

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, April 25, 2017
6:00 PM

1. Call to Order

Mayor Graunke called the special workshop, Local Board of Appeal and Equalization meeting of Tuesday, April 25, 2017, to order at 7:00pm.

2. Roll Call

Members Present: Dale Graunke, Mayor; City Councilmembers Betsy Stolfa, Jason Franzen, Holly Schrupp and Jon Sutherland

Also present: Ken Yager, City Assessor; Jim Borrett, County Assessor; Brian Bloch, City Finance Director; Phil Kern, City Administrator; Makenzie Krause, Recorder

3. Special Order of Business

A. Local Board of Appeal and Equalization

Jim Borrett began the meeting by noting that, overall, the county had little under a 7% increase in residential properties. All other properties saw a slight increase as well. Following this update, Mr. Borrett said that he had no other updates for the council. He did take the time to note though that people are being told to not list their homes until they have a place to go because houses are selling incredibly quickly.

Ken Yager gave the update for the city. There 480 permits issued in the past year, and 43 new homes. The median home price equates to \$258,900. Home values increased by 3-7%. Starter homes are increasing in value as well.

The Industrial Park requested to be added into the minutes as being concerned about their value. Kern pointed out that there has yet to be any business moving out to the business park, and understandably, the owners are concerned. Does it matter that the park consists of out lots and not platted land?

Ken Yager replied yes and that proximity to the highway affects the costs, too.

Kern wanted to note that he was not advocating on behalf of the industrial park, but rather that he was asking questions that they were asking.

Mr. Borrett then said that, if the Council chooses to not decide anything in this meeting, the decision will be passed along to the County for the County's assessment. This action will keep the most options open. The county assessor would examine the land and value it, and Council would need this information before it made any decisions. Council may reconvene if it would like to within 20 days. Otherwise, the Council can pass it along to the county to work through it with the owners.

Jon Sutherland asked how long will the assessment last, and Ken Yager replied that it is one year and that all values are set as of January 2nd at the latest.

Sutherland then said that he would be more in favor of not having another meeting. Jason Franzen commented that he did not disagree. There are prospects, but the Council should concede to the county opinions.

Kern also wanted to share a brief update on the business park – the ownership out there is 2 groups, West Edge and Delano Industrial Partners Inc. (DIPI). The two of them each owned 50% of the shares. Part of the development agreement with the two owners is that they must pay the City half a million dollars if they do not have a building built by March 31st. If they do not come up with the money, the Council will have to issue a letter of default, which will result in the City taking land at and pricing it whatever it needs to be priced to be sold. DIPI does have the cash to come up with their portion of the cost, but the other side does not. Therefore, the two partners are in final negotiations so that DIPI will own 100% of the shares. There are moving parts that could result in a building being built on the land.

Jim Borrett asked if there is a minimum assessment valuation. Phil replied that there is an intension to have one, but right now it is just a special assessment. The properties had two prospects, and they actually bid some land out, but the prospects did not pan out.

Mr. Borrett formally asked Council if Council wished to make a change to the three properties that are questioning their valuation. These properties are: 107-114-000-010, 107-114-000-011, and 107-114-000-020.

Betsy Stolfa made a motion to make no change to the assessed valuation of those properties. Betsy was seconded by Holly Schrupp, and the motion carried.

4. Adjournment

Holly Schrupp made a motion to adjourn the meeting and was seconded by Betsy Stolfa. Motion carried, and the meeting adjourned at 6:20pm.