

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
THURSDAY, MAY 12, 2022 – 6:00 A.M.**

AGENDA

1. Call to Order/Roll Call
2. Approval of Agenda
3. Approval of Minutes
4. Reports
5. Action Items
 - a. Potential Land Purchase
6. Unfinished Business
 - a. Housing Survey Results
 - b. Kraft Site Update
7. New Business
 - a. Housing Development RFP
8. Presentation
 - a. Nature Energy Presentation
9. Informational Items
 - a. Next Meeting
10. Issues of MADA/COC Members and Staff
11. Adjournment

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
REGULAR MEETING
THURSDAY, MAY 12, 2022 – 6:00 A.M.**

A.I. #1 CALL TO ORDER/ROLL CALL

The Melrose Area Development Authority/Community Opportunities Committee (MADA/COC) met in a Regular Meeting on Thursday, May 12, 2022, at 6:00 a.m. at the Melrose City Center pursuant to due notice being given thereof. Present were MADA Members Bob Mayers, Jerome Duevel, Julie Baum, Dave Rahn, Sara Hoffner, Travis Frieler, and Mayor Joe Finken, City Administrator Colleen Winter, and Traci Ryan with Ryan Consulting LLC. There are no active COC members. President Bob Mayers called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Ms. Baum, seconded by Mr. Rahn and unanimously carried to approve the agenda as submitted.

A.I. #3 APPROVAL OF MINUTES

A motion was made by Mr. Duevel, seconded by Mr. Frieler and unanimously carried to approve the minutes from the April 14, 2022, Regular Meeting.

A.I. #4 REPORTS

None

A.I. #5 ACTION ITEMS

- a. City Administrator Winter and Consultant Ryan provided information on potential land acquisition for development for PID # 22.12555.0000 and PID # 21.12556.0000. MADA opted to have the meeting remain open. Ms. Ryan has talked to a handful of developers that are interested in the property. Ms. Ryan estimates 14-16 housing units could be developed on the property. Ms. Ryan provided the proposed terms of the property owner.
 - 1. \$180,000 for both parcels
 - 2. Property purchased in 'as is' condition
 - 3. Seller will have 6 months to remove anything on the property, after that, all that remains is owned by the buyer
 - 4. Seller shall have the right to hay the property for the remaining calendar year
 - 5. Closing to occur on or about June 1, 2022.
 - 6. Payment terms - half of the proceeds to be paid in calendar year 2022 and the remaining balance in calendar year 2023.

A motion was made by Mr. Finken, seconded by Mr. Rahn and unanimously carried recommending the Council approve the purchase of the land.

A.I. #6 UNFINISHED BUSINESS

- a. Community Development Consultant Ryan reviewed the housing survey results.
- b. Community Development Consultant Ryan provided an update on the Kraft Lot site. Ms. Ryan presented the Benchmark/Timeline for the Kraft Lot
 1. Project:
 - a. 10,000 square foot net leasable commercial space
 - b. 22 higher end rental units (8 1 Bedroom/14 2 Bedroom)
 - c. Underground parking
 2. Market Analysis
 - a. Developer is selecting a realtor who will lead the marketing of the space. This is expected to be established within the next week to two weeks. Developer will notify the City upon selection of the realtor and we will continue the discussion on the date when tenants are expected to be identified. Sufficient market established by not later than 2022
 - b. Developer will further pursue discussions with County and will let the City know when or if County Commissioner involvement is necessary. County must vacate their space in school by August 2022 if this is not addressed in a timely manner, this is a lost opportunity
 3. Developer will begin work on a preliminary site plan immediately.
 4. As soon as site plan is available, it will be shared with City for preliminary
 - a. review of planning/zoning compliance, City will work with Watershed District.
 - b. We need to be mindful of an updated RAP and timing of it
 - c. Site plan – realistically may not be for 4-6 weeks.
 - d. Final Site Plan, floor plan and Cost estimate – not later than *developer will provide this info as soon as architect is engaged*
 5. Planning Commission review – this will be established upon refinement of final site plan
 6. Development Agreement Terms – established by August/September
 - a. Fire Remediation Grant funds must be drawn down not later than June 30, 2023 meaning construction expenses must have occurred prior to that date. An extension of the use of funds is unlikely.
 - b. Preliminary Assistance Considerations:
 - i. Full remaining balance of Fire Remediation Fund proposed to be used to cover hard construction costs and legal/development fees

- ii. Establish purchase price of land to create TIF eligible expense for Developer - developer pays for land and city uses proceeds to reinvest in the project in the form of a deferred loan (no payments/interest if terms of the Development Agreement are met) – city will carry actual net land expenses as an internal TIF loan which would be repaid plus interest after development TIF term expires.
 - iii. Pay As You Go TIF Note – based upon eligible expenses estimated to be \$400,000 – 12-year term estimated
 - iv. Terms based upon final project need/scope
- 7. Financing In Place by October
- 8. Break ground not later than October/November winter construction – occupancy by late 2023

A.I. #7 NEW BUSINESS

- a. Development Consultant Ryan presented the Housing Development RFP.

A motion was made by Mr. Rahn, seconded by Duevel and unanimously carried approving the draft Housing Development RFP.

A.I. #8 PRESENTATION

- a. Ray Davy and Bob Peplin with Agri-Waste Energy Inc is partnering with Nature Energy for a potential development in the Industrial Park. Mr. Davy provided an overview of Nature Energy. Nature Energy is a market leader in turning tons of biomass into green, CO2-neutral gas as effectively as possible. They collect and deliver biomass from businesses, agriculture and households and return the degassed biomass to the agriculture that recycles nutrients. This is circular economy at its best. At the same time, we always make sure that the surrounding community remains as undisturbed as possible by transport and odors. The next step is finding 25 acres of land for development. This is available in Industrial Park, however acquiring adjoining property to use with Industrial Park would be more ideal.

A.I. #9 INFORMATIONAL ITEMS

- a. MADA's next meeting is scheduled for Thursday, June 9, 2022, at 6:00 a.m.

A.I. #10 ADJOURNMENT

A motion was made by Mr. Frieler, seconded by Mr. Finken and unanimously carried to adjourn the meeting at 7:55 a.m.

PATRICIA HAASE – CITY CLERK