

CITY OF SAINT PETER, MINNESOTA
Economic Development Authority
REGULAR MEETING MINUTES
January 30, 2020
Saint Peter Community Center – Saint Peter Room

Call to Order:

The meeting was called to order at 12:00 pm by Community Development Director Russ Wille.

EDA members Brad DeVos, Cory Abels, Mike Favre, James Dunn and new member Bob Southworth were in attendance. Member Ed Johnson was absent. Community Development Director Russ Wille and Administrative Secretary Cindy Moulton were in attendance. Visitor present was Chad Adams, Executive Director of SWMHP.

Oath of Office

The Oath of Office was administered to new member Bob Southworth and City Council liaison DeVos.

Approval of Agenda

A motion by Southworth, seconded by Dunn to approve the meeting agenda as prepared and presented. With all voting in favor the agenda was approved as presented.

Election of Officers

A motion was made by Abels, seconded by Favre to nominate James Dunn as President. A motion was made by Abels, seconded by DeVos to cease nominations. With all members voting aye, nominations ceased. All members voting aye, Dunn was elected as President.

A motion was made by Abels, seconded by Favre to nominate Southworth as Vice President. A motion was made by Southworth, seconded by DeVos to nominate Abels as Vice President. A motion was made by DeVos, seconded by Abels to cease nominations. All members voting aye, nominations ceased. Members Dunn, Abels, and Favre voting in favor of Southworth, Members DeVos and Southworth voting in favor of Abels. With the majority vote, Southworth was elected Vice President.

A motion was made by Dunn, seconded by Southworth to appoint the Finance Director as Treasurer. With all members voting aye, the motion carried.

A motion was made by Dunn, seconded by Abels to appoint the City Administrator as Executive Director. With all members voting aye, the motion carried.

Approval of Minutes

A motion was by Abels, seconded by DeVos to approve the Regular Meeting Minutes of October 11, 2019. Members Dunn, DeVos, Abels, and Favre voting aye, Member Southworth abstaining, the minutes were approved as presented.

Traverse Green Speculative Homes

Wille introduced Chad Adams, the new Executive Director of SWMHP.

Wille provided an overview on the status of Traverse Green Subdivision. He stated that two of the EDA's speculative homes remain unsold. He indicated that the spec homes have been shown but at a slower pace than anticipated.

Wille stated that all SWMHP spec homes have been sold. He said that a realtor was hired to market their last three spec homes and was paid a 4% commission. He also added that SWMHP lowered their prices and took a loss on each of the three homes.

Wille reported that the City received an offer of \$7,000 less than the asking price for one of the spec homes. He indicated City Administrator Todd Prafke did not authorize the EDA to accept the offer.

At the present time the EDA spec homes are not listed on the MLS site due to the lack of a realtor listing the homes. Wille said that the houses are listed on Zillow.

Members questioned why True-Realty did not list the EDA homes on the MLS site as they had indicated. Members felt it appears as though the realtors are working against the City because of the higher commission they can attain on homes that are on the market.

Adams shared that similar situations have occurred in communities that SWMHP has spec homes for sale.

Wille indicated there have been inquiries regarding Traverse Green but once they are informed that cable and internet services are not available at this time, they lose interest.

Wille reported that the St. Peter Development has formed a housing subcommittee to investigate undertaking construction for higher end spec homes. These homes would likely be constructed on the outer lots of Traverse Green.

Members discussed ways to reduce costs of the spec homes. It was suggested that corporate modular construction be a future option.

Adams stated that SWMHP continues to apply for new market tax credits which could be used to buy down the price of the lots.

DeVos was disappointed that the EDA lost the sale of a house because of the lack of flexibility. He felt that hiring a realtor is needed. He questioned whether the agents are making an effort to sell the homes.

Wille agreed that hiring a realtor would be advantageous.

Favre mentioned that most home buyers negotiate a price and do not usually settle on the asking price of a home.

Southworth felt the EDA needs to get their "ducks in a row" in the event there is an offer made on a spec home. The offer should be accepted or denied within 2 days.

A motion was made by Abels, seconded by Southworth to allow Wille to obtain proposals from realtors interested in marketing the homes. All members voting aye, the motion carried.

Favre questioned whether realtors would take advantage of the listing.

Southworth said townhomes are in the market for the younger generation.

Adjournment

HPC Accessibility Grant Program – Applications are due on February 28, 2020 by 4:30. A group has been formed to review the applications. The grant/s will be awarded in April.

1 Million Cups - 1 Million Cups is a nationwide organization that is designed to educate, engage and connect entrepreneurs. St. Peter is hosting 1 Million Cups on February 12, 2020. Presentations will be given by Chelsea owner of Generation Boutique and 2 college baseball players that started Peer to Peer (business selling text books).

Alumacraft - City staff met with Alumacraft on January 21, 2020 and discussed the need for an onsite storm water pond should the business expand. It was noted that the State has a grant program that would pay a portion of the infrastructure costs.

Cedar Box Company – REDA notified Wille that there is a company seeking to move to the Saint Peter/Mankato area. Wille will be arranging a meeting with the Cedar Box Co. which is a company that manufactures cardboard boxes.

Chippewa/Exceed Packing – Chippewa/Exceed has paid off one of their \$100,000 revolving loans. The remaining \$100,000 loan has a balance of \$2,600.

Bike Trail – Wille has been scheduled to present information to the City Council at their workshop on February 3, 2020 regarding the bike trail. He stated that the only way to connect the trail to Mankato is on the R-O-W of Highway 22. Property owners along the river were contacted and were not interested in providing an easement for the trail. Wille indicated that the Minnesota Bike Trail Committee is requesting that the City Council approve a Resolution supporting the Highway 22 bike trail project.

Mobile Oil Change Opening - An oil changing business has opened at 825 North Minnesota Avenue.

Heritage Preservation Commission “Meeting in a Box” – Wille stated that SHPO has asked Minnesota preservation commissions to hold a “Meeting in a Box” to assist SHPO with the development of a revised historic preservation plan. Members of the HPC and attendees of the meeting will be asked to participate in exercises to help identify threats or barriers in historic preservation.

Brookshire Company – Was brought to us by GMG (REDA) which is seeking options in multiple communities so that they can have a shovel ready development which could be constructed in a condensed period of time. They have indicated that any options that they would have could be relinquished at the request of the City if the City was able to attract an alternative developer and project.

Any option would be thoroughly reviewed by City Attorney Brandt and additional vetting of the Brookshire of Company would be undertaken as part of our due diligence. GMG attempting to arrange a sit down meeting with Brookshire and REDA communities.

Open Board Seat

Abels asked if it was advantageous to have a realtor on the EDA.

Dunn questioned if having a realtor would be an issue if decisions were based on realtors.

Adjournment

A motion was made by Southworth, seconded by Abels to adjourn. The meeting adjourned at 12:53 pm.