

**MEETING MINUTES**  
**New Prague Economic Development Authority**  
**Wednesday, April 11, 2018**

Call Meeting to Order – Brent Quast

The meeting was called to order at 7:30 a.m. by Brent Quast with the following members present: Chuck Nickolay, Shawn Ryan, Nick Slavik, Pete Sletten, and Bruce Wolf.

Vacancy: Jason Burma – Resigned effective January 10, 2018

City Staff Present: City Administrator Johnson

Others Present: Jo Faust – First Stop Shop

1. Meeting was called to order by President Quast.
2. Minutes/Financials
  - A. It was moved by Slavik, seconded by Sletten to approve the March 14, 2018 meeting minutes. All voted in favor. Motion carried. (6-0)
  - B. There were 3 claims for \$587.19 for April 2018, motion by Nickolay, seconded by Sletten to approve the April bills. All voted in favor. Motion carried. (6-0)
  - C. The Financial Report for March 2018 including the Income Statements and Balance Sheets were reviewed and accepted.
3. City Administrator Johnson gave a brief update and overview on the Small Cities Projects (SCDP):
  - A. 2016 SCDP Report – The March 2018 report was provided.
  - B. 2017 SCDP Report – Mr. Johnson gave a brief overview on the status of the 2017 owner occupied, residential rental and commercial applications. Not much activity for the month.
4. President Quast indicated the next item was to discuss the recent BR&E visit to Autowash Systems, Inc. Bruce Wolf provided an overview of the visit with Jeremy and Brian Dohm. Bruce Wolf and Nick Slavik provided an overview of the visit to Steele & Associates. The next visit is scheduled with Miller Milling.
5. City Administrator Johnson provided the Board with a brief overview of the New Prague Utilities Commission (NPUC) Electric Territory Acquisition from the Minnesota Valley Electric Cooperative (MVEC). The proposed acquisition would acquire approximately 750 customers from MVEC, about a 20% increase in the City's electric customers. These customers are MVEC customers within the corporate city limits of the City, but not currently NPUC customers. The major customer acquisition areas are in the NW and SE parts of the City. After payment of loss of revenues to MVEC for 10 years, NPUC should see a net increase to the bottom line of \$300,000+ annually. The City will also be able to acquire MVEC electric territory in any annexation area for the next 10 years as well.

Board Member Shawn Ryan left the meeting temporarily at 8:20 a.m.

6. City Administrator Johnson provided the Board with an overview of the Preliminary Valuation Data for Payable 2019 from Scott County. Data was not provided on Le Sueur County because it was not available at this time. Information on Estimated Market Value, New Construction, Net Tax

Capacity, Referendum Market Value, Taxable Market Value and Parcel Count within the City were reviewed. The City's Net Tax Capacity for Scott is preliminarily up 10.2% for Payable 2019 due to City growth over October 1, 2016 to September 30, 2017, picked up in 2018 and Payable 2019.

Boardmember Shawn Ryan arrived back to the meeting at 8:30 a.m.

7. City Administrator Johnson provided the Board with information on the City's Industrial Park Tax Values. According to the Scott County Assessor's Office, apparently there had been a mistake on the tax valuations for the Industrial Park from 2016 to 2017 to 2018. For Payable 2018, the City's Industrial Park has taxes due of \$23,432, as the lots are not tax exempt due to the property being farmed and considered a taxable purpose. For 2017, the City farmed the City's Industrial Park containing about 17.5 acres @ \$200/acre for \$3,500. Mr. Johnson indicated that he thought the EDA should appeal the Payable 2019 Valuations on the Industrial Park land since the County was assessing the land at \$2.50/square foot versus the one land sale in 2016 to Paul Hanzel at \$1.40/square foot and land values on the south side of 6<sup>th</sup> Street NW in the range of \$1.00 to \$1.12/sq. ft. Mr. Johnson said he had an appointment with the Scott County Assessor on April 12, 2018 to discuss the land values and tax exemption. After discussion by the Board, it was moved by Nickolay, seconded by Ryan to authorize the City Administrator to file a formal land value appeal for Payable 2019 Values on behalf of the EDA Board. All voted in favor. Motion carried. (6-0)
8. President Quast indicated the next item was to review and discuss possible Economic Development Incentives being reviewed and discussed by focus group in the SMMPA organization. There was general discussion on the list of items being reviewed by SMMPA. Bruce Wolf asked if there was a person to talk to about electrical rebates and there currently is. There is also a rebate program if an entity has a generator back-up on their site. Pete Sletten suggested there might be some benefit if there could be some rebate funds (\$) for overhead in the 1<sup>st</sup> six months of a business start-up. Mr. Johnson will provide comments to Bruce Reimers.
9. Planning Director Ondich's Business Updates for April 2018 were reviewed. There was also discussion on the Broz Hotel status, and the tree cutting at the corner of Lexington Avenue NE and County Rd #37.
10. Executive Director Report – Nothing at this time.
11. Miscellaneous – Bruce Wolf asked if there had been any update to the Building Permit Fee costs since the last time this report was provided to address Affordable Housing Construction costs. Staff will check and see if the report has been updated.
12. Adjourn.

There being no additional business, it was the consensus of the Board to adjourn at approximately 9:19 A.M.

Respectfully Submitted,



Michael J. Johnson  
City Administrator/EDA Executive Director