

CITY OF COTTAGE GROVE

ECONOMIC **D**EVELOPMENT **A**UTHORITY

MINUTES OCTOBER 12, 2004

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held at City Hall, 7516 80th Street South, Cottage Grove, Minnesota on the 12th day of October 2004.

CALL TO ORDER

The meeting was called to order at 7:30 a.m. by EDA President Wolcott.

ROLL CALL

Members Present: Jim Wolcott, EDA President
Gerry Weingartner, EDA Secretary/Treasurer
Al Boche, EDA Member
Sandy Shiely, EDA Vice President
Glen Kleven, EDA Member
Mike Wennen, EDA Member

Members Absent: Dick Pederson, EDA Member

Others Present: Ryan Schroeder, EDA Executive Director
Ron Hedberg, Director of Finance and Admin. Services
Howard Blin, Community Development Director
Monica Percic, Management Analyst
Scott Johnson, Management Analyst

APPROVAL OF MINUTES

EDA Member Boche moved to approve the September 14, 2004 Economic Development Authority Minutes. EDA Member Wolcott seconded. Motion carried unanimously.

PROJECT UPDATES

ED-03-010 – PRI and the City are working on a closing date for a 20,000 SF light industrial project and they have signed a development agreement.

ED-04-003 – Paul Narpaul from ICC on September 17th signed a development agreement with the City. A closing is expected in the near future for the 25,000 SF industrial park project.

Jim Wolcott spoke to Steve Schmid from Schmid Packaging. Mr. Schmid is currently working with RJ Ryan to find property to expand their operations.

DEVELOPMENT UPDATE

Ryan Schroeder updated the EDA on current projects in the City. Mainstreet Bank will hold a ribbon cutting on Tuesday, October 19th. A closing for Cottage Square Mall is currently scheduled for October 18th. 13 acres will be added to Hamlet Park with an additional five acres for storm water ponding. The Shoppes at Gateway North recently signed a lease with Las Margaritas as the anchor restaurant. Approvals for the restaurant will be on the Council agenda at the beginning of November. The Market Place project is proceeding on West Point Douglas. The easements for this project were granted at the last School Board meeting. The Summerhill Crossing curb pour was done last week and construction on the project could begin as soon as October.

The Coldwell Banker monument sign was completed recently. The City is waiting for a letter from the 1501 Group accepting the site work. The monument sign still needs to be completed on the corner of the Coldwell Banker Property. Clear Channel has almost completed their three new billboard signs on Highway 61. The two old billboard signs will be removed in the next few months.

SPECIAL MEETING FOR PROPERTY SALE

A special EDA meeting will be held on October 19th at 7:30 AM on the resale of the PRI, ICC, and American Agco properties. These transactions currently require a public hearing under ordinance. Ryan Schroeder thought it would be a good idea for the City to change the language in the ordinance requirement to remove the public hearing requirement because the City only holds the property for a few hours and acts only as a conduit.

EAST RAVINE

Howard Blin informed the EDA members about the progress of the East Ravine Study. The Technical Advisory Committee will meet on October 27th. The study and the preliminary code amendments should be completed by the spring of 2005. Currently, staff and consultants are focusing on the engineering aspects of the project. The large amounts of green space are taking a lot of property out of the equation for neighborhood two. Housing units for this area of the East Ravine are projected at less than 6,000 units. Staff needs to find out if this is enough housing to support the amount of infrastructure costs for the area.

Ryan Schroeder commented that the quick math on how many units of housing it will take to designate the entire parkway amounted to 4,500. Mr. Schroeder also thought the parkway

would be paid for through MSA funds, but the infrastructure costs are uncertain at this time. Mayor Shiely did not think that the City was far enough along in the study to make a recommendation on this point. Jim Wolcott thought it would be a good idea to set aside MSA funds for the parkway. Mr. Wolcott also asked Howard Blin if PUD's would be used for zoning. Mr. Blin informed the EDA that traditional zoning districts would be established. Mr. Wolcott commented that a PUD would give the City more control over the projects and standards in this portion of the City. This will help the City get the desired end result. Mr. Blin said that staff is currently trying to tighten up the standards through zoning. Ryan Schroeder commented that implementation of this plan will be tricky. For instance, if five different landowners currently own the property within a district it will be difficult to get them to contribute to green space that does not exist in close proximity.

Mayor Shiely agrees with the PUD in theory. There is supposedly more control, but this has not always worked for the City in the past. Mr. Schroeder said that staff is working on putting standards in place ahead of time to take care of these issues. Mr. Wolcott agreed that some time needs to be spent on the standards and controls for the East Ravine area. Glen Kleven thought it would be a good idea to accomplish this through the underlying zoning.

Howard Blin also said that the government campus idea is moving forward. The City is working with the Met Council and Washington County to buy and replace property in the Park within the next 5 to 10 years to build the government campus. The current land owner of the other piece of property for this project is not interested in selling at this time.

BUSINESS BREAKFAST

The EDA/Chamber Business Breakfast will be held on Monday, January 24th at 3M Cottage Grove.

HISTORICAL TAX VALUE RESULTS

Ryan Schroeder compiled the top tax payers for the City of Cottage Grove in 1991, 1997, and 2003. In 1991 22% of the tax base was generated by these properties. In 2003, this amount was below 10% which shows the City has diversified its tax base. Market values in the City have increased at an average of 10% per year over the past seven years. Tax capacity has grown at 3.5% per year even with the changes in the State tax system. TIF only factors at 2.69% while the State mean is at 6.8%. Jim Wolcott noted that the City's TIF usage is low compared to other growth communities.

DECERTIFICATION OF TIF 1-11

Ron Hedberg stated that no development has taken place on this parcel in the Industrial Park and this has had no affect on the tax bills. This TIF district was set up for a project that did not occur. It is a formality to decertify the district.

Mike Wennen made a motion to decertify TIF 1-11. Gerry Weingartner seconded the motion and the motion passed unanimously.

FENCING UPDATE

Monica Percic updated the EDA on the Gateway Fencing project. Letters were sent to stakeholders in the project. One participant is currently not certain. Ryan Schroeder said the dental building is currently being sold and the current owner does not want to commit to the project. Staff will revisit the project in 2005. Mr. Weingartner said there is also another dental group in the building that needs to be contacted. Monica Percic will follow up with the other dental group. Ryan Schroeder asked the EDA about the possibility of a two phased project where the work would begin now and the dental office portion would be completed later with the new owners. Al Boche did not like the idea of having a large hole in the fence for any period of time. Mr. Weingartner also commented that the fence was needed to make the trail work. Mr. Boche said he is leery of the idea that seeing a hole in the fence will motivate the new owner to build the fence.

Mr. Schroeder also commented that US Bank has looked into rebuilding its retaining wall to match the others in the Gateway District and that would be expected to eventually occur.

CALENDAR

Mayor Shiely mentioned that the CP Holiday Train will be in Cottage Grove at 7:00 PM on Sunday, December 12th.

MISC

Jim Wolcott requested an updated attendance record for the EDA meetings from staff.

ADJOURN

The meeting adjourned at 8:35 a.m.

Respectively Submitted

Scott Johnson
Management Analyst