



WRIGHT COUNTY
Economic
Development
Authority

ECONOMIC DEVELOPMENT AUTHORITY (EDA) AGENDA

DATE: May 16, 2022

TIME: 8:30 AM

MEETING LOCATION: County Board Room & Teams

Darek Vetsch, President
Christine Husom, Vice-President
Mark Daleiden
Mary Wetter
Michael Kaczmarek
Phil Kern
Josh Gehlen

AGENDA ITEMS

- I. Approve previous meeting minutes**
 - a. April 18, 2022**

- II. City/Township Updates - Buffalo**

- III. Revolving Loan Program**

- IV. 2022 EDA Annual Meeting Reminder**

- V. Action items / agenda for next meeting**
 - a. City/Township updates**

cc: County Board
Lee Kelly
Clay Wilfahrt
Elizabeth Karels
Greg Kryzer
Heather Lemieux
Jolene Foss
David Kelly
Laureen Bodin
Stephen Gritman
Phil Kern
Josh Gehlen
Frank Petitta

Minutes: Laine Stephan
POST



WRIGHT COUNTY
Economic
Development
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MEETING MINUTES

ECONOMIC DEVELOPMENT AUTHORITY

APRIL 18, 2022

DATE APPROVED: [DATE]

Darek Vetsch, President
Christine Husom, Vice-President
Mark Daleiden
Mary Wetter
Michael Kaczmarek
Phil Kern
Josh Gehlen

Members Present: Darek Vetsch, Christine Husom, Mark Daleiden, Mary Wetter, Mike Kaczmarek, Josh Gehlen, and Phil Kern

Others Present: Lee Kelly, Elizabeth Karels, Lindsey Meyer, Heather Lemieux, Jim Gromberg (WSB), Erin Walsh, Mark Berning, Jessie Lee Olson, Loren O'Brien, Dan Proud, Chris Holker, Brett Holker (Monticello Township), Sandra Greninger, Sheila Greninger, Russ Greninger, Barry Hanson, Brad Potter (City of Cokato), Marc Mattice, Clay Wilfahrt, Mary Jordan, Lucian Jordan, Matthew Fomby, Greg Kryzer, John Holler, Jan Biegler, Jim Biegler, Matthew Detjen, and Chuck Dressed

Others Present on TEAMS: Jolene Foss, David Kelly and Missy Meidinger

THESE MINUTES ARE IN DRAFT FORMAT AND REQUIRE APPROVAL BY THE COUNTY BOARD

I. Approve Previous Meeting Minutes

a. March 21, 2022

Commissioner Christine Husom moved to approve the Economic Development Authority (EDA) minutes from Monday, March 21. The motion was seconded by Commissioner Mark Daleiden and carried 7-0.

II. Approve Claims

Daleiden moved to approve claims. The motion was seconded by Commissioner Mary Wetter and carried 7-0.

III. Approve Letter of Support for Rockford Township's Border-to-Border Broadband Grant Application

Wetter received an email from a Rockford Township Supervisor stating that the township had requested for the approval letter to be sent to the Township itself. County Administrator Lee Kelly confirmed he had received this request and would be sending the township a copy.

Daleiden moved to approve claims. The motion was seconded by Wetter and carried 7-0.

IV. City/Township Updates

a. Cokato

Brad Potter from the City of Cokato discussed the slight population growth the city had seen, raising the population to approximately 2,800 people. Regarding economic development, Potter talked about the wastewater treatment plant project and how it had gained them compliance with the State of Minnesota. The cost for painting the water tower would be about \$500,000-\$600,000 with the potential to increase by 20 percent in 2023 due to new regulations in place for coding. New reconstruction projects included new sewer and water and a housing study that had been completed. Once this study was approved by Cokato City Council, it will be released to the public. The Small Cities Development Grant Program was issued for about 20 homes with the option for some commercial projects.

Potter said Cokato's challenges with economic development were with visiting businesses in town to make sure their needs were being met. The biggest struggle the city discovered from these conversations was employee recruitment and retention. Potter explained that succession planning was the goal. Projects included working with The Minnesota Department of Transportation (MnDOT) on Highway 12 that runs through the city, working on access and the parcels along Highway 12 that had infrastructure that may have had a potential use or development. The city was working with Virgil Hawkins, County Highway Engineer, to discuss development plans for locations off CSAH 3. Unfortunately, a local lumberyard closed and the business moved out of Cokato to St. Cloud. City officials were brainstorming how to prevent this from happening with other businesses with similar struggles finding employees.

Commissioner Darek Vetsch wanted to know how many developable lots were available, Potter stated that there were about 10 available lots for housing development. It was hard to compete with development prices being lower in other parts of the county, like Buffalo, that already had established roads. Cokato may come to the Board in the future asking for economic development help for these and other projects. A housing study should help identify what was needed in regard to funding. Vetsch pointed out that the need for developable lots was an issue for many communities trying to grow their workforce. EDA Member Phil Kern wanted to know if the city was having any success with additional funding sources for its wastewater project. Potter explained that there had been some funding from other sources, having received an \$800,000 grant. The overall project cost is estimated to be \$2 million to \$3 million. Potter added that the city had been using the COVID funds to help keep maintenance going on the water tower.

V. Revolving Loan Program

Agriculture and Drainage Coordinator Matt Detjen presented the program. The program was created for the Ditch 33 project specifically, with the intention of it becoming a pilot program for future use. Vetsch added that this has been a need for 40-50 years. Wetter asked if businesses could apply for this loan. Vetsch explained that it was a boilerplate program for future projects and anyone wanting to utilize this loan funding would need EDA Board approval. It was intended to be ambiguous to accommodate for fluid changes. There were other systems throughout the county that could benefit from this type of program and also relate to economic development, specifically looking at other ditch systems.

Vetsch explained that this was a 1970s system that had decayed and was barely operating. The area around where the ditch was located had transitioned from agriculture to residential. There was a need to adjust to make it more applicable to today's standards. The City of Monticello did not think this was something it could afford at this time. However, this program would give cities the opportunity to improve infrastructure and then pay back the funds to the county through a payment plan.

Detjen had previously presented Ditch 33 information in February 2022 and there was a follow-up discussion in March 2022 to approve the proposal. County Ditch 33 was built in 1917 with clay tile and was the longest county system measuring over nine miles in length. Detjen stated the deterioration is clearly visible. Landowners had experienced flooding and lost farmable land because of these issues which were brought to the Board's attention back in the 1980s and again in 2006. County ditch systems were paid for by affected landowners and the cost could vary based on the number of landowners affected. Detjen referenced photos and maps from a PowerPoint to show the need for assistance from the County, pointing out water quality issues specifically. There was a plan presentation to enlarge and reroute the system to an undeveloped area. Additional easements would need to be created to keep it where it was. The 2006 plan was to reroute to the east where there would be less maintenance with the option for wetland restoration which would create more storage and improve water quality. This would increase costs because of the need to use concrete pipe to cut through a hill. Detjen indicated on a map where the intended plan would go.

Detjen explained that the proposed plan would allow the EDA to give the City of Monticello the loan, transferring the project to the city. This would make it so it was not assessed to the landowners. However, landowners' stormwater would still be able to drain through this system. Vetsch pointed out that most of the ditch repair area is through a residential area, commanding more need from the system at a fraction of the cost. The assessment to landowners, if they were agriculture-based, would be \$2 million, versus a residential landowner assessed at around \$100 potentially creating long-standing assessments to property. Detjen explained that for the 1.3 miles that needed the updates, the estimates were around \$1.7 million, with padding to the loan estimate which brought it up to \$2 million. This allowed the county to loan money to the City of Monticello to have this issue fixed, and the City would be able to have developers utilize these areas, making that money back.

Husom asked what the repair costs would be post-project. Vetsch explained that this would be based on the new benefit of the tax rolls. Husom added that there would still be issues down the line and that it was good to know that the landowners would benefit while not being responsible for the costs. Detjen agreed. Daleiden added that a lot of the issue was under I-94, and until that got fixed issues would continue. Detjen added that 200-300 acres of previously farmable land were now underwater. Vetsch emphasized the importance of the timeline and doing this project in conjunction with development of property to establish a known infrastructure.

Vetsch opened the floor to those who wished to speak.

Brett Holker, Monticello Township Supervisor, had worked towards a solution for over three years on his own, but came to the conclusion that the cost exceeded the benefit for himself and other landowners to fix it on their own. To counteract this, the city could develop a portion in order to expend the funds and fix this issue. He urged the Board to move forward with project.

Matt Brunning informed the Board that the part of the ditch in question was the most expensive portion of the ditch. He has spent thousands of dollars trying to repair the section on his two parcels of land.

Chris Holker did not have land on the ditch but said he would be affected financially. He was in favor of this project. Vetsch added that these individuals could be charged \$50,000-\$60,000 and still see no change to their land.

Loren O'Brien was one of the 15 landowners affected by Ditch 33. Forty acres of his land was farmable land, but was currently flooded and used as a habitat for wildlife. Some of his neighbors would lose their farms if they were assessed for fixing the ditch. He pointed out that this deal would spend \$2 million to fix the ditch and put \$2 million into jobs and creating infrastructure for the community. Vetsch added that you get capacity for future homes as well. Commissioner Michael Kaczmarek asked O'Brien for more specifics on the numbers he was talking about. O'Brien responded that the project was only getting more expensive as people waited to address it. Vetsch clarified that this was only partially fixing the ditch and it did not make sense to force landowners to pay for something that did not benefit them. Kaczmarek asked what the long-term impact to the landowners was going to be. Daleiden stated that it should be minimal. Until I-94 repairs were done, anything done south of the freeway would be not worth addressing as the issue would not be fixed. Brett Holker, Monticello Township, clarified that the landowners would still need to repair their sections as they go even though they would not be assessed for the project. There would be negotiations with the city moving forward. Landowners would still need to pay for improvements south of I-94, but at that point the Board would know how to size it in regard to monetary value and future development. The City of Monticello has a plan and a developer ready and is ready to come to a consensus for the long-term value. Detjen added that there was a potential for a proposal in 2025 for a highway culvert off I-94.

Landowner Lucian Jordan said his assessment was about \$150,000, but this project would drop it to \$33,000. He emphasized that this repair was needed and that he has spent \$20,000 of his own money to repair the ditch and keep the water flowing.

Jesse Olson has 29 acres, three to four acres that were intended to be cow pasture are currently underwater and the cost to fix the issue was not worth the outcome.

Daleiden stated his biggest concern was that it seemed that only one person would be making the decisions when it came to this project. He proposed it should be a minimum of two people from the Board to make a decision. Husom posed that the EDA should be the board to make these motions to approve. Kaczmarek asked for clarification on what this loan could be used for, who would manage the funds, and what would constitute a professional fee. Vetsch said that Assistant Finance Director Heather Lemieux would oversee fund management. Assistant County Attorney Greg Kryzer defined a professional fee as an attorney, architect, engineer, and membership fees to organizations, but the board required a clearer definition be added to the loan program verbiage.

Husom explained that the county did not typically pay for ditch systems due to it being an assessment to landowners, adding the need for caution when choosing which systems the Board would pay for in the future. Vetsch conceded that this process can look messy as a conceptual program. The program concept needed to be approved so it could move forward with the City of Monticello, with the ability to address specific issues after approval. Husom agreed, calling it a win-win for economic development. Kern asked how much should be made available to other projects within the county. Vetsch explained that this program was created for this specific ditch project, with the intention to make it a pilot program going forward. As funds are paid back, they would become available to other projects. Kern explained his personal issues he had been having since 2010 with Ditch 34 and Franklin Township's lack of resolution. He asked how this could be made fair and available for everyone to apply as other projects have high priority needs as well. Vetsch explained that there could be more funding put into the EDA. Kaczmarek pointed out that funds for Ditch 33 could potentially be locked up for the 10 years. His concern was the accessibility for others. Vetsch expected that by 2025, the bulk of the money will be coming back into the fund, as it was a revolving program. There were about five or six ditches that meet the criteria for the economic development goal. Daleiden added that this specific ditch system needed this program because of the effect to landowners, the benefit they would see, and the high assessment. Kern stated that if others could have fair access to the funds, he would be in support of this program. EDA Board Member Josh Gehlen explained that there was a need to focus on this specific application of the loan in order to get the program off the ground. Kaczmarek asked if there was any collateral needed to receive loan. Vetsch explained that the City of Monticello would show full faith and credit on the loan. Kern wondered if this was an infrastructure loan rather than a revolving loan. Gehlen explained that Wright County did not have gap lending availability. The County was at a disadvantage because of this and the County has an inability to accommodate for growth and improvement which would increase a tax base and bring jobs to the county.

Daleiden made a motion to continue to work with the revolving loan program for Monticello, with the caveat that the paperwork needed fine tuning. The motion was seconded by Husom.

Vetsch continued the discussion stating that there would be scoring mechanisms and language added so that when the application phase of the loan program comes, the County would be ready to implement the program. There was a need to conceptually approve this loan program in order to move forward; this loan was for cities and townships only and no private business could apply. Kern wanted to move forward with the intention that there would be tweaking to that language of the loan program.

Daleiden clarified that the motion was to move forward with the infrastructure loan program with the intention to have language cleaned up in the project paperwork and look into creating a loan program for businesses in the future. Husom seconded the clarification of this motion.

Detjen repeated for clarification that the staff revisions would include cleaning up language and adding scoring in order to bring the program back to the Board for review. Daleiden confirmed that this was the intention of the

motion. Vetsch added that the City of Monticello could apply for this loan while staff was fine tuning the language. Kaczmarek pointed out that there were other options for solutions rather than the County loaning money. His concern was that the County's debt was between \$155 million to \$190 million. Vetsch pointed out the return on investment would be 100 percent plus economic growth. Kern thought it would be a good show of leadership and argued that a loan criterion should be that two or more areas of the county be involved in a project for it to be approved for funding. He wanted to know how it could be made available to other areas of the county. Daleiden reiterated how much need Ditch 33 has for this program and added that these issues should have been addressed long before this.

Kaczmarek wanted the townships that were not involved in the EDA to be sent another invitation with information about this loan program and how it could affect them. Vetsch agreed that the update should be sent out in June so this would not slow down the process for the City on Monticello, as it is ready to move forward with this project. He also emphasized that any project the Board approved for funding would need to have an impact on economic development as it was the mission of the EDA. Detjen revisited the numbers for Ditch 33 and expressed again the need for the funding to be focused on this ditch in particular. Vetsch understood that there needed to be other programs created in addition to this one. There was a lot of ambiguity with this particular loan program. Gehlen added that the point of a revolving loan program was that there would be no deadline. If funding was not available, the Board could meet to see if it wanted to add funds or inform the applicant that there are none available that moment. Husom agreed.

Vetsch made a motion to approve the revolving loan program for infrastructure purposes for \$2 million in funding with the intention of tweaking the language of the program. The motion was seconded by Daleiden and carried 6-1, Kaczmarek being opposed.

Kern requested an additional motion be passed that would make funds available to other communities, with a need to confirm with finance on funding availability. Vetsch requested this be added as a discussion item for the next EDA Board meeting. The motion was seconded by Gehlen and carried 7-0.

VI. Update from Government Center Task Force / Steering Committee

Vetsch stated that the scope and size of the project was still being discussed. Daleiden wanted to know if anyone was looking at this building. It was confirmed that someone was and that there would be a report available the week of April 25. Daleiden asked about when the county was planning to close on the sale of the Health and Human Services (HHS) Building. Project Administrator Elizabeth Karels explained that the buyer has 180 days for the inspection period with the potential to move timeframe up. She was going to check on the status.

Kaczmarek asked about the status and next steps of the vote on action from the last Steering Committee meeting. Vetsch explained that the vote was in regard to the palatability of using options and whether or not it was agreeable. That was the extent of the detail they wanted to get into at that time. Karels added that the sensitivity surrounding those discussions might warrant a closed meeting. Kryzer stated that the board was not yet ready for the next step in this discussion.

VII. Action Items / Agenda for Next Meeting

- a. City/Township Updates
- b. June – Send out EDA update to Townships who are not a part of the committee
- c. Details of Revolving Loan Program
- d. Annual Reading coming up in June
- e. Updates from Steering Committee

The meeting adjourned at 10:35 a.m.



Board Meeting Date:	
Requester's Name	
Board Action Requested:	
Background/Justification:	

BACKGROUND

This revolving loan fund (RLF) is intended to help Wright County cities and townships complete projects that meet the County's objective of shepherding economic growth. As the RLF receives the principal and interest from outstanding loans, the money is made available to another borrower.

This RLF will be managed by the Wright County Economic Development Authority (EDA), a subdivision of Wright County, Minnesota. The EDA is governed by a seven-member board and supported by Wright County staff.

PUBLIC PURPOSE OBJECTIVES

Currently, the purpose of this RLF is to fund projects that will facilitate economic growth by converting rural stormwater systems (County ditches) to city stormwater systems. This conversion allows development to take place, expanding the overall tax base for Wright County. Benefits of this type of project also include:

- Increased potential for commercial/business growth
- Reduced liability to Wright County for maintenance of ditches
- Reduced costs to benefitted landowner who pay for ditch maintenance

The EDA expects that the objectives of the RLF will evolve over time based on conditions and will amend this policy to reflect additional types of allowable projects.

ELIGIBLE RECIPIENTS

Eligible recipients of this loan are cities and townships within Wright County that have opted into the EDA. Under state law, county EDAs may operate only in cities and townships that have adopted resolutions electing to participate in the EDA. A list of current participants is available online: [Cities and Townships Participating in Wright County EDA](#).

AMOUNT AVAILABLE

Applications will be accepted for loan amounts of range from \$10,000 to \$2,000,000, based on available RLF balances.

ELIGIBLE EXPENSES

The loan may be used to cover the following expenses:

1. Environmental studies
2. Professional services, including engineering, design, and construction administration
3. Construction



4. Best management practices (BMPs)
5. Easement acquisition, including appraisal
6. Permit fees

SCORING CRITERIA

Applications will be scored using the following criteria:

	Criteria	Max Points
1.	How does the project impact economic development?	20 points
2.	What is the expected tax growth?	20 points
3.	How does the project reduce liability to the County?	20 points
4.	What is the plan to pay back the loan?	10 points
5.	How will this project impact the benefitted landowners and positively impact overall ditch system?	20 points
6.	Will the project incorporate flood control or best management practices?	10 points
	Maximum Points	100 points

APPLICATION AND REVIEW PROCESS

Applications are available on the Wright County EDA’s website. Applications are received on an ongoing basis, but only will be reviewed and scored when funds are available.

Applications will be received and reviewed by Wright County staff. A staff team of at least three members will score each application and develop a recommendation for the Wright County EDA. Recommendations will be presented at EDA board meetings, and the EDA board will vote to approve or deny each application.

Nothing in this policy shall require the EDA to make a loan to for a project that is eligible under this program. Each application will be reviewed on a case-by-case basis.

LOAN AGREEMENT

Loan terms and conditions will be negotiated between the applicant and Wright County staff. Loan agreements will go to the EDA board for approval. The loan will be paid to recipients via a reimbursement process.

POST AGREEMENT AND MONITORING

When the loan agreement is completed and the funds are disbursed, Wright County staff will establish and maintain a file of supporting documentation and ongoing correspondence.



Wright County staff will be responsible for collecting and maintaining evidence of ongoing compliance with any requirements of the loan agreement, including financial reporting, and any special conditions of the original agreement.

LOAN REPAYMENTS AND REPORTING

Repaid loans shall be re-deposited in the EDA's RLF account and used in a manner consistent with these policies and procedures. A separate accounting record for each loan shall be kept to account for all funds loaned.

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