

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
REGULAR MEETING
THURSDAY, JULY 2, 2015 – 12:00 P.M.**

AGENDA

1. Call to Order/Roll Call
2. Approval of Agenda
3. Approval of Minutes
4. Reports
 - a. Parks and Recreation Board (B. Mayers and Jensen)
 - b. Development Contacts/Activities (MADA)
 - b. Development Activities (Walz)
5. Action Items
6. Unfinished Business
 - a. CentraCare Health-Melrose Presentation – Update (CentraCare Representatives)
 - b. City of Melrose Business Subsidy Criteria Policy (Walz)
 - c. City of Melrose Billboard (East Bound) – New Vinyl (Brethorst)
 - d. City of Melrose Billboards – Structure Enlargement (Walz)
7. New Business
 - a. Development of RiverView Addition Site (Brethorst)
8. Informational Items
 - a. Storm Shelters for City's Two Mobile Home Parks – Status Report (Maus)
 - b. Next Meeting
9. Issues of MADA/COC Members and Staff
10. Adjournment

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THURSDAY, JULY 2, 2015 – 12:00 P.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, July 2, 2015 at 12:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were MADA Members Bob Mayers, Jerome Duevel, George Jensen, Gene Enneking, City Administrator Michael Brethorst and Mayor Joe Finken, along with Community Planning/Economic Development Director Gary Walz. MADA Member Jenny Mayers was absent. Also in attendance representing CentraCare Health-Melrose were Administrator Gerry Gilbertson, and Dr. Kurt Schwieters. 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 Mr. Brethorst, seconded by Mr. Finken and unanimously carried to approve the agenda as submitted.

A.I. #3 APPROVAL OF MINUTES

A motion was made by Mr. Jensen seconded by Mr. Enneking and unanimously carried to approve the minutes from the May 28 Regular Meeting, and the June 5 Regular Meeting as submitted.

A.I. #4 REPORTS

- a. Director Walz noted that the Parks and Recreation Board last met March 10 and is not scheduled to meet again until July. MADA/Parks and Recreation Board Members Mr. Jensen and Mr. Mayers had nothing new to report at this time.
- b. MADA members had no new development-related contacts or activities that have come to their attention since MADA's May meeting.
- c. Director Walz reported that the outbreak of the Avian Flu had affected some of the local turkey farmers which entails the dead birds being composted and the building cleaned, disinfected and certified as virus free. Pete Terres from Munson Feed Mills will be getting their first flock of birds into their turkey barns in the next couple of days.

A.I. #5 ACTION ITEMS

None

A.I. #6 UNFINISHED BUSINESS

- a. CentraCare Health-Melrose representatives again were in attendance at this meeting to provide a progress update on the possible development of new health care facilities on their campus in the City. The total project is projected to cost upwards of \$23,000,000. They are looking to raise 10% of the funds to cover the local match for the facilities construction. They are solicitation local entities to contribute to the construction of the facility. After much discussion and debate the MADA Board recommended a contribution from the City General Fund and the Melrose Public Utilities.

Staff has reviewed the budget and cash balances for both General and Utilities. If the Council or Utilities were to contribute it is recommended to fund it as follows. General Fund \$150,000 would be paid from the Loan Payment proceeds due from CentraCare in a onetime payment.

If the Utilities were to contribute the \$100,000 it would be over a four (4) year pledge with payment coming from cash reserves. The payments would be 50% Electric Fund, 25% Water Fund and 25% Waste Water Fund.

A motion was made by Mr. Jensen seconded by Mr. Enneking and unanimously carried recommending to the Council and Commission the following contribution.

- \$150,000 - City General Fund over one year term
 - \$100,000 - Public Utilities Commission over four year term
- b. Director Walz provided each member a copy of the *City of Melrose Business Subsidy Policy* which was adopted by the Council on July 21, 2011.
- c. Administrator Brethorst stated that MADA, at its May 28 meeting, provided direction for staff to develop two concepts for replacement of the “Amanda Smock” vinyl sign face on the east bound billboard on the west side of the City. Administrator Brethorst presented two options from which MADA may consider choosing. The first option is “Buidling the Future Today” with graphics of construction workers set into the state of Minnesota. The second option is “Your Home, Turn Now” with graphics of the Melrose Dam.

After further discussion a motion was made by Mr. Enneking, seconded by Mr. Finken and unanimously carried selecting option 2 “Your Home, Turn Now” with graphics of the Melrose Dam.

- d. Director Walz noted that City staff has contacted a second sign company with whom the City has previously worked requesting a preliminary estimate for the enlargement of the City’s two non-commercial billboards and adding a second face to the one on the north side of I-94 near Stearns Electric. The proposed project would entail:
1. The east bound sign on the south side of I-94 is to be increased from 12’ x 36’ to 12’ x 48’. This sign remains a single-faced sign.

2. The west bound sign on the north side of I-94 is to be increased from 12' x 36' to 12' x 48' AND converted to a two-faced sign with an additional face being added to the current backside.
3. Unlike the preliminary estimate received at the May meeting, this estimate is to also include the option of leaving both 12' x 36' signs as is BUT converting the west bound sign on the north side of I-94 to a two-faced sign with an additional face being added to the current backside.
4. As with the first preliminary proposal presented at the May meeting, while the finished enlarged signs will be ready to accept vinyl sign face coverings, the sign vinyl would be bid separately.

At the time of the meeting Mr. Walz has not received the quote. This will be brought back at the next meeting.

A.I. #7 NEW BUSINESS

- a. City Administrator Brethorst stated that The City is the fee owner of the Riverview Addition lots adjacent to the east side of the Melrose City Center – one of which has development potential. The site was formerly known as the Kraft West site but was renamed after the City acquired ownership and platted the property. There have been various efforts to develop the site over the years. The development focus has been on senior housing with some contacts regarding commercial development or blended commercial and residential occupancies. The approach has been relatively reactive versus proactive over the past years. MADA to consider providing input as to how it would like to proceed with this asset as well as the industrial lots.

According to Administrator Brethorst, there are multiple options available to MADA to help focus its limited resources to maximize its results. Some include, but are not limited to, the Department of Employment and Economic Development and its Shovel Ready Certification Program.

According to the website: <http://www.mn.gov/deed/government/shovel-ready/>, there are benefits to the program. Certification offers several benefits for communities and site owners starting with the most important which is increased visibility in a very crowded marketplace. Minnesota's Certified Shovel Ready sites will be heavily marketed at national conferences and trade shows as well as on the property search tool provided for site selectors. The result is improved visibility for both the community and the site. Certified shovel ready status is fast becoming a standard for sites being marketed throughout Minnesota. Having certified sites demonstrates that communities are progressive, business-oriented, and prepared for new development. For communities serious about taking their efforts to attract new commercial and industrial growth to a whole new level, seeking certification as a Shovel Ready Certified site is the natural next step. The cost for participation in this program is \$3,250.

The City could contract with its engineering firm of WSB or with the Greater St. Cloud Development Corporation (GSCDC). Through the GSCDC, the City would be on its list of perspective properties it is marketing. Through WSB, the City could develop some solid portfolio information regarding the site and then WSB

could help the City get it in front of several regional developers. The best estimated cost for WSB to develop a portfolio would be approximately \$3,500.

To be part of the GSCDC site list, the City would need to become a member at a cost of approximately \$5,000 annually. There are other entities that can assist in this effort, but the three options above are examples of those alternatives.

Another one would be for the City to coordinate the project and efforts on its own. The intent would be to have a solid packet of information developed on the City's site that would cover issues relating to utilities, demographics and financing tools available. The City would then take this and have the local relators work their sources as well as the MADA members doing so. The City could provide some sort of incentive for bringing in leads or for a lead that brings a sale. There are multiple efforts the City could explore to address this; however, the constraint with this option is time.

Staff will contact John Uphus with WSB & Associates to obtain a proposal for marketing the Kraft West site. This will be brought before the MADA board at a future meeting.

A.I. #8 INFORMATIONAL ITEMS

- a. Director Walz noted that it is expected that prior to MADA's meeting when Chief Maus returns from vacation, he will submit a written progress report for MADA review regarding the storm shelter projects for the City's two mobile home parks
- b. The next MADA/COC meeting is scheduled for Thursday, July 23 at 12:00 p.m.

A.I. #9 ISSUES BY MADA/COC MEMBERS

None

A.I. #10 ADJOURNMENT

A motion was made by Mr. Enneking, seconded by Mr. Finken and unanimously carried to adjourn the meeting at 1:28 p.m.

PATRICIA HAASE – CITY CLERK