

MINUTES
REGULAR MEETING - ECONOMIC DEVELOPMENT AUTHORITY (EDA)
Wednesday, March 11, 2026 – 6:00 p.m.
Mississippi Room, Monticello Community Center

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

Staff: Executive Director Jim Thares, Tyler Bevier

1. **General Business**

A. Call to Order

President Rick Barger called the regular meeting of the Monticello EDA to order at 6:00 p.m. on Wednesday, March 11, 2026.

B. Roll Call (6:00 p.m.)

Mr. Barger called the roll.

C. Consideration of Additional Agenda Items

Mr. Thares said he would like to update the EDA on the ##### during the Economic Development Manager's Report later in the meeting.

2. **Approval of Agenda**

Item 2. was skipped; no motion made, no vote taken.

3. **Consent Agenda**

A. Consideration of Payment of Bills

B. Consideration of Approving February 11, 2026, Regular Meeting Minutes

HALI SITTIG MOVED TO APPROVE THE CONSENT AGENDA. CLINT BERGLOF SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

4. **Public Hearing**

A. Business Subsidy Public Hearing and Consideration of approving a Small Cities Development Loan (SCDP) Loan and a Business Subsidy to Kids Haven Holdings of Monticello, LLC and Kids Haven of Monticello, LLC in the amount of \$250,000

Mr. Thares shared background from the January 14 pre-application workshop, where there was general support to move the request forward. He said the proposed SCDP funding would help pay for some of the nearly \$1,000,000 in playground equipment that is proposed by Kids Haven. The EDA loan would be secured by a second real estate mortgage, security agreements, personal guarantees and UCC filings.

He noted that City Council approved the Contract for Private Development, including the Purchase Agreement for the 2.93-acre City owned parcel, on March 9, 2026. He also

reviewed public hearing requirements and outlined expectations for the expected total project cost approximately of \$6,300,000 +/- day care slot capacity of 316 and new job creation totaling 40 ftes. He also noted the numerous community wide economic benefits from the new facility related to business attraction, workforce development and general economic stability.

Mr. Thares said the \$250,000 gap loan would support development of the proposed \$6,300,000 +/- childcare facility. He highlighted the ongoing shortage of childcare slots, noting that past study results (from 2017–2019) remain unchanged. He added the project could help fill about 316 needed slots and that Kid’s Haven scored highly in the development evaluation.

He also mentioned that a funding commitment letter from Old National Bank and the general contractor information were received just prior to the EDA meeting on March 11. That information is not included in the agenda packet.

Mr. Thares said staff recommend the EDA open the public hearing, accept public comments and then table a final decision until the April 8, 2026, regular EDA meeting. This will allow time to review and understand the bank’s financing proposal and additional staff review of the EDA loan documents which the EDA attorney completed though are not included in this staff report packet.

Mr. Barger opened the public hearing portion of the agenda item.

- Applicant Missy Sjolín provided a summary of the development proposal and expressed appreciation for the general community’s support as well as that of the City Council and the EDA.

In response to a question regarding whether tabling the matter would negatively impact the project timeline, Ms. Sjolín said any delay would be minimal. Instead of beginning construction in early May, she said the start date would likely shift to mid-May 2026.

Mr. Thares clarified that there are other required project approval steps that are in sequence and scheduled to occur after the potential EDA consideration on April 8, 2026. The other steps include the City Council review of the final plat and site plan and the land use entitlement development documents. That may occur on April 13, 2026. He stressed that the EDA will not be delaying the project if it tables final consideration until the April 8, 2026, meeting.

Mr. Morphew said that he was in favor of tabling the item but would consider proceeding if EDA approval were the only remaining step needed to move the project forward. He asked staff and Ms. Sjolín why a financial gap exists despite the high demand for childcare.

Ms. Sjolín explained that development startup costs are in the millions and noted the complexities involved in securing adequate investment in childcare as a business.

Mayor Hilgart said nearby childcare developments may be affecting the financial gap. He further said that even though there is significant demand, lower local incomes make it harder to support high childcare costs or tuition. He added that the applicant's property tax-exempt status may help keep costs affordable.

Ms. Sjolín said there is strong demand for both childcare and jobs but noted ongoing staffing challenges. She said in the past 15 to 18 months staffing has improved, compared to five years ago. She further noted that the Kids Haven model offers flexible, hourly options. She agreed that income levels impact affordability.

Mayor Hilgart shared that recent BR&E visits with local employers have shown childcare shortages have caused employees to leave jobs. He said this project could help retain workers and attract businesses.

Ms. Sjolín also importantly noted that 35 to 40 people currently travel to the Buffalo location from Monticello and these families may transfer to the new site.

Mr. Morphew asked how the EDA could support more childcare startups. Mr. Thares said past projects have not moved forward due to financing issues but noted a recent conversation with an in-home provider and possible future grant funding opportunities through the Wright County Economic Development Partnership which is submitting a second funding application to MN-DEED with the intention of using the funds to support local childcare operators.

Ms. Sjolín said franchising is available through Kid's Haven, but financing remains a challenge.

Mr. Thares continued to note the state grant program by saying that a previous grant submittal in 2024 was not approved. For the current submittal, the WCEDP has specifically identified \$100,000 of support for the Kids Haven expansion into Monticello through this grant if it is awarded by MN-DEED.

Mr. Barger suggested partnering with local businesses for childcare support. Mr. Johnson agreed, saying the application meets key criteria, and noted the project's benefit to the workforce and community.

Mayor Hilgart also added the location of the project may encourage further nearby development.

Mr. Barger closed the public hearing portion of the agenda item.

STEVE JOHNSON MOTIONED TO TABLE CONSIDERATION OF ADOPTING RESOLUTION 2026-04 UNTIL THE APRIL 8, 2026, EDA REGULAR MEETING. TRACY HINZ SECONDED THE

MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

5. **Regular Agenda**

A. Consideration of approving a Greater Monticello Enterprise Fund (GMEF) Loan and a Business Subsidy to Sperr Properties, LLC and L&L Homestyle Café LLC in the amount of \$65,000

Mr. Thares reviewed the agenda item to authorize a \$65,000 GMEF loan to Sperr Properties, LLC and L&L Homestyle Café, LLC and a Business Subsidy Agreement related to proposed interior improvements and equipment for the new restaurant located at 154 West Broadway. He noted the underwriting report, which was not available prior to the February 11 meeting, was received and reviewed and the staff report reflects the information contained in that report. He stated the debt service coverage ratio is strong (well above 1.25), and that the cash flow is supported by residential rental income from the three rental units on the second floor of the building. Though the first month's operating statement showed irregularities which are not atypical of opening a new restaurant in late January, a known slow business month.

Mr. Thares said staff recommended approval based on the applicants' financial capacity and commitment to making payments on previous credit facilities and regular bills. Mr. Johnson asked about personal guarantees; Mr. Thares confirmed that they are included in the agenda packet. Mayor Hilgart noted strong attendance at the L&L Homestyle Café ribbon cutting as well as the building improvements and the anticipated expanded patio seating. Mr. Bevier briefly explained the sidewalk permit process for potential future patio seating.

TRACY HINZ MOTIONED TO APPROVE RESOLUTION 2026-2 AUTHORIZING A GMEF LOAN TO SPERR PROPERTIES, LLC AND L&L HOMESTYLE CAFÉ, LLC IN THE AMOUNT OF \$65,000 AND A BUSINESS SUBSIDY AGREEMENT FOR INTERIOR IMPROVEMENTS AND THE PURCHASE OF RESTAURANT EQUIPMENT AT 154 WEST BROADWAY. HALI SITTIG SECONDED THE MOTION.

Mr. Johnson inquired whether a UCC filing would also be considered. Mr. Thares confirmed that the UCC filing will be completed and registered with the Minnesota Secretary of State office.

MOTION CARRIED UNANIMOUSLY, 7-0.

B. Consideration of Approving Proposed Amended Affordable Homeowner Rehabilitation Loan Program Policy

Mr. Bevier introduced the agenda item and provided background information following the policy adoption for the use of affordable housing funding or Statewide Affordable Housing Assistance (SAHA). He said the recommendation by EDA members for attorney review has resulted in a few clarifying tweaks to the policy and thus the proposed amendments, which do not change the intent but provide consistency and clearer

language throughout the document.

- ***Grant vs. Forgivable Loan***

The January policy was set up as a grant instead of a 2-year forgivable loan to prevent people from using the program for quick resale profits. Staff reviewed the grant option and the forgivable loan option and recommended the forgivable loan. With this approach, if the home is sold within two years, the money shall be repaid and can be used again for the program. The EDA attorney also recommended updating the document to clearly call the program a “forgivable loan” instead of a “grant.” The change also requires a subordinate mortgage be recorded on the property.

- ***Age Restrictions***

The EDA attorney said State law does not prohibit limiting the program to people aged 55+ and did not find any communities currently using age restrictions. Because of this, staff recommended giving priority to applicants age 55 and older, while still allowing the EDA to make exceptions.

- ***Income Restrictions***

The policy set income limits at 115% of the Area Median Income (AMI), as required by HUD, which cannot be changed. Priority goes to projects that serve households earning 80% or less of the median income. Applicants must verify their income with a tax return or recent pay stubs. The updated language clarified and supported these requirements.

- ***Targeted Area***

The EDA attorney recommended adding language to explain why this area was selected. Staff updated the policy to include support from the Monticello 2040 Vision + Plan, which highlights the need for this program north of I-94. Mr. Bevier read the “NEIGHBORHOOD PRESERVATION” statement within the report.

Mr. Bevier recommended deferring the proposal to the EDA regarding final decisions and also noted continued robust work on a marketing-information outreach program to be presented in Spring 2026.

Mr. Barger asked about income restrictions and the 115% guideline. Mr. Bevier stated that EDA legal counsel recommended prioritizing applicants at or below 80% of Area Median Income (AMI).

Ms. Hinz asked about removing the term “senior” from the rehabilitation program to avoid confusion. Mr. Morphew stated the intent is to prioritize residents 55+ though not to exclude younger eligible applicants.

Mr. Bevier explained the Communications department is drafting a robust presentation on lending programs available through the City and will be shared with the EDA at an

upcoming meeting for consideration.

Mr. Johnson anticipated no problems with depletion of the funds to come. Ms. Hinz touched on the language regarding age verification; asked if that should also be omitted or amended to accept identity verification.

Mr. Bevier said staff agrees with the EDA's view of the recommended Policy amendments. When asked about confidentiality for applications, he said the documents will be treated in the same manner as materials that subject to data practices, with redactions of personal information when presented in a workshop setting or any public meeting setting.

Mr. Hinz suggested eliminating language and references relating to a "grant," the proposed is a loan. Members spoke of the program as being well-suited for the EDA consideration on a discretionary case-by-case basis.

Mr. Morphew encouraged all suggested amendments be final reviewed by the EDA legal attorney before enacting the program so as to avoid potential litigation claims made against the City for age discrimination.

Ms. Hinz said envisions the proposed application review as being much like a GMEF review though without a grading scale, and more like a façade improvement request with the preapplication process in workshop prior to EDA consideration at regular meetings. She suggested the final drafted application be complete before taking it in and considering requests for home improvements with as many objectives as possible.

Mr. Bevier said, in the larger context, the program allows for potentially eight applications if they are seeking the maximum funding. He further suggested that if eight applications are received, staff will pause acceptance of any new applications and notify the EDA and facilitate discussions on potential amendments to the policy at that point in time and provide options about additional funding ideas.

Mr. Barger suggested that maybe a rating be used to prioritize downtown residences and 55+-aged applicants. He also said maybe omit the age restriction entirely from consideration due to the limited available funding. He further noted that the funds are intended to assist in alleviating burdens, not to cover the entire cost of rehabilitation.

Mr. Johnson advised that additional amendments may be made again as time progresses. There is no need to anticipate potential future challenges at this phase in the process.

For clarity, Ms. Hinz asked about the bidding process. Mr. Bevier said two quotes at minimum would be required, like the façade improvement funding review process.

Ms. Sittig referenced the Monticello 2040 Vision + Plan and the EDA's goal for addressing the housing needs challenges. She noted the benefits of generational living

for supporting seniors and enabling needed improvements and recalled prior discussions focused on a solution for downtown seniors unique to Monticello. She supports keeping the program's original focus of senior housing assistance as the primary goal.

Mr. Morphew said he is not opposed to age restrictions. As to the housing goals, noting that he recalled discussion on an age standard as a preference, not a rigid standard for funding consideration. He again strongly encouraged legal review of the final policy prior to moving forward.

Mr. Johnson posed a theoretical situation asking what the process would entail if a situation arose when the forgivable loan becomes a collection process due to a senior having rapidly compromised health and being forced to relocate to an assisted living facility or nursing home and if the EDA has the flexibility to waive funding payback.

Mr. Thares said the EDA had the authority to waive policies in certain situations if prudent and deemed appropriate. He explained how the SAHA funding programs across the state are still in their infancy as to best use and governing policies. He said according to the EDA attorney, Monticello is unique with an age standard. He said the legal counsel recommendation is to refrain from an age-restriction and instead offer a program that is open to all ages.

Mr. Morphew referenced the EDA and staff time invested into creating a program with a minimal amount of funding, compared to other programs available. Ms. Sittig agreed with the suggestion made by legal attorney that it is best to eliminate the age restriction. She encouraged robust City communications regarding the program to move forward and continue to share information with Senior Center staff.

Ms. Sittig asked if mobile homes were eligible as they represent a sizeable portion of the Monticello community. Mr. Thares said he believed that mobile home units do not apply per Code, as they fall under a movability type license.

JOHN MORPHEW MOVED TO APPROVE AMENDMENTS TO THE MONTICELLO HOMEOWNER REHABILITATION PROGRAM POLICY. CLINT BERGLOF SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

C. Consideration of Minor Amendments to the Façade Improvement Forgivable Loan Program Policy

Mr. Bevier introduced the proposed amendments to the policy related to window opacity and historic signage for applicant clarity of expectations and to further align outcomes with the Downtown Small Area Plan and Broadway design guidelines.

- ***Window Opacity***

Storefronts should follow both zoning rules and the Downtown Small Area Plan when applying for façade improvement loans. Current zoning requires $\geq 50\%$ of ground-floor storefront windows and doors facing public streets to be transparent.

The same standard is recommended in the Downtown plan for overall visibility. The proposed update would clarify language to require anyone receiving a façade loan to meet $\geq 50\%$ transparency standard, regardless of if a project does not include new windows.

Historical Signage

Mr. Bevier said the proposal would formally adopt clarifying language on historical placard signage for properties receiving loans. The process was previously a discussion held at a project proposal workshop followed by post-construction verbal exchange. He noted that drafting and including the language to the policy for adoption also provides a clear understanding for future applicants.

Mr. Bevier reminded members of the workshop walking tour in July 2025 where consensus was in favor of the Mississippi Bronze color palette, with a black and white option for an alternative. Staff will continue to work with Communications department to finalize the historical narratives for each recipient sign.

He explained the quotes will be obtained this summer and anticipated a goal for sign placement in September 2026 for the prior loan recipient locations. Mr. Bevier said the plaques will provide historical information of each building, either from oral or written record, offering a snapshot of historic downtown Monticello.

Mr. Barger asked what prompted the discussion on window opacity. Mr. Bevier said several downtown properties are nonconforming and could be brought into compliance through façade improvement projects.

Mr. Morpew asked if “grandfathered” businesses would need to update windows. Mr. Bevier said businesses would need to meet the 50% transparency requirement by removing vinyl coverings or window signage as part of receiving the loan. He added that noncompliant windows would be addressed during review, even if not specifically identified in the application.

Mr. Bevier recommended using incentives through funding to encourage compliance while gradually meeting the 50% standard.

EDA members discussed how increased window transparency improves visibility, pedestrian connection, and overall downtown appearance. Mr. Barger asked why additional language is needed if zoning codes already apply.

Mr. Morpew noted that he believes grandfathered properties may not otherwise be required to comply, and the language ensures compliance is required when City funding is accepted.

Mr. Bevier noted the 15% wall signage allowance is separate from the window transparency requirement.

CLINT BERGLOF MOVED TO APPROVE THE AMENDMENTS TO THE DOWNTOWN FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM. TRACI HINZ SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0.

6. Other Business

A. Consideration of Economic Development Manager’s Report

Mr. Thares provided details on sales tax collections covering the period of 7/10/2025 through 2/10/2026. He noted that the collections will benefit the community overall by supporting capital improvements dedicated to Bertram Park. He pointed out the pace of the sales tax collections is well ahead of the original projections and that the report of update to the EDA is done only as information sharing and as an economic indicator of the overall community economy.

The March 3, 2026, Planning Commission agenda was presented. The meeting was canceled due to a lack of quorum. All agenda items will be carried forward to the April 7, 2026, regular meeting, including a workshop on housing goals.

Mr. Thares shared the answers from EDA attorney to questions raised by EDA members at the February 11 regular meeting. He noted the reported the TIF 1-40 payoff completion projection is anticipated in 2037, approximately eight years early. He also clarified that decertified district funds have no statutory deadline for redistribution, though continued District collections risk an audit by the Office of the State Auditor.

Mr. Thares provided project updates and discussed current prospects. Mayor Hilgart noted a potential additional prospect which was referred from a neighboring community’s mayor.

Mr. Thares provided an update on communications with Mr. Stalland regarding the OCBP concept development proposal discussion. He said that Mr. Stalland pushed back somewhat on the idea of paying a percentage of the total land value as an upfront option premium payment or as part of a preliminary development agreement and that he is open to paying reasonable attorney fees to get to the point of an agreement. He then noted that the EDA will have to hold an additional closed meeting in the future to further negotiate and discuss what compensation they feel is best for the Stalland concept.

Mr. Thares also reported ongoing discussions with Project Firefly regarding the “Goat Hill” parcel and believes that an offer may be forthcoming. He also noted the most recent prospect on the list which is also an industrial firm that is interested in a site in OCBP. More information will be provided to the EDA at a future meeting or possibly in a closed meeting on this prospect.

7. Adjournment

HALI SITTIG MOVED TO ADJOURN THE REGULAR MEETING OF THE MONTICELLO EDA. CLINT BERGLOF SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY, 7-0. MEETING ADJOURNED AT 7:24 P.M.

Recorded by: Anne Mueller__

EDA Regular Meeting Minutes – March 11, 2026

Approved: April 8, 2026

ATTEST: _____
Jim Thares, Executive Director of the Monticello EDA
Angela Schumann, Community and Economic Development Director
Tyler Bevier, Coordinator