

MINUTES

WORKSHOP - ECONOMIC DEVELOPMENT AUTHORITY (EDA)

Wednesday, February 11, 2026 – 4:45 p.m.

Academy Room, Monticello Community Center

Commissioners: President Steve Johnson, Vice President Jon Morphey, Treasurer Hali Sittig, Rick Barger, Clint Berglof, Mayor Lloyd Hilgart, Councilmember Tracy Hinz

Staff: Executive Director Jim Thares, Rachel Leonard, Angela Schumann, Bob Ferguson, Tyler Bevier

1. Call to Order

President Steve Johnson called the workshop meeting of the Monticello Economic Development Authority to order at 4:45 p.m.

2. Roll Call

Mr. Johnson called the roll for EDA members. All were present.

3. Industrial Development in Otter Creek Business Park (OCBP)

Mr. Thares reintroduced the Peter Stalland to the EDA related to discussions regarding potential OCBP industrial development concept proposals. He presented a large, printed map and building models scaled to site for a hands-on discussion approach. He reminded the EDA of a prior workshop discussion regarding a potential option agreement and development and encouraged the EDA to proceed with discussions moving forward.

Mr. Thares walked through the OCBP prospect list in the report and noted the remaining total development acreage of 52.50 acres. He said this presentation is an effort to provide early information and build awareness of the potential future decision points and further suggested consideration of these concept proposals based on building size, acreage required, and jobs created for each of the prospects.

Mr. Thares said the site commonly known as “Goat Hill” is challenging and will be costly for grading and utilities. He described the potential infrastructure expansion of the Cul de sac road further to the southeast.

He noted the Project Firefly proposer is interested in this site and is asking about additional developable land to the west. Mr. Thares explained the proposal included outdoor storage and landscaping screening considerations including berms and retaining walls would be important components. The site is shown as Lots A1/A2/A3 on the large scale OCBP map. Other sites were also noted.

- Lots B1/B2 – Mr. Thares said the site could be split to better suit two smaller-scaled development proposals.

- Lot C – Mr. Thares said the 6.67 acre “C lot” is the site that Mr. Stalland is interested in developing.
- Lot D – Mr. Thares said the site is 6.2 acres with high visibility. He described the Project SP-60-80 proposal, a 65,000 square foot building with outdoor vehicle storage. He said the visibility of this site calls for a nicer looking industrial building. The potential Project SP-60-80 proposal may be a good fit for this site. If that does not work on this site Project SP-60=80 could also be a good match for site B1/B2.
- Lot E/F – Mr. Thares said in 2022 Project Emma-2-40-7 proposed a concept 40-50,000 square-foot warehouse at this site. Recently, discussions have been held again with this prospect about the same proposal. He also mentioned Project PSLW-70-50, saying this firm may be considering a 70,000 square foot building that may be a good fit on this site or potentially the “D site”.

Mr. Thares said the “Project RBD” proposal is smaller in scale and may need to be considered after the other prospects. He provided background on the steel-processing firm’s current operation located in Bloomington and their desire to relocate to Monticello. He said their proposal might also be suitable for Lot D.

Mr. Thares also said Project Firefly has regularly communicated, asking questions about the Goat Hill site. He said Mr. Stalland had not yet made an offer for the Lot C parcel he is interested in. A closed session will be scheduled as appropriate to an offer and lot pricing. He further noted that Mr. Stalland is open to paying the legal fees for document preparation.

Mayor Hilgart asked if Lots E and F were “shovel ready”. Mr. Thares said Lot C, E, and F are all shovel ready. Mayor Hilgart suggested that since Lots C, E, and F, being shovel-ready, will be the first to develop without additional infrastructure needs. He is not opposed to an option for Mr. Stalland, though it should be structured with a right of first refusal if the City has another prospect that may work on the same lot that Mr. Stalland would like to achieve the option agreement on. Mr. Thares agreed and said that Mr. Stalland was seeking a one-year term. Mr. Johnson asked if a right of first refusal could be agreed to with a set price if possible. Members further discussed potentially including 6-month and 9-month terms

Ms. Schumann stated that the prior EDA legal attorney favored a preliminary purchase and development contract in this type of situation. Members discussed City investments into the land, potential costs by developer, and land value for development.

Mayor Hilgart stated that he feels that if the EDA agrees to sell the site for a low price, then the TIF proceeds would need to go to the EDA. He further said that if the developer wants to buy low and also collect on the TIF proceeds, he would be opposed to this arrangement.

Ms. Schumann pointed out the potential for high valuation and plentiful TIF proceeds and asked if the EDA might consider sharing TIF with the developer. Mayor Hilgart said

depending on the use he may be okay with this situation. Mr. Thares suggested that the EDA members ultimately consider the most appropriate agreement(s) to incorporate all components and elements for the desired development. Mr. Morphew asked about the planning complexities for decision-making and how the scoring matrix would fit into this type of situation and how it would tie into the EDA goals.

Members discussed the current level of interest in the OCBP sites. Mr. Thares said that it does seem a bit higher right now. There are several firms exploring concepts though it may be that none of these proceed. Mr. Hilgart described buildings along the Twin Cities highway corridor as having more sites for industrial development and is aware of some development happening. He feels that Albertville and St. Michael might be more desired for due to closer proximity to the Twin Cities metro.

Mr. Hilgart described the earlier-mentioned local firms' eventual business expansion projects at their sites versus the OCBP parcels. He specifically noted WiHa Tools at the new site took advantage of a reduced sales price at a prime freeway location. Mr. Thares said WiHa reviewed, considered, and passed on the EDA offered OCBP site.

He said he would reach out to the EDA attorney for guidance on the best document format related to Mr. Stalland's concept proposal. He further stated that perhaps a closed meeting would be able to take place next week. Mr. Thares said he intended to ask Mr. Stalland to make an offer to establish a starting point for EDA consideration.

Members and staff discussed and decided to hold a closed meeting in the morning of February 18, 2026.

4. 7th Street West and Cedar Fair Development Inquiries Discussion

Mr. Thares provided background to the inquiries regarding two EDA owned sites:

- PID 15528200010 ("7th Street West" parcel) - Located west of Runnings/north of I-94; 14.17 acres; email inquiry from developer about a potential auto-body repair facility.

Ms. Schumann confirmed the use is allowed. The parcel is zoned B-3 within the Business Base District. Mr. Thares noted the high visibility and proximity to the I-94 freeway and as well as 7th Street West.

- PID 155010067060 ("Cedar Fair" parcel) - Located at 249 Broadway East within core downtown area; 0.50 acres (21,577.47 sq. ft.); inquired about potential interest in affordable housing multi-family development.

Mr. Thares said the inquiry was received from a firm located in Ohio regarding affordable housing development without specifics. He said consensus was not clearly received at the May 2025 workshop regarding the use of the site; some desired housing and others were in favor of business expansion with frontage located on Broadway.

Mr. Thares reminded members of the upcoming small area planning meetings and workshops which include this parcel. Mr. Hilgart said he prefers that the Cedar Fair parcel be redeveloped as commercial

Ms. Schumann cautioned EDA members not to be vague and cause the developer to spend time and money on the effort if it is not the sincere intent of the EDA to see the parcel developed as a residential [project. She urged the EDA to wait until the downtown studies are completed to determine the best-suited use.

Mr. Hilgart offered additional thoughts, saying he would be open to owner-occupied housing if the commercial proposals were not forthcoming. He likes the concept of brownstone and rear-facing garages for curb appeal. He also noted the need for a “Class A” development reflect the City’s sizable investment in the core area of the community.

Mr. Barger said he is not opposed to housing, yet he preferred to wait and review results of the downtown planning studies to avoid premature decisions on the use of the site. Mr. Johnson noted the scarcity of land owned by the EDA and of importance of achieving goals for downtown development. Mr. Morphew agreed to the premature nature for consideration, saying he is not strongly opposed though it is just too early to consider.

Ms. Sittig said she was personally opposed to housing at the subject parcel and feels that the area is a good connection to other neighboring businesses and makes sense for retail access. Mr. Johnson noted that commercial expansion east and west along Broadway will likely bring rezoning changes in the future with the need for commercial in this area likely to become clear.

5. Adjournment

The workshop was adjourned at 6:03 p.m.

Recorded by: Anne Mueller__

Approved: April 8, 2026

ATTEST: _____
Jim Thares, Executive Director, Monticello EDA