

MINUTES OF KASSON ECONOMIC DEVELOPMENT AUTHORITY
MEETING January 7, 2014

Pursuant to due call and notice thereof, a regular meeting of the Kasson EDA was held at City Hall this 7th day of January, 2014 at 12:09 p.m.

The following members were present: Langen, Ehmke, Egger, Sturgis, Peterson, Nelson and Wegner

Absent: None

The following staff members were present: Mike Martin, Community Development Director,
Linda Rappe, Deputy Clerk
Randy Lenth, City Administrator

Also Present: Paul Tucci and Tom Ryan from Oppidan, Curt Dubbels, Jeff and Andrea Halleland, Mark Anderson and Milt Kuball

CALL TO ORDER: Ehmke called the meeting to order at 12:09

MINUTES: Motion for approval of the meeting minutes from December 3, 2013 made by Langen, seconded by Peterson, All Ayes.

FINANCIAL REPORT: Martin stated that Omar's Kitchen has made a 2 month payment and will make another one this month.

LAND SWAP WITH GOODRICH-FELLOWS: Goodrich-Fellows has agreed to swap 17 acres for the 7 lots in Lindon Manor that the EDA owns due to a tax forfeiture.

MOTION TO APPROVE: Motion to approve the land swap with Goodrich-Fellows made by Nelson, second by Wagner. All Ayes.

AMERICAN LEGION PROPOSAL: The American Legion Post 333 is asking that we deed the empty lot to the west of their current building to relocate their entrance and add additional parking. Langen asked if we could lease the lot to the Legion for a \$1 a year. Martin stated that we could require the legion to alleviate the drainage issue and they would have to pay the property tax and they would have to have their insurance coverage extended to the lot. Staff will bring this back to the EDA meeting in February.

OPPIDAN LETTER OF INTENT: Staff presented Concept Plan 09 to the EDA, this plan is much more feasible and has moved the building as far to the south and out of the flood plain as possible. This plan includes the voluntary selling of two properties on the west side. This plan keeps the truck traffic off of the residential streets to the best extent possible. The purchase price agreed on is \$135K and Oppidan has agreed that the property will be assessed at \$3.2 million dollars which is roughly 2.5 times the natural assessed value for up to a maximum of 15 years. Paul Tucci and Tom Ryan from Oppidan representing their client, Shopko were in attendance to answer questions. Mr. Tucci and Mr. Ryan explained how this site was decided on and the City has dictated to them how this plan was going to look. Langen asked how much they would have to build up, Tucci stated that 75% of the store is outside of the flood plain so hopefully they wouldn't have to build up very much. Wegner asked if the pond will handle the runoff. Tucci stated that the pond will handle all runoff as per City and County standards. If it is required Oppidan will comply. Martin stated that one of the advantages of this development is that it will give the City the money to help solve the infrastructure problems. Langen asked about the slope. Tucci stated that the designs are not done but it will not be flat. They will

design to a 1% event which is 6.5" which is more stringent than the 100 year flood plain. Ehmke asked about the buildings to the north of the creek. Martin stated that all but one house is out of the flood plain. Sturgis asked why not the other sites, particularly the ones south of Highway 14 and the site to the east of NAPA. Tucci stated that this business is not looking for highway traffic, they are trying to be a community provider and the traffic on Mantorville Ave are the ones they are gearing towards. Tucci stated that the area east of NAPA has worse floodplain issues than the Lions Park site and they would be sitting behind two buildings and they didn't want that site line. Ehmke asked about the stop light. Martin stated that Oppidan will work with us to get a stop light in and we can use funds from the extra tax they will be paying. Langen asked how this all proceeds if the homeowners sell. Martin stated if the homeowners agree to sell they will work out a purchase agreement with Oppidan and that purchase agreement will be assigned to the City the city and the City will ultimately buy that and they will sell the entire 5.5 acre parcel to Oppidan for \$135K cash and the \$101K a year in taxes for the next 15 years. Langen asked about how many semi's Shopko will have per week. Tucci stated it depended on volume and he suspects between 2 to 5. Curt Dubbels asked about a timeline. Tucci stated that they have to have a timeline that works for everyone but they would like to start some work in there on April 1. Jeff Halleland asked how they figure out what the offer will be. Tucci stated they have done their research and will offer a certain percentage above what the market value and other homes are selling for. Martin stated that it is all negotiable. Mark Anderson asked what happens if it doesn't get rezoned. Tucci stated then they are probably back to square one. Anderson stated that he has a petition that asks Shopko to locate somewhere other than Lion's Park with about 180 signatures from people between 34 and the Highway. Tucci stated that he is aware of the opposition and Oppidan has not had this project go their way and they have had to make many concessions because the City has dictated how they want this project to go. Anderson asked who was going to repair the streets during construction and when fill is being brought in. Tucci stated that he would presume that most of the truck traffic for construction will be coming off Highway 57. Halleland asked about traffic. Tucci stated that you won't see as much traffic at this Shopko as you do at a grocery store so traffic impacts will not be overwhelming. Halleland asked if Shopko brings in their own employees or if they hire from within the community. Tucci stated that they may hire a pharmacist and bring in their own manager but they will typically hire from within the community. Milt Kuball stated that the exit on 2nd Ave SW will be used as an in as well as an out. Egglar stated that then that would alleviate traffic on Mantorville Ave. Tucci said that it could be marked "Exit Only" and shaped to make it inconvenient for customers to use it as an entrance. Kuball asked if this plan would change if Zomok's decided to sell. Tucci stated that there was a plan with that parcel incorporated into the plan. It could still be incorporated if they could come to an agreement. Kuball stated that he thinks the City and/or EDA should get involved in the negotiations and pay whatever Zomok wants to get the project in. Tucci stated that they are more than 10% apart and they are still willing to negotiate. Kuball asked what happens when a circle drive is put in in Kasson and they lose half of the traffic on Mantorville Ave. Tucci stated that they are not worried about that, it is the citizens of Kasson that they are focusing on.

MOTION TO RECOMMEND ACCEPTANCE: Motion to recommend to accept the Oppidan Letter of Intent and recommend that the City Council accept and approve this letter, made by Langen, second by Wegner, Ayes: Ehmke, Egglar, Langen, Nelson, Peterson, Wegner Nays: Sturgis

PROJECT UPDATES: Martin stated that they are having a bid opening on Wednesday January 8 for a phase of the Folkstad building.

ADJOURNED: Meeting adjourned at 1:30 pm

Respectfully Submitted,

Linda Rappe
Deputy Clerk