

**Cambridge Economic Development Authority (EDA)
Special Meeting Minutes - September 5, 2017**

Pursuant to due call and notice thereof, a special meeting of the Cambridge Economic Development Authority (EDA) was held on Monday, September 5, 2017 at Cambridge City Council Chambers at 300 3rd Ave NE, Cambridge, MN 55008.

Members Present: President Joe Morin and EDA members Marlys Palmer, Jim Godfrey, Kersten Conley, and Lisa Iverson. All present, no absences.

Staff Present: City Administrator Lynda Woulfe and Economic Development Director Stan Gustafson

Call to Order

Morin called the meeting to order at 3:31 pm.

Approval of Agenda

Godfrey moved, seconded by Conley to approve the agenda. Motion carried unanimously.

New Business

***EDA Resolution No. EDA R17-004 Recommending the City Council Adopt a
Modification to the Development Program for Development District No. 6 and the Tax
Increment Financing Plan for the Establishment of Tax Increment Financing District
No. 6-18***

***Recommend to the City Council the Approval of the Contract for Private Development
with Main Street Flats Limited Partnership at***

Gustafson stated staff has been working with Main Street Flats Limited Partnership on the development and redevelopment of four sites for several years. Gustafson explained workforce housing is needed in this community as shown by past and recent studies that were prepared. This project will also provide an opportunity for redevelopment, transit orientated development and bring more pedestrian traffic to downtown Cambridge.

Gustafson reported that Main Street Flats Limited Partnership has four sites under contract and have been working diligently with their consultant and MPCA on one site which is a former gas station, to receive a clearance from them in order to move forward and purchase these properties. They have been working on this site for approximately 7 months and are anticipating a response from MPCA in October on a clearance letter or the next steps.

Gustafson reported Main Street Flats Limited Partnership was awarded Tax Credit and Financing through Minnesota Housing Finance Agency (MHFA). Gustafson added the City Council has been supportive by adopting several resolutions for this project since the proposal was first presented on May 4, 2015.

Gustafson described the project which will be a 28 unit, two-story apartment building on the sites which will offer 7 one bedroom apartments and 21 two bedroom apartments, all first floor units will have an outside entry, and the second story units will feature balconies.

Gustafson noted, the parking calculation meets the City's requirement and the apartments will feature an elevator, community room, washer/dryer hookups, garage as well as central air in each unit and an open kitchen design. Gustafson reported the projected building cost is approximately \$6 million dollars.

Gustafson stated Main Street Flats Limited Partnership has submitted an application for Tax Increment Financing to assist with this project and the application was submitted to Ehlers along with their Performa for review. Gustafson reviewed the "But For" doctrine and noted staff is recommending a 26 year TIF District and up to \$344,000 in TIF flow or whichever comes first along with water and sewer access charges of \$94,500.00.

Gustafson stated once the developer receives all approvals they will move forward with closing on the properties and prepare for construction starting in spring of 2018.

Gustafson reviewed various approvals from Planning Commission and City Council which included a Conditional Use Permit, Right of Way Vacation, and the Preliminary and Final Plat.

Palmer asked staff to explain tax increment financing (TIF) in more detail for the public. Gustafson explained the taxes that are currently being paid will still be paid. The increment is on the taxes from the improvement. Gustafson stated there won't be anything lost to the taxpayer and it will be a benefit to the taxpayers in the future. Palmer asked if they will pay taxes on the improvement sooner than 26 years. Gustafson explained the taxes will be on the tax roll in 2020 and if the increment reaches the maximum amount prior to 26 years then the answer would be yes.

Vern Hansen and Rob McCreedy from Metro Plains provided a power point presentation and described the project in depth.

Conley moved, seconded by Iverson, to approve Resolution 17-04 recommending the City Council hold a public hearing and Adopt a Modification to the Development Program for Development District No.6 and the Tax Increment Financing Plan for the Establishment of Tax Increment Financing District No. 6-18 as presented. Upon call of roll, Godfrey, Iverson, Palmer, Conley, and Morin voted aye, no nays. Motion passed unanimously.

Iverson moved, seconded by Conley, to recommend to City Council to approve the Contract for Private Development as presented. Motion carried unanimously.

Adjournment

Godfrey moved, seconded by Palmer, to adjourn the meeting at 4:06 pm. Motion carried unanimously.



Joe Morin, President

ATTEST:



Caroline Moe, Executive Director