



ECONOMIC DEVELOPMENT AUTHORITY

CITY OF WELLS, MINNESOTA

Wells Economic Development Authority Mission Statement:
"To encourage, attract, promote and develop economically sound industry,
business and commerce within the City of Wells."

MINUTES

Special Meeting – 5:00pm

Tuesday, September 28, 2010

Conference Room, Wells City Hall

125 S. Broadway Wells, MN 56097

I. Call to Order / Roll Call

President Heggen called the meeting to order at 5:12 pm

Members Present: President Heggen and Commissioners Burns, Heckman, and Savick.

Members Absent: Vice President Sorenson, Secretary / Treasurer Magnuson, and Commissioner Mandler.

Staff Present: Community Development Director Christopher Elvebak

Guests Present: Arnie & Mike Schrader

II. OLD Business

a) Discussion of EDA Business Incubator Building

Chair Heggen opened discussion on the incubator building site (201 3rd St NW). He informed the board that Schrader Enterprises has a standing offer on the table to purchase the incubator building for \$95,000.

The board established the general topics of discussion as the building cost, land cost, assessed value, and if the site is available for sale. A rough estimate for the site of \$120,000 was used if the building was constructed today on the site today. Also, another best guess of 20-25% depreciation was used for a conversation starting point.

Wells Economic Development Authority (WEDA) Membership:
President, Brad Heggen; Vice President, Kim Sorenson; Secretary/Treasurer, Darin Magnuson;
Commissioners Steve Burns, Jim Heckman, Bruce Mandler, and Shannon Savick.

The members reported on research for these figures including speaking to construction companies and comparing value of nearby lots (Casey's, Dollar General, etc.) to assist in determining worth. The building was determined to be approximately twenty years old.

Arnie & Mike Schrader asked the board to consider their offer as a final one. They stated they are seeking to get out of the current rental situation when their lease expires in May 2011 and need to have a plan in place for that timeline. Through continuing discussion with the board, the Schrader's stated they would be willing to consider relocating to the north industrial park – provided it was economically feasible – but their goal was to remain in the incubator building as the facility met their current and future projected needs.

The board informed the Schrader's that they will come to a determination and inform them of their decision when the entire EDA can meet. However, the consensus of the members present decided that the site was acquired for \$90,000 with a best guess of another \$15,000 spent on infrastructure so selling the site below that dollar amount was not something they wanted to do without all membership input.

Briefly, alternatives of the EDA conducting a professional appraisal and potentially acquiring another site to offset the potential loss of the incubator building were mentioned but not acted upon. The board informed the Schrader's that they would act on their request at the next regular EDA meeting of October 19th, 2010.

Arnie and Mike Schrader exited the meeting. Staff was asked to obtain the parcel data value for taxation from the county and to bring a copy of the plat for the north industrial park to the next meeting.

Commissioner Burns moved to conduct another special meeting for October 5th at 5:00 pm in the city hall conference room for purposes of laying out design ideas for north industrial park subdivision and development. Commissioner Savick seconded the motion. After discussion the motion passed unanimously.

III. Adjournment

Commissioner Burns moved to adjourn. Commissioner Savick seconded and the motion passed at 6:20 p.m.