

Pursuant to due call and notice thereof a meeting of the Economic Development Authority (EDA) in and for the City of Albany, Stearns County, Minnesota, was called to order by Chairman Tom Kasner at 6:30 o'clock in the evening on Wednesday, May 23, 2018, in the Council Room at 400 Railroad Avenue for the said City.

Other EDA Board members present for the meeting were: Adam Rushmeyer, John R. Harlander, and Todd Horton. Paul Wellenstein was absent.

Chairman Tom Kasner called for any additions or corrections to the minutes of the meeting of August 29, 2017, and hearing none declared them approved.

Chairman Tom Kasner called for any nominations for the position of Chairman and Acting Chairman for the year 2018. John R. Harlander nominated Tom Kasner for Chairman and Paul Wellenstein for Acting Chairman. Mr. Kasner hearing no other nominations closed the nominations from the floor for the position of Chairman and Acting Chairman. After due discussion, a motion was made by John R. Harlander and seconded by Todd Horton to appoint Tom Kasner as Chairman and Paul Wellenstein as Acting Chairman for the year 2018. All voted for the motion and it carried.

Present for the meeting were: Jason Murray, the City's Economic Development Consultant with the firm of David Drown Associates, Shannon Bertram, President, BB Wheels, Dean Goebel, CFO, BB Wheels, Lenore Lemke, CentraCare Health Construction Project Manager, and Thomas Mathews, Attorney, Gray Plant Moody, St. Cloud, MN.

Mr. Bertram appeared before the Board to inform the Board that his business name is Shanberly Acres, LLC dba BB Wheels, a national distributor of wheels, tires, and vehicle accessories. Mr. Bertram noted that they will be constructing a 6,100+/- sq.ft. warehouse and distribution center in the Albany Business and Industrial Park. Mr. Bertram noted that the business has grown over the past several years and in need of a larger warehouse building that includes adequate office space. Mr. Murray informed the Board that the City received a business subsidy application from Shanberly Acres, LLC and noted that a new TIF Economic District No. 16 (18 parcels) would be established by the City to assist BB Wheels. Mr. Murray noted the request does qualify as an eligible project to receive TIF assistance. Mr. Murray noted the City will reimburse the developer 90% of the tax increments generated by the project, up to \$60,000, over the nine (9) year district life. Mr. Murray also noted that the City will provide tax increment financing assistance on a "pay-as-you-go" basis; whereas the developer will pay all upfront costs, with the City reimbursing a portion of the increment for those eligible project costs. Mr. Murray also noted that a public hearing will be held on July 5th to consider the adoption of TIF District No. 16 and modification of TIF District No. 13. Mr. Schneider noted that the estimated expenses associated with the preparation of a TIF District is \$7,500 and the applicant requested that in the event another "TIF project" is approved in the district, they be reimbursed a pro-rata share of the original fee paid to the City. Mr. Schneider noted that the EDA had a similar request for reimbursement of fees for a project years ago and had no objection to the arrangement. Chairman Tom Kasner thanked Mr. Bertram and Mr. Goebel for attending the meeting and considering Albany for their business expansion. After due discussion, a motion was made by John R. Harlander and seconded by Adam Rushmeyer to recommend to the City Council to approve the following:

- The preliminary development agreement terms outlined in a May 3rd letter from Mr. Murray between the City and Shanberly Acres, LLC.
- Establishment of TIF District No. 16 within Municipal Development District No. 1.
- Modification of TIF District No. 13.
- Pay-as-you-go TIF assistance equal to 90% of increment generated by the project up to \$60,000, over the nine (9) year district life for documented eligible expenses.
- Pro-rata fee reimbursement to Shanberly Acres, LLC, for future TIF projects within TIF District No. 16.

All voted for the motion and it carried.

Mr. Mathews appeared before the Board on behalf of CentraCare to inform the Board that several sites were considered in the City for the purpose of constructing a new medical clinic. Mr. Mathews noted that eventually the group selected a site at 30 Railroad Avenue, formerly MasterMark Plastics. Mr. Mathews noted that the condition of the property posed significant costs to develop due to demolition of existing buildings, grade differences, minimum lot depth, and design challenges to accommodate for a future roundabout at the intersection of Railroad Avenue and 1st Street in 2020. Mr. Mathews noted that the costs are significantly higher than costs that CentraCare Health would expect if it were to construct a medical clinic on an undeveloped site in the area. Ms. Lemke informed the Board that construction plans are near completion and a general contractor will be retained within a week. Mr. Schneider noted that there will be a Planning Commission meeting on May 31st to consider a land use amendment, zoning amendment, new plat, and site plan review for this project. Mr. Murray appeared before the Board to inform the Board that the City received an application from Albany Clinic Property, LLC on behalf of CentraCare Health, to provide Tax Increment Financing (TIF). Mr. Murray noted that a new TIF Redevelopment District No. 15 (26 years) would be established to assist in the redevelopment of this property for a new medical clinic. Mr. Mathews noted the proposed building will be 18,000+/- sq. ft. with future building expansion available on the site at an estimated construction cost of \$6,000,000. Mr. Murray informed the Board that the City would provide “pay-as-you-go” TIF assistance equal to 90% of the increment generated by the project for ten (10) years or \$700,000 whichever occurs sooner, to reimburse the developer for documented eligible expenses. Mr. Harlander noted that typically the City assisted developers who construct new or redevelopment projects with demolition and site acquisition costs which costs are a bit lower than \$700,000. Mr. Mathews noted that demolition, site acquisition, and excavation/site improvements are greater than \$700,000 due to the challenges to develop the site; whereby the TIF request seems to be reasonable. Mr. Mathews noted that there may be minimum job creation, but the project is about job retention and redevelopment of a property that has been vacant/for sale for many years with industrial buildings no longer in use. Mr. Murray also noted that a public hearing will be held on July 5th to consider the adoption of TIF District No. 15. Chairman Tom Kasner thanked Mr. Mathews and Ms. Lemke for attending the meeting and providing details of their project. After due discussion, a motion was made by Tom Kasner and seconded by Todd Horton to recommend to the City Council to approve the following:

- The preliminary development agreement terms outlined in an April 26th letter from Mr. Murray between the City and Albany Clinic Property, LLC.
- Pay-as-you-go TIF assistance equal to 90% of increment generated by the project for a ten (10) years or \$700,000 whichever occurs sooner for documented eligible expenses.
- Establishment of TIF District No. 15 within Municipal Development District No. 1.

All voted for the motion and it carried.

Chairman Tom Kasner adjourned the meeting at 7:10 PM.

Tom Schneider
Clerk/Adm.