

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
THURSDAY, FEBRUARY 10, 2022 – 6:00 A.M.**

AGENDA

1. Call to Order/Roll Call
2. Approval of Agenda
3. Approval of Minutes
4. ~~Presentation—Sand Companies, Tax Credit Project~~ – Moved to March meeting
5. Unfinished Business
 - a. Coop Property PID# 66.36456.0000 – Concept and Environmental Study
 - b. Daylight Court – Engineering Report
 - c. Theiler Property – Concept and Engineering Report
6. New Business
 - a. Jennie-O Labor Force Survey
 - b. Main Street Revitalization Grant – Letter of Support
 - c. Option Agreement Coop property
 - d. Discussion Regarding Acquisition of PID#
7. Action Items
 - a. Option Agreement/Environmental Study/Concept Plan PID #66.36456.0000
 - b. Exercise Option Agreement for PID# 66.36668.0026 thru 66.36668.0030
 - c. Concept Plan/Survey and Platting of PID#66.37010.0360 thru 66.37010.0385
 - d. Acquisition Negotiation of PID# 66.39654.000
8. Informational Items
 - a. Next Meeting
9. Issues of MADA/COC Members and Staff
10. Adjournment

** Deleted

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
REGULAR MEETING
THURSDAY, FEBRUARY 10, 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, February 10, 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, and Sara Hoffner, City Administrator Colleen Winter, Traci Ryan with Ryan Consulting LLC, and Dave Blommel City Engineer. MADA Members Travis Frieler, and Mayor Joe Finken were 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 Ms. Baum, seconded by Mr. Rahn and unanimously carried to approve the agenda as amended.

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 January 13, 2022, Regular Meeting.

A.I. #4 PRESENTATION

- a. Deleted

A.I. #5 UNFINISHED BUSINESS

- a. Since MADA's last meeting we have had additional discussions with Belgrade Coop about land purchase price. While MADA has discussed purchasing the Property 'as is", the thought would be that we complete an option agreement so that we can get started on the site/environmental review and proceed forth with a survey/plat. SEH provided an engineer's estimate for a Phase I and Phase II Environmental investigation, as well as the estimated costs for utilities. It is also recommended that the property be platted as there is an auditor's subdivision as the underlying "plat" and a railroad right of way.

It was the consensus of MADA that the programs available to address any potential contamination, when combined with the benefit of the proposed resulting housing, would make this a very competitive application for brownfield clean up assistance

- b. At the last meeting MADA discussed Daylight Court and the feasibility of additional development beyond 11th Ave NE.
Option 1 Extend Daylight Court northward to the edge of the Platted area (5 new Lots)

The extension of the existing roadway would require removal of the temporary cul-de-sac and extension of sanitary sewer and water main. Both utilities are currently located near the south end of the cul-de-sac and should be extended to the north property line. Extension to the north side of the relocated temporary cul-de-sac would allow for future connection to those utilities without disturbing the pavement. Mr. Blommel reviewed estimates prepared by WSB (undated) and find the quantities to be generally in line with what would be expected. The estimate includes a robust street section, sanitary sewer, water main, and service laterals. High water table and clay soils make for a poor base for building roadways. The assumed roadway section appears to account for these soils, although it is a bit heavier than the one installed with the original Daylight Court. An additional note on the estimate indicates that storm sewer considerations were not considered with the estimate. Unit prices provided should be updated to reflect today's bidding climate. I would anticipate the prices to be about 10% higher today than when the estimate was prepared. Updating the pricing reflects a total project cost of \$216,000. This cost equates to \$43,200 per lot, excluding storm sewer and land purchase.

Option 2 – Cap Future Development and Replat (4 new lots)

This alternative would replat the existing area and keep the cul-de-sac in the same location as it was originally installed. Depending on the lot configuration, and if the wetland lines have remained static since the original development, this will net 4 new lots but will remove the ability to develop further to the north. Given the lack of a secondary access to the property, additional development to the north may not be feasible at this time regardless of the cost. Changes to the wetland delineation could impact the ability to get 4 lots, but as long as they are similar to the original, 4 is probable. In this option, the temporary cul-de-sac would be transitioned to a more permanent roadway with concrete curb and gutter. Main line utilities would not be extended, but rather services would be connected to the existing sanitary sewer and water main. Since the cul-de-sac was placed over the utilities, it would need to be removed and reconstructed. The full section (including geotextile fabric and sand section) was not installed, so supplemental material would need to be added prior to rebuilding the cul-de-sac.

Because the area was platted more than 5 years ago, a new wetland delineation will need to be performed in addition to the survey work. Total cost for the improvements associated with the option 2 is approximately \$145,000. This equates to \$36,250 per lot plus land and stormwater improvements (if needed). This option creates less burden on the storm sewer system as the impervious percentage will not increase significantly. Prior to an action being taken on the extension of Daylight Court, an evaluation of the planning commission's willingness to improve property without a secondary access should be explored. There are currently 17 lots on the cul-de-sac. Depending on the option selected above, that number will increase slightly. As the number of homes grow, concerns regarding emergency vehicle access become greater. Given the proximity to wetlands to the west and south, a secondary access will be costly to construct. Connection to 325th Street to the east would be a future option, but it is more than 2,800 feet from the existing roadway. Further development of the Wiechmann property north of Daylight Court may be difficult in the future. A high water table and difficult soil conditions will make

development costs high in this area. The required street section will include geotextile fabric, drain tile, and sand in addition to the normal aggregates and bituminous. Because of these costs, the area may be less attractive to a developer.

- c. We signed an option agreement for property owned by Dave and Bonnie Theiler. Staff presented the engineer's estimate and concept layout for this site. There is a significant cost associated with the development of Railroad Avenue and cost to the existing residential properties.

A.I. #6 NEW BUSINESS

- a. Consultant Ryan and Administrator Winter met with representatives from Jennie O to gauge their interest in participating in incentives for workforce housing. While it was a good discussion, there was not any commitments made at this time. However, we did discuss the development of a survey that would be given to their employees so that we understand the needs that exist for workforce housing.
- b. The Department of Employment and Economic Development, through its Economic Development Division is seeking proposals from qualified responders to establish economic revitalization programs that will provide leveraged grants and guaranteed loans to support economic development and redevelopment projects that deliver the most economic impact in communities with the greatest needs due to conditions that have arisen since March 15, 2020. The Central MN Initiative foundation met with several area communities to discuss this program and is seeking letters of support. The Initiative Foundation would be the applicant for the program.
- c. MADA reviewed the option/purchase agreement for PID#66.36456.0000.
- d. The owner of PID 66.39654.000 has it for sale for \$50,000.00. This property has been discussed as a potential parking lot, open space area and as part of the Kraft lot development. No action was taken at this time

A.I. #7 ACTION ITEMS

- a. Earlier this evening MADA discussed the potential purchase of property PID 66.36456.000.

A motion was made by Mr. Rahn, seconded by Mr. Baum and unanimously carried approving Phase I and Phase II environmental proposal as submitted by SEH with the recommendation to move forward with Phase I only at this time.

A motion was then made by Mr. Duevel, seconded by Mr. Rahn and unanimously carried approving the concept plan as presented by SEH and to recommend that SEH move forward with the Certificate of Survey once the Environmental Phase I is completed and the Option agreement has been exercised.

A motion was made by Mr. Mayers, seconded by Ms. Hoffner and unanimously carried authorizing staff to proceed with negotiation of an Option/Purchase agreement within specific parameters and approved the Option if those parameters could be met.

Ms. Ryan will be working on developing a Request for Proposals to be sent to several interested parties and this would be reviewed at the next MADA meeting.

- b. Earlier this evening MADA reviewed the engineering report for Daylight Court.

A motion was made by Mr. Rahn seconded by Mr. Duevel and unanimously carried approving entering into an option agreement with Mr. Felling.

- c. Earlier this evening MADA reviewed the engineering report and concept plan for PID#66.37010.0360 thru 66.37010.0385

MADA discussed and tabled action approving the concept plan, surveying and platting of this property.

- d. MADA discussed the potential purchase of PID#66.39654.0000. No action was taken at this time.

A.I. #8 INFORMATIONAL ITEMS

- a. MADA's next meeting is scheduled for Thursday, March 10, 2022, at 6:00 a.m.

A.I. #9 ISSUES OF MADA/COC MEMBERS AND STAFF

None

A.I. #10 ADJOURNMENT

A motion was made by Mr. Rahn, seconded by Ms. Hoffner and unanimously carried to adjourn the meeting at 7:30 a.m.

PATRICIA HAASE – CITY CLERK