176 in 2021. For the month of October 2022, the Department received 24 agency assist calls.
- b. During the period from October 13, 2022 through November 9, 2022, City Attorney Dymoke has not given significant attention to any projects on behalf of the City of Melrose.
- c. City Planner Sheila Hellermann provided the following update:

Regarding Riverside Development Group, LLC since the last Council meeting, we have been working with WSB on the Environmental Assessment Worksheet. We have provided our comments and contributions, as has Mr. Gohman. We are moving toward publication in the Environmental Quality Board Monitor volume 46-47. Publication deadline is November 15. Publication will occur November 22 and the 30-day comment period will end December 22.

DesignTree is finalizing the engineering and bid specifications for the restroom/shower facility in Sauk River Park. This should go out to bids in the next couple of weeks.

Ms. Hellermann has finalized and submitted the Bernick Family Foundation grant. Notification occurs in January.

Ms. Hellermann has been working with Streets/Parks Supervisor Gary Middendorf

on FEMA funding for some ditch repairs in an easement area near 5th Avenue. We are wading through bureaucracy.

Ms. Hellermann participated in a meeting with the Finance Director and representatives from Central Minnesota Housing Partnership, closing out a prior Small Cities grant the City had. We discussed possible grant possibilities for 2023. The Planning & Zoning Commission discussed the rezoning of the property for the multifamily project on Railroad West. There was discussion about adjusting the R-3 zoning district to allow for self-storage/mini-storage. After discussion, it was determined by the Commission this would not be a good use of the property. This matter was then brought back to MADA. It was determined that it would be a good idea to have a larger meeting with Planning & Zoning, MADA and the Council to talk about allowable uses in the I-94 Industrial Park and in other zoning districts, and how and specifically where the City would like to see some projects.

d. City Engineer Dave Blommel gave the following update

In the last month SEH has assisted with the following activities on behalf of the City of Melrose:

- Provided information for EAW preparation as requested.
- Additional site review for Kraft Lot development.
- Provided estimates for grant applications prepared by City staff.

e. Traci Ryan with Ryan Consulting LLC provided an update.

Pulling from the adopted Housing Strategy, the below were the identified Outcomes sought to be achieved and the City's progress in accomplishing the Outcomes:

PART ONE

OUTCOME 1 Identifying the most cost-effective direction/area(s) to pursue both single family and multi-family housing development based upon land availability/cost, feasibility of constructing public infrastructure, type of housing most appropriate for the identified sites. Either accomplished or in progress – I regularly hear “why was or wasn’t an area considered for housing development...” and it is very likely that the answer relates to the “cost effective” requirement – where the City does not have to leap frog past undevelopable/un-assessable areas to get to what may look like a good housing site.

OUTCOME 2 Considering the cost effectiveness, identify the lots that can begin development as soon as possible and establish a timeline to accomplish. A purchase agreement has been approved to facilitate the construction of 29 Market Rate housing units on the former Kraft Site – construction is anticipated to begin in 2023. A letter of Intent has been signed with Granite City Real Estate Partners and a Terms Letter to facilitate the next steps will be considered by MADA and the City Council this month for the development of up to 72 units of market rate apartments on the Railroad Avenue West property. We are in discussions with a number of developers on additional developments.

OUTCOME 3 Secure options on enough land to accomplish the next five years of anticipated housing growth (50 acres single family & 20 multi-family). We have secured 7.4 of the 20 acres of MF property and 26.71 acres of Single-family property to date. The City has signed a purchase agreement for the CR 168 RiverProperty and progress is being made on the title issues. MADA has purchased the Railroad Avenue West property with the above referenced multifamily development moving forward as well as a potential storage unit project that will support the development. MADA has agreed to not renew the option on

the Daylight Court 2 property after bids came in higher than anticipated and water table issues appear to limit what can be built in this area.

OUTCOME 4 Determine City Policy direction on the degree to which it will support future housing development. The City has approved the 2023-2028 Capital Improvement Plan that includes a preliminary path forward for accomplishing multifamily development improvements in 2023 and a number of single-family developments in years 2024-2028. CIP, American Recovery Act funds and TIF are resources that are being considered to help offset costs so that the City may move forward with a number of projects.

PART TWO

OUTCOME 1 Identify developers and partners for all housing types. We are currently working with Gohman Construction/Riverside Development Group and are in conversations with private developer(s), Sand Companies, and have had conversations with a number of other builder groups. Until the CR 168 River Property title is resolved, we are in a holding pattern for more single family and senior for sale housing.

OUTCOME 2 Identify financing approach to accomplish the desired outcomes. Based upon the preliminary cost estimates provided by the City Engineer, a very preliminary path to accomplish all of the development proposed to be accomplished on the property that has been secured was outlined in the City's Capital Improvement Plan. As concepts and plans are further refined, the estimated costs will certainly continue to be adjusted and Council direction and approval will only be sought when final costs/plans are determined

- f. City Administrator Winter provided an update on the following:

RDB – The bridge is open and substantial completion is done and a preliminary punchlist has been generated. There is some outstanding costs that are being discussed between the City, County, and Contractor regarding additional paving that has not been resolved. We will continue to work through this process. The Bridge Dedication will take place on November 17th at 4 pm

Sauk River Park – The electric and water is in at all of the campsites in Sauk River park, and the contractor that is doing the road work and campsite pads is still hoping to complete this Fall. We will be going out for bids for the bathroom project in the next few weeks for a Spring construction start.

Staffing changes/Postings – Doris Rieland has been promoted to a HR Generalist/Payroll Clerk position and Stephanie Perez has been promoted to Receptionist/Bldg Permit Tech position. We have advertised for the Finance Director position until Dec. 1st. Jenn Tschida has resigned as the Ambulance Coordinator and Dr. Beste has resigned as the Medical Director. The Ambulance Coordinator position will be posted internally and the Medical Director position will be covered by Dr. Dennison Gillin, Medical Director for EMS with Centracare.

A.I. #7 ACTION ITEMS

- a. A Resolution Canvassing the November 8, 2022, Municipal Election Returns and Declaring Election Results. The Council met as a Canvassing Board for the City election held on Tuesday, November 8, 2022. The City had 1,738 registered voters at the start of the Election Day. The number of new registrants was 65. The Council to take action approving the resolution canvassing the election results.

Council Member Klasen introduced Resolution No. 2022-64, A Resolution Canvassing the November 8, 2022, Municipal Election Returns and Declaring Election Results. The motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

FOR: Council Member Klasen, Justin Frieler, Travis Frieler, and Mayor Joe Finken
AGAINST: None

- b. Mayor Finken noted that at the Planning and Zoning Commission meeting held on October 31, 2022, the Commission held a public hearing on the request of Kwik Trip, Inc. for the construction of a convenience grocery store that is operated in conjunction with a motor fuel facility as part of said business, in accordance with Section 222.04 (5) of Zoning Ordinance No. 1989-1-A as adopted with amendments by the Melrose Code of Ordinances. The Planning Commission recommends to the Council that the Conditional Use Permit be approved.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried adopting Resolution No. 2022-65, Resolution Approving Case No. 9-2022-401 Conditional Use Permit (CUP) Requested by Kwik Trip, Inc. to Allow the Construction of a New Facility

- c. At the Planning and Zoning Commission meeting held on October 31, 2022, the Commission held a public hearing on the request of Riverside Development Group, LLC for a variance for off-street parking under Section 501.01 of Zoning Ordinance No. 1989-1-A as adopted with amendments by the Melrose Code of Ordinances. The Planning Commission recommends to the Council that the Variance be approved.

Mr. Klasen noted that there are already parking issues in the downtown, however a number of parking spaces were created with the new bridge that may alleviate some of the parking issues.

Mayor Finken noted that there is parking at the city center and as additional on street park spaces were created with the new bridge.

Mr. Gohman stated that there will be underground parking available and the surface parking will be for additional tenants and for the retail/commercial businesses.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried adopting Resolution No. 2022-66, Resolution Approving Case No. 10-2022-100 Variance (VAR) Requested by Riverside Development Group, LLC for Off-Street Parking Under Section 501.01.

- d. Upon the completion of the public hearing regarding the Business Subsidy agreement for Riverside Development Group LLC, Resolution 2022-68 is brought forth to the Council outlining financial assistance to Riverside Development Group for the redevelopment of the former Kraft site, including Tax Increment Financing, Fire Remediation Assistance, and a deferred loan as outline in a Business and Development Agreement.

Council Member Travis Frieler introduced Resolution No. 2022-68 Resolution Approving a Business Subsidy and Development Agreement by and Between the

City of Melrose and Riverside Development Group LLC in Connection with the Redevelopment of the Former Kraft Site. The motion was seconded by Mr. Klasen will a roll call vote recorded as follows:

FOR: Council Member Travis Frieler, Klasen Justin Frieler, and Mayor Finken
AGAINST: None

- e. As outlined in the terms of the Developer's Agreement, the City hereby enters into a Deferred Loan Agreement with Riverside Development Group LLC as presented

A motion was made by Mr. Justin Frieler, seconded by Mr. Klasen and unanimously carried approving the Deferred Loan Agreement.

- f. At the November 10th MADA meeting, GC Real Estate Partners, along with their partners in the project, made a presentation to MADA concerning the proposed 72 unit apartment complex on the Railroad West property recently acquired by MADA. MADA reviewed comparable projects they have recently completed, and members were able to ask questions. A proposed Terms Letter was reviewed. There was an update on the overall cost of the project based on GC Real Estate Partners updated pro forma calculations. MADA recommended approval of the terms letter.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried approving the Terms Letter with GC Real Estate Partners. Mr. Klasen is requesting to see the improvement cost numbers at the budget meeting.

- g. On October 28, 2022, staff was notified that based on the Letter of Intent which was submitted to MNDOT for an Active Transportation Infrastructure Grant, we meet program eligibility requirements. It was recommended by MNDOT that we submit a full application, which staff is currently developing. As part of the grant application, a supporting resolution by the City Council is required.

This grant application is for the sidewalk from 5th Avenue E. to 11th Avenue E. and connecting the Daylight Court and potential 168 Riverfront housing developments to the Sauk River Park. It is included in the 2023 Capital Improvement Plan and is included in both the City's Comprehensive Plan and Bicycle and Pedestrian Master Plan.

Council Member Travis Frieler introduced Resolution 2022-67 Authorizing Application for Minnesota State Active Transportation Infrastructure Grant. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

FOR: Council Member Travis Frieler, Klasen, Justin Frieler, and Mayor Finken
AGAINST: None

- h. Pursuant to MN Statutes Section 116J.993 – 1165J.995 the City Council of the City of Melrose needs to adopt a resolution calling for a public hearing on the proposed creation of housing tax increment financing district no. 13-1 within development district No. 13, the proposed adoption of a tax increment financing plan relating to GC PARTNERS project & other housing development opportunities

Council Member Justin Frieler introduced Resolution No. 2022-69 A Resolution

Calling for a Public Hearing on the Proposed Creation of Housing Tax Increment Financing District No. 13-1 Within Development District No. 13, The Proposed Adoption of a Tax Increment Financing Plan Relating to GC Partners Project and Other Housing Development Opportunities. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

FOR: Council Member Justin Frieler, Klasen, Travis Frieler, and Mayor Finken
AGAINST: None

- i. SEH has submitted a proposal for engineering services for the 2023 Railroad West Improvement Project .

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried to approve the Supplemental Letter Agreement with SEH for the 2023 Railroad West Improvement Project contingent on budget.

- j. SEH has submitted a proposal for engineering services for the 2023 Street Improvement Project.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried approving the Supplemental Letter Agreement with SEH for the 2023 Street Improvement Project.

- k Dr. Michael Beste has resigned as the Medical Director for the Melrose Ambulance Department effective Nov. 30, 2022. Jenn Tschida, Ambulance Coordinator had reached out to the local Centracare doctor team and no one was interested in taking the Medical Director position at this time. Jenn and Colleen met with the Ambulance Corps and discussed options regarding filling the Medical Director position. Ms. Tschida let the Corps know that Centracare does have a Medical Director that they assign to other ambulance services in the region. So the consensus was to pursue this option. Jenn, Colleen and Tessa met with Brad Hanson and Steve Stang with Centracare to discuss the Medical Director position, and Dr. Dennison Gillin has agreed to fulfill that role. Dr. Gillin is an emergency room trauma doctor at St Cloud Hospital and also serves as the Medical Director for several area ambulance services.

A motion was made by Mr. Klasen, seconded by Mr. Travis Frieler and unanimously carried appointing Dr. Dennison Gillin as the Melrose Ambulance Medical Director.

- l The City entered into a contract with Ryan Consulting on November 18, 2021, to provide consulting services through Dec. 31, 2022. The City has had a long-standing contract with Ms. Ryan to provide economic development services dating back to the mid 2000's. Due to a number of factors, Ms. Ryan's billable rate beginning in July was the same as Jan – June 2022, \$4,500.00. Including but not limited to the implementation of many of the projects as outlined in the Strategic Housing Plan and as identified earlier on the agenda. Ms. Ryan has been part of strategic negotiations with developers and putting deals together for both the Riverview plat addition (former Kraft site) and Railroad West, along with other housing and industrial projects. Rather than reduce Ms. Ryan's rate to the \$3,000 that was part of the addendum as attached, the goal is to reassign the work being done to specific projects rather than charging 100% to MADA. The rate of \$4,500 covers the workload that Ms. Ryan has completed to date for the City. We are

currently in the middle of several projects as evidenced by the other items of the agenda. It is not advisable that we reduce Ms. Ryan's fee at this time. There are two separate developer's agreements that have to be negotiated, along with TIF projections and other land deals. Internal staff is not ready to step in and take on the role that Ms. Ryan fills. I as the City administrator can fulfill the role that Ms. Ryan serves, however with the Finance Director leaving and other changes in personnel, as the CA my time needs to be spent of personnel, technical and policy issues. The current system that we have in place with Ms. Ryan acting as the City's economic development consultant is working very well and has resulted in a number of projects. Therefore, it is my recommendation that we amend Ms. Ryan's contract to \$4,500 per month starting in July 2022 – Dec. 31, 2022, and \$3,000 per month January 2023 – Dec. 31, 2023, with the statement that we will review the contract on or before July 1, 2023 to see if any changes need to be made to the contract.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried approving the addendum to Ms. Ryan's contract

- m. Council Member Mark "Bunker" Hill has submitted his resignation effective November 15, 2022. The Council to give consideration to accepting Council Member Hill's resignation and declaring a vacancy.

Council Member Travis Frieler introduced Resolution No 2022-70 Resolution Accepting Council Member Resignation and Declaring a Vacancy. The motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

FOR: Council Member Travis Frieler, Justin Frieler, Klasen, and Mayor Finken
AGAINST: None

- n. The Melrose City Council has declared a vacancy on the Melrose City Council due to the resignation of Council Member Mark Hill. Under MN law states that a vacancy shall be filled by council appointment. The Council must take its best efforts to appoint a person to fill a council vacancy and cannot choose to leave a council position vacant until the term expires. MN Law does not require a council vacancy to be advertised.

The appointment is valid when a quorum of the council is present, a majority vote of those present is enough to make the appointment. It is a tie vote; a mayor can appoint any qualified person willing to fill the vacancy even if that person was not the subject of the original appointment vote.

The Council can establish any sort of application they so choose to fill the position. The Council may choose to nominate for consideration the person whom earns the highest vote count in the General Election. Due to Mr. Travis Frieler being an incumbent the number second highest vote count was Ms. Joeline Wieling.

A motion was made by. Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried nominating Ms. Joeline Wieling to fill Council vacancy at the regular December 15 Council meeting.

A.I. #8 OLD BUSINESS

- a. At the September 15, 2022 council meeting, the council took action to table the project of moving the network cables, switches and rack. Councilmember Klasen requested to look at the area and try some other solutions along with the Arvig representative.

An option was made to move a portion of the equipment and install fans to attempt to bring the cabinet temperature down. Eric Denny, from Arvig, has provided new quotes. A quote for \$6,737.40 is provided for a full move of the network. Additional costs with Freeport Electric would also be incurred to run the new cabling. There was an increase from the initial quote due to the substantial increase in the standing rack.

Another quote is provided for \$4,565.80. That would move the fiber modem, voice router, and network router into the new open rack in the vault that has its own AC unit for the room. He did not recommend the partial move as the switches will still be warm inside the existing wood cabinet. Arvig will not install or provide a fan in a wood cabinet due to retrofit needs and not installed by manufacturer recommendations. Ideal ambient room temperature for a network cabinet is 68-71 degrees Fahrenheit. According to Eric Denny, equipment is operated in this stable temperature environment you should see the full life of your equipment barring lighting, power surges, etc. When he opened the cabinet on 10/24/22, the temperature was 103 degrees Fahrenheit inside the cabinet. He recommended removing the cabinet entirely and go back to the open rack or move the equipment into a new open rack in the vault.

A motion was made by Mr. Travis Frieler seconded by Mr. Klasen and unanimously carried approving the quotes on the relocation of the network cabinet.

A.I.#9 NEW BUSINESS

- a. The Council to review and discuss the 2023 Meeting Schedule for any possible changes. Please note that January will have two meetings instead of the usual one meeting per month.

The Council by consensus approved the 2023 Meeting Schedule

- b. Replacement of administration staff computers was included in the 2023 budget. However, multi computers have been having issues. Therefore, staff is recommending moving up the purchase of the laptops. Attached is an estimate cost which would be shared with the Melrose Public Utilities.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried approving the laptop purchase for admin staff.

- c. **Industrial Park Land Prices & Business interest** – At the last MADA Meeting there was interest from two parties in purchasing land in the Industrial Park. Below is a summary of some of the lots that are being advertised for sale and completed sales information from the Certificate of Real Value filed with the MN Department of Revenue:

Business/Industrial Lot Sales				
			Per Acre Price	
	Acreage	Sale Price		Land Info
FOR SALE				
Freeport	.8-6	na	43,560 \$	Industrial Park advertised price; most lots served by improvements
Sauk Centre	20+		\$ 37,250	Industrial Park South - no improvements yet; behind Truckers Inn; Realtor estimate on price
Albany	5.8	175,000 \$	\$ 30,172	Albany Industrial Park - for sale; improved; along I-94
COMPLETED SALES				
2022	1.85	39,900.80 \$	\$ 21,568	Sauk Centre; South Industrial Park; unimproved
2022	1.36	27,000.08 \$	\$ 19,853	Sauk Centre; Moritz; along Beltline; unimproved
2022	5.8	175,000 \$	\$ 30,172	Albany; Huskie Drive; I-94 Visibility; Improvements up to site
2021	1.88	80,000 \$	\$ 42,553	Albany; RS Tooling; Industrial Park; fully improved
2021	0.48	125,000 \$	\$ 60,000	Albany Industrial Park; fully improved
2022	15.35	728,818 \$	\$ 47,480	St. Cloud Biz Park; 94& 75 East end of St Cloud; Improvements with interstate access
				Richmond Biz Park
2021	3	196,020 \$	\$ 65,340	Fully Improved Biz Park, Gilk Plumbing; adjacent to State Hwy 23
				(pre development raw land cost - \$6,000/per acre +/-
2022	4.61	600,000 \$	\$ 130,152	Fully Improved Biz Park, Dities/Grocery; adjacent to State Hwy 23

MADA is recommending that the price for unimproved property be \$20,000/acre and \$45,000/acre for improved property. Depending upon what a buyer builds, the City will consider the use of TIF to write down the land cost.

A motion was made by Mr. Justin Frieler, seconded by Mr. Klasen and unanimously carried that the price for unimproved property be \$20,000/acre and \$45,000/acre for improved property in the I-94 Industrial Park for a two year period. The Council by consensus agreed to considering the use of TIF to write down the land cost on a case-by-case basis depending upon the project.

9d. Land Sale

Purchase or sale of real or personal property Minn. Stat. § 13D.05, subd. 3 (c). A public body may close a meeting to determine the asking price for real or personal property to be sold by the public body. • Review confidential or protected nonpublic appraisal data. • Develop or consider offers or counteroffers for the purchase or sale of real or personal property. Before holding a closed meeting under this exception, the public body must identify on the record the particular real or personal property that is the subject of the closed session. The closed meeting must be recorded. The recording must be preserved for eight years and must be made available to the public only after all real or personal property discussed at the meeting has been purchased or sold, or after the public body has abandoned the purchase or sale. The real or personal property that is being discussed must be identified on the recording. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. The actual purchase or sale of the real or personal property must be approved at an open meeting, and the purchase or sale price is public data.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried to close the meeting at 7:41 p.m. In attendance was Council Members Tony Klasen, Justin Frieler, Travis Frieler, and Mayor Joe Finken, City Administrator Colleen Winter, Development Consultant Traci Ryan, and City Clerk Patti Haase.

For Business Option & First Right of Refusal discussion the following parcels will be discussed:

66.37010.0283
66.37010.0282

For Industrial Par Expansion discussion, the following parcels will be discussed:

21.12549.0000
21.12542.0000
21.12505.0000

Ms. Ryan presented the Council with a local business owners Option to Purchase and Right of First Refusal

Local Business Option to Purchase & Right of First Refusal

1. Two-year Option with option to renew for one year to PURCHASE Lot 4

- d. Option Price \$1,500 per year one year with one year renewable
- e. Purchase price proposed to be \$20,000/acre
- f. Improvements to be assessed - city to seek BDPI funds to pay for half of improvement costs

2. FIRST RIGHT OF REFUSAL on Lot 3
 - a. Term 5 Years
 - e. Purchase price \$20,000/acre
 - b. No improvement cost at this time but should improvements be constructed in the future; they would be assessed per city policy less any grant funds received
 3. If the City currently rents the property for ag purposes, it will continue to do so until the Option to Purchase was exercised.
 4. The City will provide Tax Increment Financing assistance to write down any land/improvements costs at such a time as the business moves forward with construction – the details to be developed based upon final business development plan.
 5. The City will seek any additional assistance available through the State of Minnesota Investment Fund and or Job Creation Fund when and if appropriate
- e. The Nature Energy project has been discussed extensively over the past several months to include presentations by Nature Energy, Staff updates and a delegation traveling to Denmark. The very basic details of the project are:
- The project would be an approximate \$110 Million Investment in Melrose
 - Job Creation is estimated to be approximately 14 jobs
 - The tax base increase would be approximately \$_____
 - The project would generate a significant business for trucking companies
 - The project would support the surrounding Ag industry
 - The project requires a minimum of 25 acres – see attachment from Nature Energy
 - The project would utilize significant electrical power
 - The business is not asking the City for assistance, rather a Welcome.

Staff (consulting) involvement and the City's support of this project in this effort has recently been called into question and it seems now would be a good time to make MADA and the Council's support clear to the extent that MADA, and the Council at their next meeting, develop consensus on the following questions:

1. Is this an important project to the City?
2. What is the role of JOT, LOL and other related ag industry players?
3. What is the role of the City/MADA in identifying site options?

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried to open the meeting at 8:56 p.m.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried authorizing Ms. Ryan to meet with the business owner accepting the terms of the Option Agreement and First Right of Refusal with the condition that if the Option Agreement is not acted upon within 2 years the First Right of Refusal is null and void.

Council by consensus agreed to call for a Special Joint Meeting with MADA, was supportive of pursuing the 25K per year option agreement on parcels 21.12549.0000, 21.12542.0000, 21.12505.0000 for up to 3 years and for Ms. Ryan to continue discussion with adjacent property owner.

A.I. #10 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's October 10 Regular Meeting minutes

A.I. #11 ADJOURNMENT

A motion was made by Mr. Travis Frieler, seconded by Mr. Klasen, and unanimously carried to adjourn the meeting at 9:05 p.m.

PATRICIA HAASE – CITY CLERK