



AGENDA

ECONOMIC DEVELOPMENT AUTHORITY MEETING

Regular Meeting
Tuesday, December 20, 2022
12:00 p.m.

Montrose City Hall
311 Buffalo Ave S
Montrose, MN 55363

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF MINUTES

A. October 18, 2022 Economic Development Authority Meeting Minutes

5. TREASURER'S REPORT

A. Economic Development Authority Accounts Payable December 12, 2022

B. Economic Development Authority Fund = \$209,166.34

C. Economic Development Revolving Loan Fund = \$257,754.78

6. OLD BUSINESS

A. Preserve Update – RFP Update

7. NEW BUSINESS

A. Exit of President Marszalek – Replacement Announcement

B. 2023 Economic Development Authority Membership

C. Future of Economic Development Authority and Goals for 2023

8. NEXT MEETING

A. Tuesday, January 17, 2023 at 12:00 p.m. in the Montrose City Hall Conference Room

9. ADJOURNMENT

LUNCH FROM DOMINOS PIZZA WILL BE SERVED

1. CALL TO ORDER

Pursuant to call and notice the Montrose Economic Development Authority (EDA) met in Regular Session on Tuesday, October 18, 2022 at 12:00 p.m.

Council Member Marszalek called the meeting to order at 12:00 p.m.

2. ROLL CALL

Present: EDA President Tom Marszalek
EDA Member Sonya Tourville
EDA Member Matt Smith
Mayor Kirby Moynagh

Staff Present: Mr. Michael Sommerfeld, City Clerk/Treasurer
Ms. Jessica Bonniwell, City Administrator
Mr. Stephen Gritman, City Planner

Absent: EDA Member Robb Kirkpatrick

3. APPROVAL OF AGENDA

EDA Member Smith motioned to approve the October 18, 2022 agenda as written. EDA Member Tourville seconded the motion. Motion carried 3-0.

4. APPROVAL OF MINUTES

A. July 19, 2022 Economic Development Authority Meeting Minutes

EDA Member Tourville motioned to approve the July 19, 2022 Economic Development Authority Meeting Minutes as written. EDA Member Smith seconded the motion. Motion carried 3-0.

5. TREASURER'S REPORT

A. Economic Development Authority Fund

Mr. Sommerfeld gave an update on the Economic Development Authority Fund Balances:

Economic Development Authority - \$197,210.05

B. EDA Revolving Loan Fund – \$257,754.78

6. OLD BUSINESS

A. Preserve Update – RFP Update

Ms. Bonniwell stated that city staff is currently working on updating a Request for Proposal (RFP) that was done for the Preserve Development back in 2015. Staff expects to have this to be approved to release at the November or December City Council Meeting.

7. NEW BUSINESS

A. Luxury Car Condos

The Montrose EDA was joined by the following prospective developers: Jayhawk Thompson, David Meyer, Jon Thompson, and Beau Zuehl. The developers are looking to Spirited Educational Driving Experiences mixed with Autocross experiences that would also have housing condos with storage for luxury cars used in driving practice. This would be like a large paved area on the inside of a loop of condos where the road can be marked off with cones to set up a course for driving. Jon Thompson stated that since COVID, many autocross facilities have disappeared and those options are no longer available. Mr. Thompson would like to see an opportunity for a whole new idea to create a living and entertainment complex all in the same development area. Mr. Thompson said this could likely draw many people for autocross entertainment events. Mr. Thompson stated that the driving lot could be used for training for police, student drivers, or professional drivers that want some extra driving time and experience. Mr. Thompson stated they are looking for venue areas that are big enough and cost effective, which is why they are looking at Montrose for a location. Mr. Thompson stated they are looking at a parcel to the north of town that is to the west of the regional park area. The Developers would like to have about 40 acres of the area that will be a paved asphalt area surrounded by the condos and other noise barriers. The developers would likely have the condos built as a 4-plex and the condos would be available for year-round living if the residents would like to stay there. Mr. Zuehl stated that the condos and any buildings on the property would be made with OneStep building materials and would use a geothermal heating system. The OneStep materials is basically a block building design wherein the blocks are built and then filled with concrete, which creates a moisture, thermal and noise barrier throughout the building. Mr. Thompson stated that this concept is something that is brand new and that he is not aware of any other developments that are exactly like what they are planning. Mr. Thompson stated that they would also host autocross events that would draw a few hundred people and host food trucks and other entertainment events. EDA Member Tourville stated that she thinks something like this would draw crowds, and then possibly more businesses, and could be a very good thing for the community. Mr. Thompson stated that there are many auto clubs in the state and that would be a good base for the developers to draw from to sell their condos and concept. The venue would be well staffed and open for many different types of activities including autocross, driving training, police and fire department practice driving and are flexible for more ideas on how to utilize the space. The developers said they could also install some thermal material under the road so they could control conditions in the winter and still be able to host events or having driving training courses.

Mr. Grittmann stated that this development would have to go through the Planned Unit Development process since it would not be a straight-forward Residential zoning district and would need to be a special zoning area to allow the mixed use for this concept.

The developers wanted to pitch this idea to the EDA to see if Montrose would be open to having a concept like this in the community. The EDA is open to the idea and would like to see some plans if the developer chooses Montrose for a location.

8. NEXT MEETING

A. Tuesday, November 15, 2022 at 12:00 p.m. in the Montrose City Hall Conference Room

9. ADJOURNMENT

EDA Member Smith motioned to adjourn the Economic Development Authority Meeting at 1:05 p.m. EDA Member Tourville seconded the motion. Motion carried 3-0.

ATTEST:

Council Member Tom Marszalek
President
City of Montrose Economic Development Authority

Jessica Bonniwell
City Administrator
City of Montrose

**ECONOMIC DEVELOPMENT AUTHORITY
ACCOUNTS PAYABLE LIST**

December 12, 2022

Carmember Services	EDA Lunch	38.86
CNA Surety	Insurance Svcs.	100.00
TOTAL ACCOUNTS PAYABLE		138.86

MOYNAGH

BONNIWELL

MARSZALEK

TOURVILLE

KIRKPATRICK

SMITH

Request for Proposals for The Preserve Housing Development

Responses submitted must provide complete information as indicated in this request. Please submit seven (7) copies, or an electronic copy by March 31, 2023 at 11 a.m.

**City of Montrose
Attention: City Administrator
311 Buffalo Avenue South
P.O. Box 25
Montrose, MN 55363**

Questions and inquiries regarding this request should be directed to:

**Jessica Bonniwell
City Administrator
311 Buffalo Avenue South
P O Box 25
Montrose, MN 55363
763-575-7425
Email to: jbonniwell@montrose-mn.com**

The City reserves the right to reject any and all responses and to request additional information from any and all companies.

In order to be considered a valid response, each response must meet the following requirements:

1. Written responses received after March 31, 2023 will not be considered.
2. Each response must be signed by an officer of your company who can be held accountable for all representations.

Responders are prohibited from contacting any representatives of the City Council regarding this response.

1. Intent of Offering

The City of Montrose EDA is seeking proposals from residential/commercial developers for the redevelopment of the "Preserve of Montrose" located along the south side of Highway 212 in Montrose.

The EDA is seeking experienced residential developers to replat the 54.22 acre townhouse plat to address housing needs within the community.

2. Community Background

Population

The City of Montrose has grown nearly 150% over the past ten years with an increase in population from the year 2000 (1,143 residents per the 2000 Census) to a 2020 population of 3,775, more than tripling in size. With 1,319 households and an average 2.86 people per household, the City is poised for continued growth. The area within a 5 mile radius has a population of over 11,000, and Wright County's population has grown by nearly 60% over the past 20 years.

Location

Montrose is ideally located along U.S. Highway 12, MN Highway 25 and Co. Rd 12. The community lies within 17 miles of Interstate 94. Located 25 miles west of I-494. Montrose residents have the convenience of Twin Cities amenities and a charming rural, small town setting.

Traffic counts along U.S. Highway 12 on the east side of Montrose have increased 36% from 8,800 ADT to 12,000 ADT between 2000 and 2018 (Source: MNDOT), providing businesses with exposure to local and regional traffic.

Education

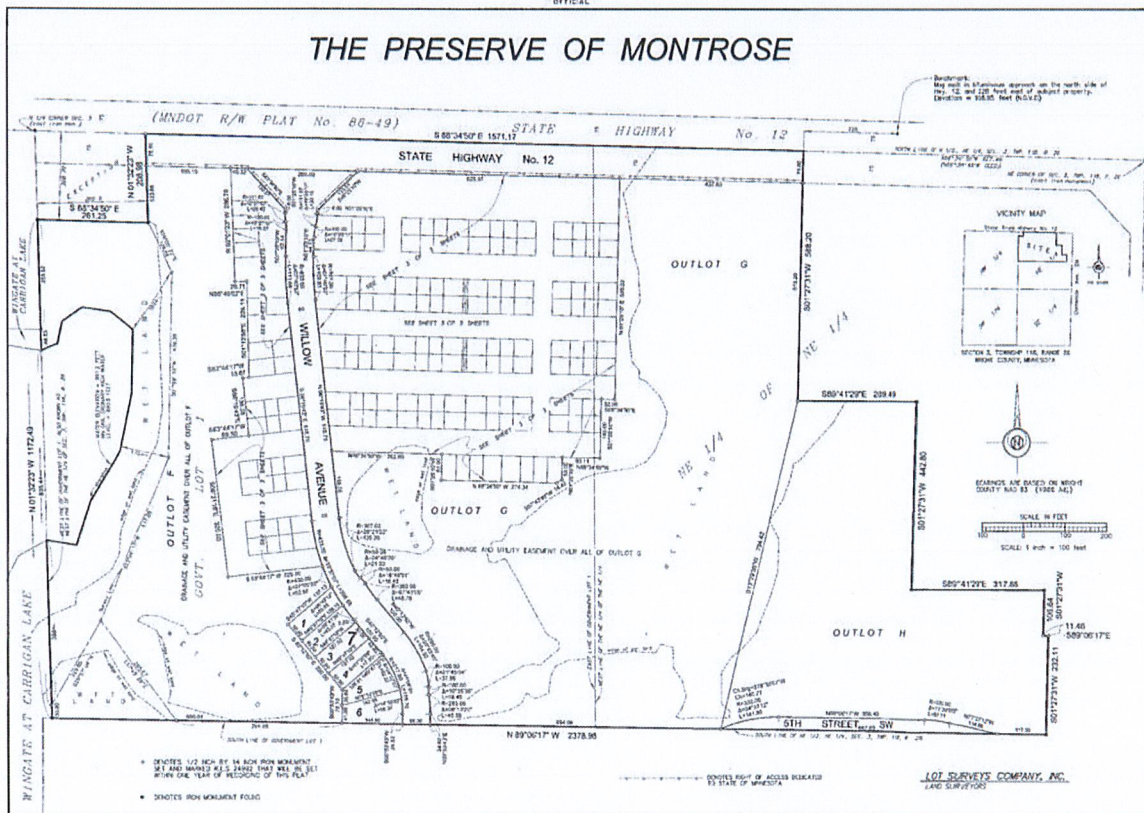
The City of Montrose is a part of the Buffalo-Hanover-Montrose School District (ISD #877). The District's Web Site is: www.buffalo.k12.mn.us The Montrose Elementary School is located at 100 2nd Street SW, Montrose. It includes kindergarten through 5th grade. It is also the Wright Co. site for head start and community education ECFE.

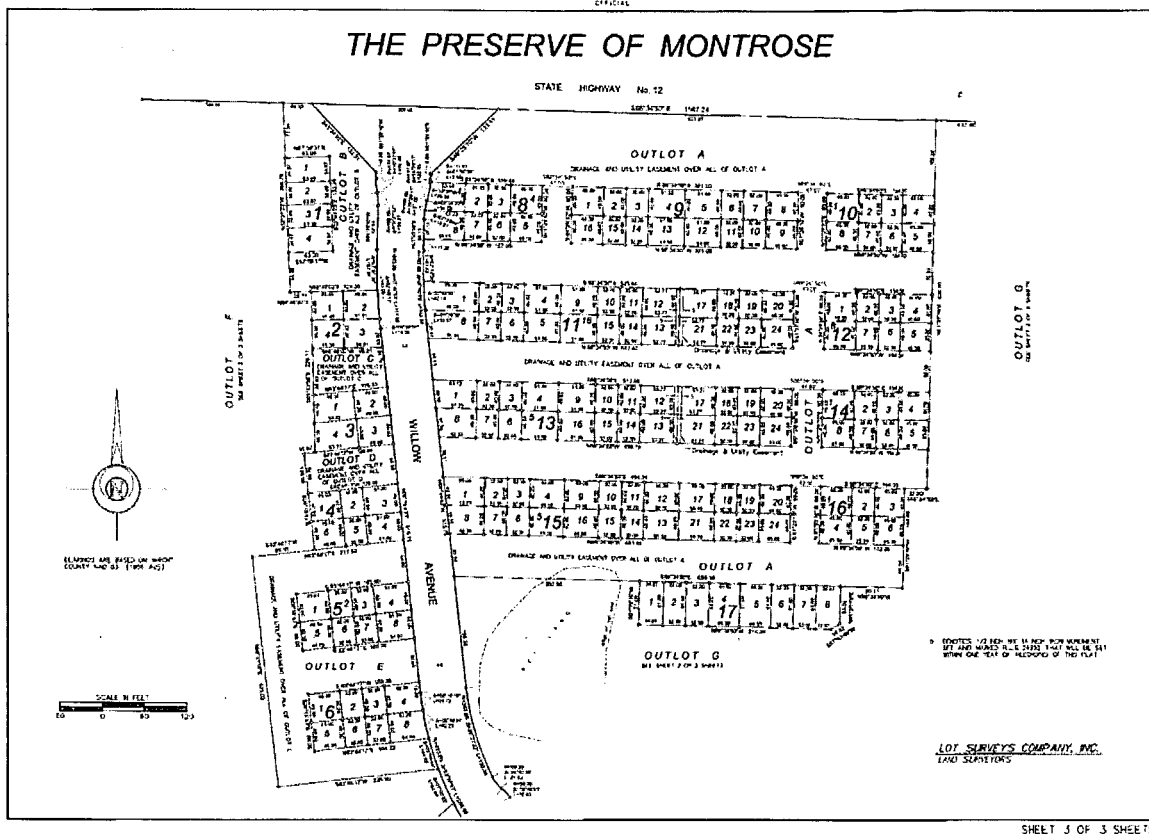
In 2010, the Montrose Early Education Center opened adjacent to the Elementary School. This features classrooms, a lunchroom, and large motor skills room for preschool and head start age children. Adult education classes are also offered in the facility. The space also offers a daycare facility on-site.

3. Site Description

The Preserve of Montrose site is located on the west side of the community on the south side of Highway 12. The 54.22 acre site was originally platted in 2007 with 182 townhouse lots. Public improvements are substantially in place; however due to the length of time the subdivision has been vacant and due to likely re-platting of the subdivision, substantial investment is required to existing infrastructure within the site (streets, water, storm sewer, sanitary sewer and wetland mitigation). While sanitary sewer connections to the municipal system have been made, the water service connection to the site under Highway 12 has not been made.

The Preserve of Montrose site location is depicted below. Copies of the Plat of the Preserve of Montrose also follow.





4. Housing Need.

In November, 2014, the City of Montrose engaged the services of Maxfield Research to complete a Housing Market Study. The study identified a need for 360 new housing units in the city by 2020. This includes 33 market rate rental, 15 affordable rental, 7 subsidized rental, 142 for-sale homes and 47 multifamily for sale units.

In addition, there is a need for 41 active adult ownership units, 14 active adult market rate rental units, 29 active adult affordable, 7 active adult subsidized, 16 congregate units, 11 assisted living units and 12 memory care units. A complete copy of the Market Study is available upon request.

The Montrose EDA has also identified a need for additional commercial development in the community. The development of commercial property along the Highway 12 corridor to serve the proposed new residential neighborhood as well as the community is desired.

Since the time of the original study, more than 150 housing units have been added to the community, the large majority of which are single family detached homes. Only a few two-family attached homes have been constructed. While an update to the Housing Study in Montrose has not been done, the market for similar housing has been a significant component of development in nearby communities.

The interest in continued residential development has been strong, and several development plans are in the works around the City. Again, the large majority of these are for single family detached housing. The City is willing to work with the selected developer as to housing style and density, and seeks a creative approach to development of the site, whether that includes reworking the original plat design, modifying it, or starting over. The City will share any information it has with regard to known conditions within the property and the existing infrastructure.

5. Proposal Contents

Proposals should provide a clear description of the Responder's capacity to redevelop the site and replat it as a residential or mixed-use development. The following evaluation point system shall be utilized for evaluating competing proposals:

- A. Proposed project description including proposed layout and type of housing units, as it relates to housing needs identified in the Housing Market Study, or the proposer's own market study, as well as any commercial sites. (10 points)
- B. Proposed ownership structure including entities, individual members and ownership percentages and the demonstrated successful experience of the team members. (10 points)
- C. Demonstrated successful residential and/or mixed use (residential commercial) development experience, including addresses of current/past locations and number of years of experience. (20 points)
- D. Proposed budget for the redevelopment project (15 points)
- E. Evidence of financial capacity to complete the project (10 points)
- F. A narrative demonstrating the capacity to redevelop the Preserve of Montrose site. (15 points)
- G. Development Schedule including financing, design, construction and anticipated occupancy dates (10 points).
- H. Clear and verifiable commitment to working in cooperation with the community and city to provide residential and/or residential/commercial sites. (10 points)

6. Submission Requirements

- A. This RFP is issued by the City of Montrose.
- B. The Proposer must provide a timeline for conducting its due diligence in determining its projected deadline for closing, land use approvals, and development construction. This aspect may be considered by the City in its review of proposals and project award.
- B. Please submit one original to: City of Montrose, Attn: City Administrator, PO Box 25. Montrose MN 55363. Electronic proposals are preferred, and may be emailed to: jbonniwell@montrose-mn.com
- C. Respondents may be required to make a presentation to the City Council of the City of Montrose.
- D. The City of Montrose reserves the right to reject any and all proposals.

7. Notice of Award

By submitting a proposal, the Respondent agrees if it issued a written Notice of Award to be bound by the conditions of this RFP. Acceptance of a proposal will be made by written Notice of Award from the City to the successful development partner.

8. Rights Reserved

- A. The City reserves the right to revise any part of this RFP to provide additional information necessary to adequately interpret the requirements of the project.
- B. The City reserves the right to extend the Due Date by a reasonable time.
- C. The City reserves the right to refuse to approve any and all proposals.
- D. The City reserves the right to request additional information from any or all Respondents to clarify information in the proposal.

9. Other

- A. The City shall not be responsible for costs incurred by any Respondent in preparing and submitting a proposal.
- B. By submitting a proposal, the Respondent acknowledges they are in compliance with all federal, state and city regulations related to this RFP.
- C. If a mistake in a proposal is suspected or alleged, the proposal may be corrected, at the sole discretion of the City.
- D. Limited Confidentiality. The City is subject to disclose public data. Information provided may be shared, subject to data privacy laws.

Request for Proposals and Selection Schedule

The Preserve Housing Development Request for Proposal

Advertise and Distribute RFP:	December 15, 2022
RFP Submittal Deadline:	March 31, 2023
Staff/Council review of proposals	April, 2023
Interviews with City Council:	May 8, 2023
Notice of Award Issued:	May 8, 2023 or June 12, 2023

Applicant Assurances

The applicant hereby assures and certifies:

1. That the individual signing the assurance form on behalf of the individual, partnership, company or corporation named in the proposal possesses the legal authority to execute a contract for the proposed work.
2. That the firm(s) agree(s) to comply with all applicable federal, state and local compliance requirements.
3. That the firm(s) is/are adequately insured to do business and perform the services proposed (Attach Documentation).

(Name of Firm)

OFFICIAL ADDRESS

(Authorized Signature)

(Printed Name)

(Title)

(Date)

Public Notice

The City of Montrose, Minnesota is requesting proposals for a residential housing development, known as The Preserve. Copies of the Request for Proposal are available at City Hall, 311 Buffalo Avenue South or online at: www.montrose-mn.com. The city is accepting proposals until March 31, 2023. Questions can be directed to Jessica Bonniwell at 763-575-7425 or jbonniwell@montrose-mn.com.

CITY OF MONTROSE

Jessica Bonniwell

City Administrator

Publish: Delano Herald Journal December 16 and 23, 2022.

Publish: Wright County Journal Press December 15 and 22, 2022