

**MINUTES OF THE
WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY**
Regular Meeting Wednesday, February 7, 2018

Ken Grotbo
Cory Mitteness
Matt Jensen
Deborah Everson
Lindsay Guetzkow

1. Call to Order and Roll Call

The February 7, 2018 EDA meeting was called to order at 8:04 a.m. by Chairman Ken Grotbo.

Members present: Grotbo, Matt Jensen, Deborah Everson and Lindsay Guetzkow.

Staff present: City Administrator Shane Fineran, City Planner Mark Kaltsas, and Clerk/Treasurer Lynn Tschudi.

2. Adopt Agenda

EVERSON MOVED, JENSEN SECONDED A MOTION TO ADOPT THE AGENDA AS PRESENTED.
ALL PRESENT VOTED AYE. MOTION CARRIED.

3. New Business

A. Approve Meeting Minutes from November 21, 2017

EVERSON MOVED, GROTOBO SECONDED A MOTION TO APPROVE THE MINUTES FROM NOVEMBER 21, 2017. ALL PRESENT VOTED AYE. MOTION CARRIED.

B. Review Site Plan Application for 313 Territorial

City Planner Mark Kaltsas introduced the site plan review for the Lakeview Clinic that was presented to the Watertown Planning Commission on January 25th. He explained that the following actions need to be considered:

1. Re-zoning of the property from Industrial to Central Business District.
2. Site plan review to consider a new commercial building.
3. A Variance to allow a reduced parking setback from the adjacent residential property.

Kaltsas said Lakeview Clinic is seeking consideration to construct a 6,000 square foot single story medical clinic with 12 exam rooms. Parking would exceed the space count required per ordinance. Kaltsas mentioned one difficulty was gaining access off of CSAH 20. Carver County has approved full access off of CSAH 20 with a direct turn into the parking lot. Grotbo clarified that the direct access from CSAH 20 has only been approved for a medical clinic. Kaltsas confirmed that they did grant access specifically to the medical clinic use.

Planner Kaltsas continued that storm water requirements will be minimized on this site with the reduction of impervious area. He stated this building will be seen as almost a gateway into the city since it sits high on top of the hill. Due to this, the City has talked about certain architecture requirements that would be desirable such as arched ornamental iron fencing to tie into the other gateway points within downtown Watertown. The City will extend one more ornamental light pole past the clinic to give it the feel of part of downtown. Kaltsas spoke to the building exterior requirements and that the current requirements for Watertown downtown commercial require brick, stone, stucco and glass. The proposed building indicates a mixture of masonry wainscot and LP Smartside. Kaltsas said that these materials were not around when the requirements were written, so there may be room to be flexible with the developer.

Guetzkow asked if there are any opportunities for underground utilities with Xcel. Fineran stated

that it would be at the property owner's expense.

C. Conduct Public Hearing - Sale of 313 Territorial Property

City Administrator Fineran stated that the purchase agreement in front of the EDA members has been drafted by the City Attorney and is currently being reviewed by the developer. Terms of the agreement include: a sale price of \$15,000 with the buyer paying closing costs. Closing is contingent upon and within 30 days of the approval of the site plan by the City. The developer and the City will enter into a TIF Financing Agreement for up to \$125,000 in rebate of tax increment collected for eligible site improvements and public improvements made. Failure by the developer to have a building permit issued within 12 months, or a certificate of occupancy within 24 months, of closing will cause the property to revert back to the EDA.

Jensen asked about the timeline moving forward. Fineran said that the developer is ready to get going, however they are taking the process one step at a time with plans for a 2018 start.

GUETZKOW MOVED, EVERSON SECONDED A MOTION TO OPEN THE PUBLIC HEARING FOR THE SALE OF THE 313 TERRITORIAL PROPERTY. ALL PRESENT VOTED AYE. MOTION CARRIED.

GUETZKOW MOVED, EVERSON SECONDED A MOTION TO CLOSE THE PUBLIC HEARING FOR THE SALE OF THE 313 TERRITORIAL PROPERTY. ALL PRESENT VOTED AYE. MOTION CARRIED.

EVERSON MOVED, GUETZKOW SECONDED A MOTION TO APPROVE RESOLUTION #2018-01EDA APPROVING PURCHASE AGREEMENT OF THE 313 TERRITORIAL PROPERTY. ALL PRESENT VOTED AYE. MOTION CARRIED.

D. Review Business Subsidy Policy

Fineran explained that the City does not have a business subsidy policy in place, and Minnesota State Statute requires this under chapter 116J. The three main criteria to be used to evaluate a request for a Business Subsidy are wages, jobs, and if we are providing jobs to enhance the tax base. Fineran said the City Council will ultimately approve the policy, however the EDA will edit and provide feedback. Fineran is looking for values to enter into the policy for number of jobs created and retained.

Guetzkow asked what is the typical numbers seen in agreements. Fineran stated that it can be as low as one job created. Grotbo said that the job creation is at times tied to the amount of award ex) 1 job created per \$150,000. The EDA discussed the possibility of using one job created in the language in order to leave it open to flexibility in business development. Fineran clarified that these standards will only apply to those businesses seeking a subsidy of \$150,000 or greater from the City.

EVERSON MOVED, JENSEN SECONDED A MOTION TO MAKE THE MINIMUM NUMBER OF JOBS CREATED BY A PROJECT 1 AND THE MINIMUM NUMBER OF JOBS RETAINED TO “EXISTING,” AS WELL AS ANY OTHER CLEAN-UP EDITS IN THE BUSINESS SUBSIDY DOCUMENT. ALL PRESENT VOTED AYE. MOTION CARRIED.

4. Adjournment

Updates: Administrator Fineran updated that the Developer Day is February 15th at 11:30 a.m. at Mario’s Italian Kitchen. The City has received about 35 RSVP’s for the event. Grotbo asked about the Carver County CDC parcel by Forest Hills. Fineran informed that the presented housing ghost plat will be up for discussion at the CDC board retreat in March. He added that the biggest hurdle will be how the project will get funding.

JENSEN MOVED, GUETZKOW SECONDED A MOTION TO ADJOURN THE MEETING AT 8:58 AM. ALL PRESENT VOTED AYE. MOTION CARRIED.

Chair, Ken Grotbo

Executive Director, Shane Fineran