

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
THURSDAY, APRIL 14, 2022 – 6:00 A.M.**

AGENDA

1. Call to Order/Roll Call
2. Approval of Agenda
3. Approval of Minutes
4. Reports
 - a. Development Consultant Traci Ryan
5. Action Items
 - a. Middendorf Property
 - .
6. Unfinished Business
 - a. Kraft Lot
7. New Business
8. Informational Items
 - a. Next Meeting
9. Issues of MADA/COC Members and Staff
10. Adjournment

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
REGULAR MEETING
THURSDAY, APRIL 14, 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, April 14, 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 Mr. Finken, 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. Rahn, seconded by Ms. Hoffner and unanimously carried to approve the minutes from the February 10, 2022, Regular Meeting.

A.I. #4 REPORTS

- a. Traci Ryan with Ryan Development Consulting provided an update on the housing development:

Day Light Court 2 – the Planning Commission met and did not want to see the improvements dead ended here. With the unlikelihood that further development to the north will not happen in the near future, I would recommend that the dedicated street remain, that the lots on the west be combined and that the lots on the east remain as drawn and access be granted for a temporary driveway in the platted street right of way. The cul de sac will still need to be removed and the costs are still looking like about \$50,000 per lot.

These lots would be included in a Request For Proposals (RFP) and we would consider proposals for the purchase of these four lots in order to determine to what degree the City may be asked to write down these costs.

Mr. Duevel did not think this would be a good option at the current projected costs. Ms. Ryan recommends staying the course and prepare the RFP. Ms. Ryan will continue discussions with city engineer Dave Blommel to obtain more information and costs on road improvements and water and sewer improvements.

Theiler – The cul de sac layout has not changed. The 25 single family lots are estimated to have an assessment of approximately \$38,880 and are also proposed to be included in the RFP. Proposals received will help to determine to what degree they may need to be written down as well as the level of interest

in them. We are including the western half of the property in the RFP to see if there is interest in a multifamily project.

Co Op – a full price offer was made to the Co Op and they have decided to wait and see what happens with their mixing operation which has three years left on their current plan. They may consider selling all or a portion of the property at that time and in the meanwhile, we can touch base with them each July to see if anything has changed.

Labor Force Housing Survey – The school, Centra Care and Jennie O have all agreed to participate in the labor force housing survey that was shared with you at your last meeting. I hope to have the final done and ready for release on the Monday following the meeting. I would like to have the results back to include in the RFP before it goes out. The results from the survey will also be important to any housing grant assistance that we may seek.

Request For Proposals (RFP) – The idea behind the RFP is to seek commitments for the development of the lots identified if costs do not exceed the estimates. Builders, Developers, Trade/Material People, individuals will be asked to bid on 1-5 lots of parcels and if their proposal(s) are accepted, we would enter a preliminary development agreement to commit them to moving forward with the idea that 50% of each area would have to be spoken for before the City would move forward with the needed improvements.

We have had a number of developers express an interest in the different areas, in high end rental townhomes, patio homes, single family affordable homes and market rate and workforce housing. Ms. Ryan is hoping to have the RFP prepared for MADA's review at the May meeting.

Middendorf Property – Gary Middendorf has asked how we can be of assistance in helping him to develop his property. We have met with him several times. The problem here is that making an investment in engineering and layout on other properties has been because we have an option on the property and the property is located within the City limits. Gary's property is located in the township and he is not certain he wants to annex and does not want to tie himself up with an option. He has two separate parcels, and is currently working with someone who would like to purchase 5 acres from him to build a single family home. They would like to know the cost of annexation and hooking up to city sewer and water

Massman/Finken – we were approached by Tom Finken to see if duplex rentals would be allowed on property that he owns on 5th Ave NW. Based upon the adopted City Ordinance, this would be allowed. Considering the neighborhood, this would have to be done in a way and design that was complimentary to existing development. This may be an area for the high end duplex townhome rentals. Tom will also be following up directly with Bill and Karen Massmann to discuss their property.

Ray Davy – Nature Energy – this is the biofuel plant that we discussed at the last meeting. The company has asked if we can assist with discussions with the Klaphake's to secure approximately 25 acres of property. While they were initially resistant to the idea, they have agreed to meet with me and the company and talk further about the potential. Staff will invite Nature Energy to the next MADA meeting.

A.I. #5 ACTION ITEMS

- a. Gary Middendorf has asked how the city can be of assistance in helping him to develop his property in Melrose Township. Staff has met with him several times. The problem here is that making an investment in engineering and layout on other properties has been because we have an option on the property and the property is located within the City limits. Gary's property is located in the township and he is not certain he wants to annex and does not want to tie himself up with an option. He has two separate parcels and is currently working with someone who would like to purchase 5 acres from him to build a single-family home. They would like to know the cost of annexation and hooking up to city sewer and water. Ms. Ryan noted that engineering costs is estimated at \$1,000.

A motion was made by Mr. Rahn to move forward with the engineering at a cost not to exceed \$1,500. Mr. Rahn amended his motion to include that Mr. Middendorf is to pay half the engineering costs if he does not move forward and annex the property into the city. The motion was seconded by Mr. Finken and unanimously carried.

A.I. #6 UNFINISHED BUSINESS

- a. Staff has been working with Gohman Construction on the possible mixed-use development on the Kraft site. They have maintained an interest and we are beginning to discuss assistance. Assistance would likely include all of the remaining Fire Remediation funds which we have until June of 2023 to expend, TIF assistance which would write down the land costs and establishing a land price that could qualify for TIF reimbursement and allow the City to reinvest all or a portion of the proceeds back into the development to assure that the project can move forward. The fire remediation funds are available to use as authorized by legislation. Staff presented the incentives that are available for the project.

Ms. Baum left the meeting at 7:10 p.m.

MADA by consensus was agreeable to offering the TIF and Fire Remediation incentives to Gohman Construction for the development of Kraft Lot.

A.I. #7 NEW BUSINESS

None

A.I. #8 ACTION ITEMS

None

A.I. #9 INFORMATIONAL ITEMS

- a. MADA's next meeting is scheduled for Thursday, May 12, 2022, at 6:00 a.m.

A.I. #10 ADJOURNMENT

A motion was made by Mr. Rahn, seconded by Mr. Finken and unanimously carried to adjourn the meeting at 7:20 a.m.

PATRICIA HAASE – CITY CLERK