



**CITY OF SAINT PETER
AGENDA & NOTICE OF SPECIAL MEETING
ECONOMIC DEVELOPMENT AUTHORITY
Tuesday, March 10, 2020 at Noon
Governors Room – Saint Peter Community Center**

- I. Call to Order**

- II. Approval of Agenda**

- III. Unfinished Business**

- IV. New Business**
 - A. Resolution Calling for Closed Session
 - i. Pricing of Speculative Homes in Traverse Green

- V. Reports**

- VI. Adjournment**

Rosten Wille
Community Development Director

CITY OF SAINT PETER
ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION 2020 –

STATE OF MINNESOTA)
COUNTY OF NICOLLET)
CITY OF SAINT PETER)

RESOLUTION CALLING FOR CLOSED SESSION

WHEREAS, Minnesota Statutes 13D.05 (Subd. 3) (c) (3) allows for closed session of the Economic Development Authority (EDA) for discussion “to develop or consider offers or counteroffers for the purchase or sale of real or personal property”; and

WHEREAS, the EDA has offered for sale, two speculative, single family homes in Traverse Green Subdivision.

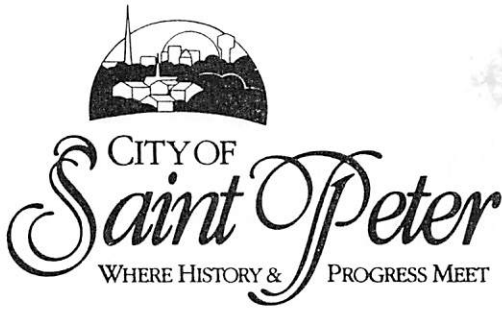
NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA, THAT: The Economic Development Authority will meet in closed session as provided for under Minnesota Statutes 13D.05 (Subd. 3) (c) (3) to establish the appropriate pricing of the speculative homes.

Adopted by the Economic Development Authority of the City of Saint Peter, Nicollet County, Minnesota this 10th day of March, 2020.

ATTEST:

James Dunn
President

Rosten Wille
Community Development Director



Memorandum

To: EDA Members

Date: March 4, 2020

From: Russ Wille, Community Development Director

RE: Traverse Green Speculative Homes – Establish Minimum Sales Price

ACTION / RECOMMENDATION

Adopt the attached resolution calling for a closed session of the Economic Development Authority to establish the minimum prices for the sale of the two speculative homes in Traverse Green Subdivision.

BACKGROUND

The EDA has previously provided for the construction of three speculative homes within Traverse Green Subdivision. One of the homes has been successfully sold while the other two remain on the market for sale.

The spec home at 2000 Essler Street is currently listed for sale at \$227,000. This price assumes the buyer has a qualifying household income. If the household income exceeds the limits, the priced would need to be raised \$9,500.

The split entry spec home at 2101 Lunden Street is currently listed for sale at \$218,500. Once again, if the buyer's household income exceeds the limits, the price would increase by \$9,500.

To qualify for the lower purchase price, a buyer's household income for a family of two or less would need to be under \$88,600 per year. A family of three or more would need to have an income below \$101,890.

At the last EDA meeting, the membership authorized a real estate listing agreement with Judy Conroy of RE/MAX Dynamic Agents.

Given that the sale prices have been set by a resolution of the EDA, the staff has no ability to accept a sales price below the established price. This was never an issue when the EDA built and sold speculative homes in Nicollet Meadows and Washington Terrace. In those subdivision, every single spec home was sold at the price set by resolution.

There has undoubtedly been a significant change in the residential housing market over the last 15 years or so. The two remaining spec homes have been on the market for over three years. Given the experience of our partners at the Southwest Minnesota Housing Partnership (SWMHP) in the sale of

their last three spec homes, it is my expectation that the EDA's homes will ultimately need to be sold below the established prices and at a loss.

To allow staff the opportunity to negotiate or accept a purchase offer below the listed sales price, the EDA is being asked to enter into a closed session to discuss and establish the minimum price that the EDA would be willing to accept should an offer be tendered.

The closed session is authorized by Minnesota Statute 13D.05 (Subd. 3) (c) (3) which allows for a closed session "to develop or consider offers or counteroffers for the purchase or sale of real or personal property".