

## **OLIVIA ECONOMIC DEVELOPMENT AUTHORITY MINUTES**

Wednesday, October 25, 2023

### **CALL TO ORDER AND DETERMINATION OF A QUORUM**

The regular meeting of the EDA was called to order by Chair Baumgartner at 12:00pm. at the Olivia City Council Chambers.

Members Present: Cathy Baumgartner, Chuck Brown, George Ebbers, Michelle Hanson, Jon Hawkinson and Tom McDonnell.

Others Present: Elizabeth Torkelson, City Administrator; Susie Lang, EDA Director; Marissa Castillo, Planning and Zoning Administrator; Kendra Lyngaas, SEH; Drew Maher, Resident; Scott Tedrick, Renville County Register (via Zoom).

### **AGENDA ADDITIONS/APPROVAL**

**Motion by Ebbers, second by Hawkinson:** to approve the agenda. Motion passes unanimously.

### **MINUTES OF THE October 11, 2023 MEETING**

**Motion by McDonnell, second by Hawkinson:** to approve the regular meeting minutes of October 11, 2023 with the suggested changes. Motion passes unanimously.

### **Housing Work Session**

Kendra Lyngaas, Engineer with SEH provided the board with estimates on the infrastructure investments needed to start developing the EDA land near the pond for residential use. Lyngaas explained that there are a variety of layout options to consider and a few have been drafted up. Currently, the layouts have a variety of lot size options as well as cul-de-sacs. There can be maintenance issues and snow removal concerns with cul-de-sacs. However, you can typically get more lots into a development and homeowners like them. Cost savings can be significant when designing narrower streets as well as eliminating curb and gutters. Lyngaas added that oversized streets is seen more in rural communities, you don't see wide streets in larger cities and; smaller roadways do not take away from the walkability of the area. Staff will follow up on the \$40 million federal dollars for small city housing developments and learn more about this potential funding option. Maher asked about prepping the road and keeping it gravel as well as private wells and sewers (septic systems) as a cost savings way to begin development. Lyngaas advised against that as there would be more expense in doing a preliminary gravel road and later removing it for a traditional asphalt road. (City Code 51.42 Use of municipal sewers systems required, prohibits septic systems in city limits). Planning and Zoning Administrator Marissa Castillo walked the board through the process of planning and platting the new development. The City Council would approve the final plat and a public hearing would be

required. Staff will get an estimate on the cost to survey the lots and the lawyer fees that would also be involved. The question was raised about who drives this process, is it the EDA or the Council? There was agreement that the EDA would and then the question of who funds it came up. More research and estimate will need to be done before that can be answered completely. Castillo added that she had some additional information on the costs of Schult Modular Homes, the cheapest is \$180,000 and the mid-level home is \$250,000. This does not include the transport cost, site prep, foundation work or lot costs. The inflated building costs are a concern as well as interest rates; if these lots are made available, how will the community respond? Michelle Hanson provided the board with a snap shot of interest rates for a variety of residential funding options. All indications suggest that 8% is going to be the “new normal” interest rate for a while. Given the median income in the area and factoring in higher-than-normal costs of infrastructure, lots and home building right now (regardless of stick built or modular), it puts new homes out of reach for most Olivia residents. Are there other options for developing the Fairview Estates land for use other than residential? How can we help with the cycle of housing, opening up older homes for younger families? Retirement villages with amenities and tiny home communities were discussed briefly.

#### **Resolution 2023-07 and Purchase Agreement for Trees**

**Motion by Brown, second by Hawkinson:** to approve Resolution 2023-07 and the Purchase Agreement for Trees. Motion passes unanimously.

#### **UPDATES AND RELATED ITEMS**

Lang and Hawkinson shared that collaboration and conversations have started with the Chamber. Planning efforts are underway for Holiday Happenings which will be held on December 7<sup>th</sup>. The Light Parade is already double in the sized for the number of floats. Conversations continue with Chrysler as well as a draft Purchase Agreement in the works. Several board members have conflicts for the regularly scheduled November 8<sup>th</sup> EDA board meeting, the board plans to meet on November 15 at 10am.

#### **ADJOURNMENT**

**Motion by Brown second by Ebberts:** to adjourn the meeting at 1:03pm. Motion passed unanimously.

Submitted by,  
Susie Lang