

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
REGULAR MEETING
THURSDAY, FEBRUARY 13, 2025 – 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, February 13, 2025, 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, Dave Rahn, Joe Woeste, Travis Frieler, Mayor Joe Finken, Community Development Director Sheila Hellermann and City Administrator Colleen Winter. MADA Member Jose Morelos was absent. 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 Mr. Rahn, seconded by Mr. Finken and unanimously carried to approve the agenda as submitted.

A.I. #3 APPROVAL OF MINUTES

A motion was made by Mr. Frieler, seconded by Mr. Duevel and unanimously carried to approve the minutes from the January 9, 2025, Regular Meeting.

A.I. #4 REPORTS

- a. Community Development Director Sheila Hellermann reported there is a plan for a coffee shop at the Riverview Flats Apartment Complex. The County is also touring the commercial property at Riverview Flats for potential office space. The owners of the bakery are doing some remodeling to the building. An update on Solar Energy Ordinance. The Planning and Zoning Commission are allowing solar energy for businesses as an accessory use, meaning that it can only be for subsidizing their business. There is some interest in a lot in Industrial Park. Four lots have sold in the Highlands Addition.
- b. City Administrator Winter reported that we are still without an Electrical Supervisor. In the interim we are contracting with Missouri River Energy Service for management services. Mr. Jeff Bechtold with MRES will be working with our Electric Department. The Wastewater Treatment Facility project still has not been closed out due to a number of unresolved issues. Staff is also looking for a police officer and seasonal workers.

A.I. #5 ACTION ITEMS

None

A.I. #6 UNFINISHED BUSINESS

- a. Community Development Director Sheila Hellermann stated that the rehab of the Northstars Property project at 406 Main Street East (formerly Scooters) is back on track. After a delay caused by a change in contractors, it is now back on course.
- b. Director Hellermann provided an update regarding Casey's North property. Staff had a call with the New York Investment Company on Thursday, January 30th and subsequently talked with the local business.
- c. City Administrator Winter and Community Development Director Hellermann met with the Chamber Board on Tuesday, February 4th to discuss the possible MADA Facebook page and business promotion ideas. The Chamber Board shared support for the page, with suggestions about coordinating with the Chamber, and finding opportunities to cross-promote the Chamber and MADA. The Chamber is mainly event focused. MADA would like to see the Chamber do more to promote local businesses. Staff will be launching the MADA facebook page.
- d. At the last meeting we discussed electronic billboards and changes to the proposal, specifically making sure the city always gets one ad. Staff have been in conversations with Rheume.

This is additional information received about their interest.

I am thinking we could go with 1 free ad on any digital face and 7.5% of sales rather than 15% because we will be losing the revenue for the guaranteed spot(s) on each digital face.

NOTE: Please keep in mind if the billboards were not digital the city would not even get any ads unless they paid for them.

Is it possible to get the golf course location as part of this deal... we are hoping to do a single face digital there and for the well head site we would do 1 static face and 1 digital face... we would make the static face digital ready so we can convert it to digital as well if sales allow.

One key point on the golf course location, it would help the local businesses since it is just before the exit, whereas the well head is after the exit.

For the wellhead location we would do the left hand read (west bound traffic) digital so it too will be before the exit and also help local businesses... the right hand read here (east bound traffic) would be static.

This is additional information when asked about profitability:

Keeping in mind it is common to take about a year to get the digital screens performing with sales and the rates for ads may fluctuate. I would guesstimate

that each digital screen will generate around \$25,000 - \$30,000 per year. At 8% that would be \$2,000 - \$2,400 per year in income for the city in addition to the free ad(s). These are realistic rates. It could be much better if we are able to sell at higher rates and if we can sell out, but I do not want to over promise and mislead you.

NOTE: The rates will range from \$300-\$650 per ad and there will be 8-10 ads per face. We will get the higher rates with larger clients like national businesses and as the supply and demand increases.

Here is an example for you... we have sites along Hwy 371 in Little Falls, Brainerd and in Pequot Lakes where the digital screens there can yield as much as \$500+ per month per screen in land owner revenue during the busy summer season (at 15%), however there are no guaranteed ad spots for the land owners.

The value of the guaranteed ad(s) you are requesting are \$300 per 4 weeks per digital face on the low side so that is something to consider related to your earnings. If we do 2 digital screens that means over \$600 per month in free ads value on the low side.

One other thing to point out, the free ad(s) for the city can not be resold to any third party, only city / community ads will be allowed.

Commission Member Duevel recommends negotiating 12% of sales rather than 7.5% including the guaranteed spot. Staff will continue working with Rheame on contact negotiations.

- e. The MADA Land Acquisition Committee and staff met on Wednesday, February 5th to discuss a proposal regarding the JOTS property. There is a local business who is interested in leasing the southeast portion of the JOTS property for warehousing. JOTS is not interested in leasing. MADA discussed approaching JOTS about their plans for the facility and possible redevelopment.
- f. Staff has been working with the city attorney and attorneys for CentraCare on the real estate split between CURA and CentraCare. There was initial interest in a community interest community (condo) type of arrangement. They are now moving toward a lot split, with variance requests. The building officials for the city toured the facility and proposed lot lines on Wednesday, January 29th. Staff provided an update on the plans for the future. CURA is working with an architect on a possible construction project.

A.I. #7 NEW BUSINESS

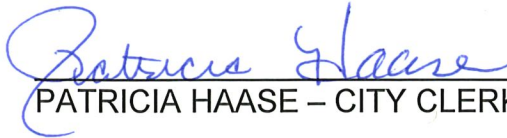
- a. Staff presented correspondence received from Talus Renewables, a fertilizer company, looking for a place to construct a facility. MADA directed staff to gather more information.

A.I. #8 INFORMATIONAL ITEMS

- a. MADA's next meeting is scheduled for Thursday, March 13, 2025, at 6:00 a.m.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Rahn and unanimously carried to adjourn the meeting at 7:00 a.m.



PATRICIA HAASE – CITY CLERK