



AUSTIN PORT AUTHORITY

500 Fourth Ave. NE
Austin, MN 55912-3773

www.ci.austin.mn.us

507-437-9940
Fax: 507-434-7197

AGENDA
PORT AUTHORITY
WEDNESDAY, JANUARY 28, 2026
CITY HALL COUNCIL CHAMBERS
5:00 PM

1. Roll Call
2. Approval of Minutes of the December 3, 2025 and January 7, 2026 meetings
3. Approval of Claims for Payment – November 21, 2025 – December 31, 2025
4. Review of September 30, 2025 Unaudited Financial Statements
5. DCA Strategic Planning
6. Downtown Easement Sign Committee/BEEP
7. Waiver of Restrictions to the Contract for Private Development of 34.524.0010
8. Strategic Roadmap Updates/Executive Director Report (Craig Clark)
9. **Closed Session** – a portion of the meeting will be closed under Minn. Stat § 13D.05, subd. 3(c) for the purpose of discussing the Sale of 5 acres on the north section of our 25 acre parcel (34.905.0101)

Return to Open Session

10. Any Other Business
11. Adjourn

MINUTES
PORT AUTHORITY SPECIAL MEETING
WEDNESDAY JANUARY 7TH 2026
4:00 P.M.
CITY COUNCIL CHAMBERS

Members Present: Jason Baskin, Steven Leif, Jeff Austin, Geoff Smith, Tim Ruzek, Kris Heichel

Members Absent: Lee Bjorndal

Staff Present: Port Authority Executive Director Craig Clark, Port Authority Attorney Craig Byram, Port Authority Assistant Treasurer Emily Burns

Others Present: Engineering Clerk Lauren Bakken, Housing & Redevelopment Authority Director Taggert Medgaarden, Sync Health Representative Dolan Wagner, and Property Owner Terry Hall

President Baskin called the meeting to order at 4:00 p.m. He welcomed new Commissioner Steven Leif to the Port Authority.

Item #2. – Election of Officers:

Commissioner Heichel made a motion as follows, seconded by Commissioner Ruzek without further discussion:

President	Jason Baskin
Vice President	Jeff Austin
Treasurer	Lee Bjorndal
Secretary	Brianne Wolf
Assistant Treasurer	Emily Burns

Carried 6-0.

Item #3. – Change Order Request – BEEP Grant for 117 1st Ave NW (Sync Health/Terry Hall Property):

Taggert Medgaarden Housing & Redevelopment Authority Director, Dolan Wagner Sync Health, and Terry Hall owner were all present.

Mr. Wagner spoke regarding the exterior wall. He stated once the plastic covering was removed, they discovered the sub straight was completely compromised. The clay system was removed and framing for a new wall was installed. They will not need to add a new curb system so that will save funds.

Commissioner Baskin explained the purpose of the BEEP grant and using it for maintenance and enhancing buildings rather than actual construction. This property is a special circumstance as they cannot enhance the exterior of the building without repairing the compromised wall.

Commissioner Ruzek agreed. He stated he would not want others to be discouraged from projects or applying for the grant.

Commissioner Heichel asked if there are funds available or any other applicants for the BEEP grant.

Mr. Medgaarden stated one has been approved and funded, another one is in the works, but nothing has been submitted. He noted there are still funds available.

A motion for approval of the change order as requested was made by Commissioner Austin, seconded by Commissioner Ruzek. All in favor. None opposed. Motion carried. 6-0

Today's meeting will take place of the regularly scheduled January meeting.

Item #4. Adjournment:

Motion by Commissioner Austin, seconded by Commissioner Heichel, to adjourn the meeting at 4:12 p.m. Carried.

Approved: _____

President: _____

Secretary: _____

MINUTES
PORT AUTHORITY SPECIAL MEETING
WEDNESDAY, DECEMBER 3, 2025
4:30 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jason Baskin, Geoff Smith, Kris Heichel, Jeff Austin, Michael Bednar, Lee Bjorndal, and Tim Ruzek.

Members Absent:

Staff Present: Port Authority Executive Director Craig Clark, Port Authority Attorney Craig Byram

Others Present: City Clerk Brianne Wolf, Impact Austin Representative Nick Novotny, DCA Representative John Garry & Nan Hanagraff, HRA Director Taggart Medgaarden, Matt Barthomew, Terry Hall, Chamber of Commerce Representative Joe Bower, Planning and Zoning Director Holly Wallace, Lindsey Compton,

President Baskin called the meeting to order at 4:31 p.m.

President Baskin recognized Commissioner Michael Bednar's years of service to the Port Authority as this will be her last meeting.

Item #2. – Approval of minutes of the August 5, 2025 meeting:

Motion by Commissioner Heichel, seconded by Commissioner Ruzek, approving the minutes of the October 22, 2025 meeting. Carried.

Item #3. – Approval of Claims for Payment:

Review of the claims paid from October 10, 2025 through November 20, 2025. Motion by Commissioner Bjorndal, seconded by Commissioner Heichel, approving the claims. Carried.

President Baskin suggested switching agenda Items 5 and 6 for the sake of time. There were no objections.

Item #4. – Walker Building Reroofing Project:

Director Craig Clark stated WHKS performed a structural assessment on the Walker Building property. The building will need to be re-roofed. The cost to develop the roofing project was \$6,200 and he is requesting approval for this project.

Moved by Ruzek to approve, Seconded by Bjorndal. Carried.

Item #5. – Downtown Easement/ Façade Improvement:

Director Craig Clark stated Taggart Medgaarden, Director of the Austin Housing & Redevelopment Authority, included information on the criteria for BEEP grants in the packet, outlining qualifying items. Two applicants are being presented at this meeting. Mr. Terry Hall and Mr. Matt Bartholomew are seeking the Port Authority's input on whether these proposals meet the BEEP grant criteria.

5a. Terry Hall – 117/119 1st Ave NW. This property is currently being rented by Sync Health LLC and used to house Howe Bail Bonds and an embroidery business. Mr. Hall stated he purchased the building from the Howes and had it reroofed. He is seeking the Port Authority's assistance with the exterior improvements to this building. The West part of the building has a plaster exterior, while the East part is brick. Mr. Hall stated they plan to keep the brick but stain it a different color. The proposal is to install a metal façade over the stucco portion and tie it into the header at the top of the brick portion of the building. There would then be vertical and horizontal steel siding in black to match the window frames, which will also be black. Mr. Hall proposes to remove and replace one door. There were two doors; one into each portion of the building. One was not in use when the Howes owned the building. They removed the door, filled it with CMU, and then covered it. Mr. Hall says that he is excited and thinks the photos of the proposed upgrades look great. He supports the tenant's efforts with this proposal.

5b. Matt Bartholomew – 120 3rd Avenue NW. Last year, Mr. Bartholomew purchased the property from Attorney Dan Donnelly. Mr. Bartholomew stated that they first completed an interior remodel of the space after buying it. He stated they spent about \$40,000.00 on interior renovations. Last year, there was a superficial “polishing up” of the exterior to make it slightly more attractive before a Hormel event downtown. Mr. Bartholomew stated the brick is severely deteriorated on the alley side and on the West side of the building. Part of the skin coat over the bricks is about to fall over onto the Morems' portion of the building (next door at 122 3rd Ave NW). Therefore, they will do the brickwork, windows, and doors for the entire building with the steel façade. But before all of that, the roof needs to be replaced, which will protect the investment from the top down. Mr. Bartholomew would also like to see an Austin-themed mural on the alley side of the building. Commissioner Ruzek asked if there would be benefits to Mr. Bartholomew's vision for vacating that alley. Mr. Bartholomew stated there are trucks going in and out of that alleyway every day. If they did a bar space in the rear, it'd be cool to kind of close off some of that alley to have it be more of a patio style area. The air conditioners are definitely a hazard right now.

Mr. Hall stated he would support closing the alleyway to traffic, making it accessible only to foot traffic. His only concern is that there have been issues with graffiti back there. He stated it's so narrow that it just really shouldn't be for traffic. If this were closed off, they may also be able to add more parking.

Commissioner Heichel asked whether that would be an item requiring City Council approval.

President Baskin stated he recalled a similar request from another bar establishment and that Council was able to work with them to accommodate it.

Commissioner Bjorndal stated he appreciates the BEEP program as well as the work these two individuals are trying to put in to improving the downtown area of Austin.

Director Craig Clark stated due to the possibility of new business, the Port Authority would need to take action on the signage and the proposed mural. Zoning would need to approve the signage, and then it would be taken to the Port Authority for review.

Item 5a.: Moved by Commissioner Austin to approve, Seconded by Commissioner Heichel. Carried.

Item 5b.: Moved by Commissioner Bjorndal to approve, Seconded by Commissioner Austin. Carried.

Item #6. – Comprehensive Plan Updates:

Holly Wallace, Planning and Zoning Administrator for the City of Austin, stated she wanted to provide a little background information and then discuss why the Comprehensive Plan, in general, is important, as well as some background on Impact Austin. They are housed within the DCA and are a community initiative whose mission is to build a vibrant community where people and resources connect to revitalize, discover, and invest in authentic ways to grow downtown Austin and Austin in general. The four pillars of impact are: Housing, Identity and Connection, Downtown, and Economic growth. To facilitate this mission, Impact Austin collaborated with Daniel Hintz of The Velocity Group a couple of years ago. He developed a report that included a recommendation to update the City's Comprehensive Plans. At the same time, the City was considering updating the Comprehensive Plan. Mower County has a Comp Plan update in its budget. DCA, Impact Austin, The City of Austin, and Mower County agreed to work together on Comprehensive Plan updates. Impact Austin hired a community engagement specialist, Nick Novotny, to expand coverage in the community and help maintain progress moving forward. With the city and county investments and additional financial support from the Hormel Foundation, Mayo, and Hormel Foods, Comprehensive Plan work began in the fall of 2024. Although it seems logical to combine efforts with the City and County, it's groundbreaking in the planning world, and we're the only example nationally, according to our consultants. Over the past year, we've reached several milestones; most importantly, community outreach with the help of Nick Novotny from Impact Austin, Val Sheedy with Mower County, and our consultants at SEH and Velocity Group. We've had more than 400 online survey responses, almost 4,000 website visitors, and over 5,000 person-to-person interactions throughout the process. The Comprehensive Plan documents are community-driven and are a resource for public officials and others. The Comprehensive Plans provide consistency in decision-making. The plan provides decision-makers with a steady point of reference for taking action and the ability to make informed decisions within a long-term strategic framework. The plan provides facts on existing conditions and trends, enabling decision-makers to understand the impact of their choices better and to preserve community character. It allows communities to identify what's important and how to protect it. It produces positive economic development planning for community health, existing residences, and businesses. It helps predict the future development of an area more accurately. In addition, the planning process allows the community to consider workforce notification and local infrastructure capacity, among other factors, so that appropriate economic development strategies can be developed with the wise use of resources. The plan includes information from different department sources. This information can be used to decide and prioritize which projects to undertake. It can also be used to direct the location of utility extensions and road improvements, while reducing legal risk and conflict. A plan that's been publicly vetted and adopted can reduce legal challenges to zoning and development decisions. It provides a defensible basis for land use regulations and helps avoid arbitrary decisions. Finally, it enhances funding and grant opportunities. Many state and federal grants require alignment with the Comprehensive Plan. A well-developed plan shows that the City is prepared and proactive, making it more competitive for funding.

John Garry from the Development Corporation of Austin spoke about the RFI (Request for Information) Process from the state for businesses looking to establish or relocate in Austin, and the different things the DCA does for Austin. He stressed the importance of confidentiality in this process.

Commissioner Heichel asked how they know what types of businesses the state may be looking for.

John Garry stated these companies are looking for specifics when searching for a site; first and foremost, things like the number of acres or the proximity to an interstate. Director Craig Clark and John Garry would receive an RFI. Austin Utilities and the City's Public Works department would be involved. A tool called Lasso provides information. Only two sites in Southern Minnesota were selected over the last two years, out of 23 RFIs submitted. The reason the number is so low is related to employment, as in the number of jobs being created by the project, and not believing there is enough available workforce to support it.

Nick Novotny stated drafts are being completed for the City and County on the Comprehensive Plan for 2045. He would like to speak to the economic chapter of the Comprehensive Plan. He would like to know where the Port Authority's priorities are and what the goals are as the organization moves forward. What role will the Port Authority play in the economic future of Austin? Development and growth opportunities are where Impact Austin wants to concentrate its focus.

President Baskin stated the essence of strategy is choice. He stated they need to narrow it down to three to five things they want to rally the community around.

Commissioner Bjorndal stated he would like to look at retail businesses. He has dealt with the downtown hotel issues, but this has not come to pass. These are not Port Authority items. He would like to get the industrial property ready for use.

Commissioner Heichel stated she would like to shift gears to smaller projects.

President Baskin stated anything that helps to better attract businesses or expand businesses generally helps with the Port Authority. He feels that strengthening downtown should absolutely be a priority. He stated that a downtown hotel would make a lot of sense for several reasons. It would drive more people downtown, especially now that we've got more market-rate housing.

Commissioner Heichel states she thinks the time is right to revisit the downtown hotel idea now. She stated she does not know what the Port Authority's role would be, but hopes the Port Authority could help them in some way, shape, or form.

President Baskin stated he would like to look at the Cedar River and the White Water park, as there is an untapped opportunity there. He wants to know if there is anything we can do to bring in business. He stated Austin has got to think about what we do have: a great downtown, a river, a Fortune 500 company, and a world-class cancer research institute. He believes that the more we can economically develop and prioritize, the more we can rally people around that.

Commissioner Ruzek would like to encourage downtown development and engage with others that can help connect the dots such as the Chamber of Commerce and the DCA.

President Baskin would like to have Impact Austin/DCA in regularly to see if they are making progress on these items.

Director Craig Clark spoke about the strategic roadmap and how it intersects with the Comprehensive Plan. He stated the growth area plan is an element of the strategic roadmap. He shared the City of Hutchinson has a growth master plan, essentially a marketing document for developers. It's a bit of an extension of a housing report that discusses community attributes, promotes schools, identifies industrial and residential growth areas, and provides more specific land-use detail from the Comp Plan perspective. He mentioned talking with the engineering firm the City worked with on the Comprehensive Plan to do something similar to what was outlined in their growth area plan, which was estimated to cost between \$60,000 and \$80,000. He wants feedback from the board on whether that's something they'd like to advance and actually solicit proposals for. He stated this is more of a marketing document for the City that touches on what Mr. Garry discussed regarding being ready for development.

President Baskin thinks there is value but is struggling to see what they would get out of this. He would like to table this until the next meeting until they get the full Comp Plan to see if this would be something they would need to do. He would also like to know how Hutchinson has used this to attract business.

President Baskin spoke about the Port Authority's next steps as an organization and prioritizing investments. He stated the Port Authority has primarily focused on developing Creekside Business Park. Secondly was the strategic land portfolio management. He noted that the Port Authority wanted to make sure that as Creekside Park filled up, they could start setting themselves up for the next generation of land, because we hate to fill it up and then, a decade from now, not have any land to give the people. Third is positioning Austin for future economic growth. This is a bit vaguer, but it's things like supporting the Comp Plans, Impact Austin, BEEP funding, and so on. He stated they did invite several folks who are part of this and want to hear from them informally as we think about positioning Austin for future economic growth. He wants to know what else should be on their strategic radar and what the pain points are. He then opened it up to the group for a discussion on what else should be on their radar and what they should be thinking about to develop economically.

Nan Hanegraaf with the DCA stated as a collaborative group, there should be partnership to ensure that entities are working together on items and helping one another while keeping each other informed.

Commissioner Heichel stated she agrees that stakeholders from different entities should be working together to tackle things collaboratively.

Craig Clark asked if combining efforts with the DCA is something the Port Authority wants to participate in financially. He asked the board to take a look at item number 8 on the agenda that relates to having a CIP plan of cost infrastructure on pending things that we're trying to accomplish.

Commissioner Heichel feels that quarterly meetings are too far apart.

Item #10. Adjournment:

With no further business, motion by Commissioner Austin, seconded by Commissioner Ruzek, to adjourn the meeting at 5:57 p.m. Carried. The next meeting is scheduled for January 28, 2026.

Approved: _____

President: _____

Secretary: _____

Claims for Payment

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

Council Check Summary

Page - 1

11/21/2025 - 12/31/2025

[illegible]

R55CKS2 LOGIS601V

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

City of Austin

Council Check Summary

1/23/2026 11:42:21

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11/21/2025 - 12/31/2025

<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Supplier / Explanation</u>	<u>PO#</u>	<u>Doc No</u>	<u>Inv No</u>	<u>BU</u>	<u>Obj</u>	<u>Sub</u>	<u>Subledger</u>	<u>Account Description</u>	<u>BU Description</u>	<u>Co</u>	<u>Dept</u>	<u>Div</u>
66000	Port Authority Property Mgmt.			289.08											
Report Totals				289.08											

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Phone: 507-437-9940

www.ci.austin.mn.us

TO: Port Authority Board of Commissioners

FROM: Melissa Wilson, Interim Finance Director

DATE: October 20, 2025

RE: Port Authority – September 30, 2025 Financial Report
S:\Port Authority\2025\September 30, 2025 Financial Report.doc

Attached you will find the unaudited financial statements for the nine months ending September 30, 2025. Some of the highlights are noted below:

Combined Balance Sheet (Page 1) – All Funds

- We have \$3,093,995 total cash for the Port Authority. This cash is between the Oak Park Mall Fund, Walker Building and Port Authority General Fund.
- Long-term Assets (Leases, Notes, and Land held for resale) equate to \$1,373,668.
- Fixed Assets (net book value of the Walker Building and the Hormel Institute expansion) amounts to \$18,852,331.

Combined Income Statement (Page 2) – All Funds

- In total, we have \$373,522 of net loss for the nine months of our year. This includes the \$532,658 of estimated depreciation expense on the Walker Building and the Hormel Institute Building that we own.

Property Management General Fund Balance Sheet (Page 3)

- The Port Authority Property Management Fund has \$1,145,438 of cash in the bank.
- Loans Receivable (DCA, for example) amount to \$533,403 at September 30, 2025.
- Land Held for Resale is valued at \$816,609. This includes Creekside Business Park land held by the Port Authority as well as the 13.55 acres by the truck stop along I-90, and the 25 acres of Persinger land that was acquired behind the I90 Kwik Trip.
- We have designated \$275,804 for our share of the match for the EDA grant to install infrastructure in the Creekside Business Park. Another \$262,500 is designated for the infrastructure for the Harty Mechanical land sale (we already paid another \$87,500 to Austin Utilities), plus the Port Authority has committed

another \$50,000 as a contribution to the Austin Housing and Redevelopment Authority to help with some potential additional downtown Redevelopment opportunities.

Property Management General Fund Income Statement (Page 4)

- The Port Authority has \$30,000 of tax receipts as of September 30, 2025.
- Administrative and General Expenses of \$40,296.

Walker Building Balance Sheet (Page 5)

- The Port Authority Walker Building has \$918,256 of cash in the bank.
- The net book value (after depreciation) is \$122,281 for the Walker Building.
- Fund Balance of \$1,047,393 exists for the Walker Building.

Walker Building Income Statement (Page 6)

- The Walker Building has \$83,310 of Lease Revenue as of September 30, 2025, and another \$1,896 of interest income on that lease.
- Administrative and General Expenses, including depreciation, of \$27,214 exists for the nine months of the year.
- Net income of \$78,913 exists for the nine months of 2025.

Oak Park Mall Balance Sheet (Page 7)

- The Port Authority Oak Park Mall fund has cash of \$1,030,301 as of September 30, 2025.
- Fund Balance of \$609,940 exists for the Oak Park Mall fund. This fund balance has turned positive now that some land sales have occurred (Cobblestone, Slaby, etc.).
- This fund still owes \$437,017 to the City of Austin, and will be repaid as tax increments flow into the fund.

Oak Park Mall Income Statement (Page 8)

- The Oak Park Mall fund has \$24,616 of interest income through the first nine months of 2025.
- The required \$70,000 annual tax increment payment will be recorded at year-end when the final tax increments were paid to the city.
- Non-operating expenses include \$3,250 from the 1% loan from the City, to be paid back as tax increments are remitted to the Port Authority.
- Net income of \$21,366 exists for the nine months of 2025.

**AUSTIN PORT AUTHORITY
BALANCE SHEETS
SEPTEMBER 30, 2025**

ASSETS	<u>09/30/25</u>
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 3,093,994.54
Taxes Receivable	10,626.36
Accounts Receivable	-
Due from Other Governments	-
Interest Receivable on Loans/Leases	306.19
Interest Receivable on Investments	23,000.00
Lease Receivable	28,293.36
Total Current Assets	<u>\$ 3,156,220.45</u>
LONG-TERM ASSETS	
Due From Primary Government	\$ -
Land Held for Resale	840,264.78
Leases and Loans Receivable	533,402.96
Total Long-Term Assets	<u>\$ 1,373,667.74</u>
FIXED ASSETS	
Buildings	\$ 23,510,603.39
Improvements Other Than Building	553,783.47
Machinery and Equipment	2,108,645.54
Total	<u>\$ 26,173,032.40</u>
Less Accumulated Depreciation	(7,320,701.38)
Net	18,852,331.02
Construction In Progress	-
Net Fixed Assets	<u>\$ 18,852,331.02</u>
Total Assets	<u>\$ 23,382,219.21</u>
LIABILITIES AND FUND EQUITY	<u>09/30/25</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers Payable	\$ 14.50
Accrued Interest Expense	-
Deferred Revenue	-
Bonds Payable, Current Portion	-
Total Current Liabilities	<u>\$ 14.50</u>
LONG-TERM LIABILITIES	
Advances from Primary Government	\$ 437,017.18
Due to Austin HRA	15,000.00
Bonds Payable, Net of Bond Discount	-
Total Long-Term Liabilities	<u>\$ 452,017.18</u>
Total Liabilities	<u>\$ 452,031.68</u>
DEFERRED INFLOWS OF RESOURCES	
Lease related	\$ 28,293.36
Total Deferred Inflows of Resources	<u>\$ 28,293.36</u>
NET ASSETS	
Net Assets:	
Invested in Capital Assets, Net of Related Debt	\$ 18,852,331.02
Designated (Harty Mechanical infrastructure and BEEP match)	312,500.00
Designated (EDA Creekside street match)	275,803.54
Unrestricted	3,461,259.61
Total Net Assets	<u>\$ 22,901,894.17</u>
Total Liabilities and Net Assets	<u>\$ 23,382,219.21</u>

**AUSTIN PORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**

	<u>9 Months 09/30/25</u>
OPERATING REVENUES	
Lease Revenues	\$ 83,309.81
Total Operating Revenues	<u>\$ 83,309.81</u>
OPERATING EXPENSES	
Administrative and General	\$ 59,851.97
Depreciation and Amortization	532,657.50
Total Operating Expenses	<u>\$ 592,509.47</u>
OPERATING LOSS	<u>\$ (509,199.66)</u>
NON-OPERATING REVENUES (EXPENSES)	
Property Taxes	\$ 30,000.00
Intergovernmental	-
Interest Earnings	71,823.00
Market Value Gain	-
Interest Earnings on Loans/Leases	3,535.93
Interest Expense and Fiscal Agent Fees, net	(3,250.00)
Contributions	-
Miscellaneous Revenues	33,568.50
Gain On Disposal of Fixed Assets	-
Total Non-Operating Revenues (Expenses)	<u>\$ 135,677.43</u>
CHANGE IN NET ASSETS BEFORE TRANSFER	<u>\$ (373,522.23)</u>
Transfer In from Primary Government (Capital Contributions)	-
Transfer To from Primary Government	-
CHANGE IN NET ASSETS	<u>(373,522.23)</u>
NET ASSETS, BEGINNING	<u>23,275,416.40</u>
NET ASSETS, ENDING	<u><u>\$ 22,901,894.17</u></u>

(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
GENERAL
BALANCE SHEET
September 30, 2025**

ASSETS**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,145,437.77
Taxes Receivable	10,626.36
Accounts Receivable	-
Due from Other Governments	-
Interest Receivable on Loans	200.09
Interest Receivable on Investments	8,250.00
Total Current Assets	<u>\$ 1,164,514.22</u>

OTHER ASSETS

Due From Primary Government	\$ -
Lease Receivable	-
Loans Receivable	533,402.96
Loans Receivable - Downtown Revitalization (forgivable)	-
Land Held for Resale	816,608.79
Total Other Assets	<u>\$ 1,350,011.75</u>

CAPITAL ASSETS

Buildings	\$ 23,201,870.84
Improvements Other Than Buildings	517,098.01
Machinery and Equipment	2,108,645.54
Total	<u>\$ 25,827,614.39</u>
Less: Accumulated Depreciation	(7,097,564.74)
Net	<u>\$ 18,730,049.65</u>
Construction In Progress	-
Net Capital Assets	<u>\$ 18,730,049.65</u>
Total Assets	<u><u>\$ 21,244,575.62</u></u>

LIABILITIES AND NET ASSETS**LIABILITIES****CURRENT LIABILITIES**

Vouchers Payable	\$ 14.50
Retainage Payable	-
Bonds Payable, Current Portion	-
Total Current Liabilities	<u>\$ 14.50</u>

LONG-TERM LIABILITIES

Bonds and Notes Payable	\$ -
Total Long-Term Liabilities	<u>\$ -</u>
Total Liabilities	<u>\$ 14.50</u>

NET ASSETS

Net Assets	
Invested in Capital Assets, Net of Related Debt	\$ 18,730,049.65
Designated (Harty Mechanical infrastructure and BEEP match)	312,500.00
Designated (EDA Creekside street match)	275,803.54
Unrestricted	1,926,207.93
Total Net Assets	<u>\$ 21,244,561.12</u>
Total Liabilities and Net Assets	<u><u>\$ 21,244,575.62</u></u>

(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
GENERAL
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Nine Months Ended September 30, 2025**

	<u>9 Months 9/30/2025</u>
OPERATING REVENUES	\$ -
OPERATING EXPENSES	
ADMINISTRATIVE AND GENERAL	
Legal and Appraisals	\$ -
Miscellaneous Expense	-
Board Member Compensation	875.00
Professional Services and Consulting	36,387.00
Improvements Other Than Buildings (Main Street)	-
Improvements Other Than Buildings (Creekside infrastructure costs)	-
Insurance	2,475.00
Property taxes	478.00
Postage and Freight	18.36
Utilities	62.28
Total Administrative and General Expenses	<u>\$ 40,295.64</u>
Depreciation	<u>\$ 525,000.00</u>
Total Administrative and General Expenses	<u>\$ 565,295.64</u>
OPERATING LOSS	<u>\$ (565,295.64)</u>
NON-OPERATING REVENUES (EXPENSES)	
Property Taxes	\$ 30,000.00
Intergovernmental Revenues	-
Interest Earnings	26,286.00
Market Value Gain (Loss)	-
Interest Earnings on Loan	1,639.52
Contributions (Mayo lot at Creekside)	-
Miscellaneous Revenues	2,812.50
Miscellaneous Revenues - Option to Purchase (NuTek)	30,756.00
Gain on Sale of Assets (NuTek)	-
Total Non-Operating Revenues (Expenses)	<u>\$ 91,494.02</u>
CHANGE IN NET ASSETS BEFORE TRANSFER	<u>\$ (473,801.62)</u>
Transfer In - Walker Building	-
Transfer Out - (to primary government)	-
CHANGE IN NET ASSETS	<u>\$ (473,801.62)</u>
NET ASSETS, BEGINNING	<u>\$ 21,718,362.74</u>
NET ASSETS, ENDING	<u><u>\$ 21,244,561.12</u></u>

(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
WALKER BUILDING
BALANCE SHEET
September 30, 2025**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 918,255.97
Accounts Receivable	-
Interest Receivable on Leases	106.10
Interest Receivable on Investments	6,750.00
Leases Receivable	28,293.36
Total Current Assets	<u>\$ 953,405.43</u>

NONCURRENT ASSETS

Leases Receivable	<u>\$ -</u>
Total Noncurrent Assets	<u>\$ -</u>

CAPITAL ASSETS

Buildings	\$ 308,732.55
Improvements Other than Building	36,685.46
Total Capital Assets	345,418.01
Less: Accumulated Depreciation	(223,136.64)
Net Capital Assets	<u>\$ 122,281.37</u>
Total Assets	<u><u>\$ 1,075,686.80</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

CURRENT LIABILITIES

Vouchers Payable	\$ -
Accrued Payables	-
Unearned Revenue	-
Total Current Liabilities	<u>\$ -</u>

DEFERRED INFLOWS OF RESOURCES

Lease Related	<u>\$ 28,293.36</u>
Total Deferred Inflows of Resources	<u>\$ 28,293.36</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 122,281.37
Unrestricted	925,112.07
Total Net Assets	<u>\$ 1,047,393.44</u>
Total Liabilities and Net Assets	<u><u>\$ 1,075,686.80</u></u>

(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
WALKER BUILDING
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Nine Months Ended September 30, 2025**

	<u>9 Months 9/30/2025</u>
OTHER OPERATING REVENUES	
Lease Revenues	<u>\$ 83,309.81</u>
OPERATING EXPENSES	
ADMINISTRATIVE AND GENERAL	
Legal and Appraisals	\$ -
Maintenance and Repair of Building	2,986.32
Property Taxes (entire year)	11,650.00
Insurance	810.00
Communications (alarm monitoring)	359.98
Building Maintenance Charge	<u>3,750.03</u>
Total Administrative and General Expenses	\$ 19,556.33
Depreciation	<u>7,657.50</u>
Total Operating Expenses	<u>\$ 27,213.83</u>
OPERATING INCOME	<u>\$ 56,095.98</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Earnings on Investments	\$ 20,921.00
Interest Earnings on Lease	1,896.41
Market Value Gain (Loss)	-
Loss on Disposal of Fixed Assets	-
Miscellaneous Revenues	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 22,817.41</u>
CHANGE IN NET ASSETS BEFORE TRANSFERS	\$ 78,913.39
Transfer to Port Authority General Fund	<u>-</u>
CHANGE IN NET ASSETS	\$ 78,913.39
NET ASSETS, BEGINNING	<u>968,480.05</u>
NET ASSETS, ENDING	<u>\$ 1,047,393.44</u>

(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
OAK PARK MALL
BALANCE SHEET
September 30, 2025**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,030,300.80
Taxes Receivable	-
Accounts Receivable	-
Interest Receivable on Investments	8,000.00
Total Current Assets	<u>\$ 1,038,300.80</u>

OTHER ASSETS

Due From Primary Government	\$ -
Land Held for Resale	23,655.99
Total Other Assets	<u>\$ 23,655.99</u>

CAPITAL ASSETS

Construction In Progress	\$ -
Total Capital Assets	-
Less: Accumulated Depreciation	-
Net Capital Assets	<u>\$ -</u>
Total Assets	<u>\$ 1,061,956.79</u>

LIABILITIES AND NET ASSETS

LIABILITIES

CURRENT LIABILITIES

Vouchers Payable	\$ -
Advances from Primary Government - Current Portion	-
Total Current Liabilities	<u>\$ -</u>

LONG-TERM LIABILITIES

Due to Austin HRA	\$ 15,000.00
Advances from Primary Government	437,017.18
Total Long-Term Liabilities	<u>\$ 452,017.18</u>
Total Liabilities	<u>\$ 452,017.18</u>

NET ASSETS

Net Assets	\$ -
Invested in Capital Assets, Net of Related Debt	-
Restricted For Unused Economic Development	609,939.61
Unrestricted	<u>\$ 609,939.61</u>
Total Net Assets	<u>\$ 609,939.61</u>
Total Liabilities and Net Assets	<u>\$ 1,061,956.79</u>

(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
OAK PARK MALL
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Nine Months Ended September 30, 2025**

	<u>9 Months 9/30/2025</u>
OPERATING REVENUES	
Donations from Private Sources - Hormel Foundation	\$ -
Intergovernmental	-
Total Operating Revenues	<u>\$ -</u>
OPERATING EXPENSES	
ADMINISTRATIVE AND GENERAL	
Legal and Appraisals	\$ -
Miscellaneous Expense	-
Board Member Compensation	-
Professional Services	-
Improvements Other Than Buildings	-
Insurance	-
Office Supplies	-
Postage and Freight	-
Property Taxes	-
Total Operating Expenses	<u>\$ -</u>
OPERATING LOSS	<u>\$ -</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Earnings	\$ 24,616.00
Market Value Gain	-
Interest Expense on Loan	(3,250.00)
TIF - PAYGO Revenue	-
Gain on Sale of Land	-
Miscellaneous Revenue	-
Total Non-Operating Revenues (Expenses)	<u>\$ 21,366.00</u>
CHANGE IN NET ASSETS	\$ 21,366.00
NET ASSETS, BEGINNING	<u>\$ 588,573.61</u>
NET ASSETS, ENDING	<u><u>\$ 609,939.61</u></u>

Claims for Payment

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

Council Check Summary

7/14/2025 - 10/9/2025

Check #	Date	Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	Div
		7.58	CENTRAL STATION SECURITY	00005397	149403	0209547	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		7.58													
87905	8/14/2025		107348 HEICHEL, KRIS												
		35.00	AUGUST 2025 PORT AUTH MEET		149367	AUGUST 2025	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													
87950	8/14/2025		110639 QUADIENT FINANCE USA INC												
		4.62	PORT		149372	3608	46510	6322			Postage and Freight	Port Authority General	66000	115	
		4.62													
87960	8/14/2025		103347 RUZEK, TIM												
		35.00	AUGUST 2025 PORT AUTH MEET		149373	AUGUST 2025	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													
87964	8/14/2025		107550 SMITH, GEOFF												
		35.00	AUGUST 2025 PORT AUTH MEET		149374	AUGUST 2025	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													
88028	8/28/2025		102509 CHARTER COMMUNICATIONS												
		40.00	WALKER BLDG	00123615	149559	175464801081425	46560	6321			Communications	Port Authority Walker Bui	66000	115	
		40.00													
88167	9/11/2025		100263 CRC INC												
		7.58	CENTRAL STATION SECURITY	00005406	149875	0210329	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		7.58													
88192	9/11/2025		111401 KOEHLERS YARD SERVICE INC												
		150.00	BRUSH CUT BEHIND SHOPKO	00124062	149921	28152	46510	6309			Professional Services	Port Authority General	66000	115	
		150.00													
88254	9/11/2025		100160 AUSTIN UTILITIES												
		6.92	19383-001 SIGNAL LIGHT		149960	AUGUST 2025	46510	6386			Utilities	Port Authority General	66000	115	
		6.92													
88290	9/25/2025		102509 CHARTER COMMUNICATIONS												
		40.00	WALKER BLDG	00123625	150083	175464801091425	46560	6321			Communications	Port Authority Walker Bui	66000	115	
		40.00													
88409	10/9/2025		100160 AUSTIN UTILITIES												
		6.92	19383-011 1300 27 T AVE SIGNAL		150471	SEPTEMBER 2025	46510	6386			Utilities	Port Authority General	66000	115	
		6.92													
88431	10/9/2025		100263 CRC INC												
		7.58	CENTRAL STATION SECURITY		150315	0211513	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		7.58													

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

7/4/2025 - 10/9/2025

Check #	Date	Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	Div
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Report Totals 25,738.12



Development Corporation of Austin

DCA Strategic Planning

2026-2029

Process



Development Corporation of Austin

- 3-4 years outlook
- Extensive planning with City Comp Plan, County Comp Plan and Playbook. Time for action and implementation.
- Today – March 2026 working from the City, County plans and playbook
 - What is DCA, ACGV and Impact Austin's role in achieving the goals of these plans?
 - Where do we have the lead and where do we support?
 - With DCA-led goals
 - What strategies/opportunities and tactics will we use?
 - Who are our partners and how will we work with them?
- Working with our economic development partners, develop a shared understanding of roles and priorities around economic development goals



COMPREHENSIVE PLAN 2045

MOWER COUNTY | CITY OF AUSTIN

The City of Austin and Mower County partnered to develop Comprehensive Plans jointly. This partnership ensures a unified vision for the City and County into the year 2045.

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■	Chapter 3 Community Participation & Engagement	23
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■	Chapter 6 Transportation.....	83
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■		
■	Chapter 10 Implementation.....	135

5. Economic Development (City)

This chapter also outlines a framework for public investment that supports the city's overarching goal:

To pursue economic growth that brings quality, family-sustaining jobs to Austin and promotes the long-term vitality.

Chapter Outline

- Labor Force
- Educational Attainment
- Employment/Wages
- Commuting Patterns
- Strengths/Weaknesses
- Opportunities/Threats
- Bus. Development Programs
- Opportunities
- Strategies



5.5. WHAT PEOPLE ARE SAYING - PUBLIC INPUT

The following is a summary of public input regarding existing barriers and future opportunities for the local economy and community development.

Key Themes for Future Growth and Development

The following are key themes highlighted by the public regarding future economic development and community growth



Support the development of local businesses (existing and new)



Improve school and educational quality



More recreation options for youth and families

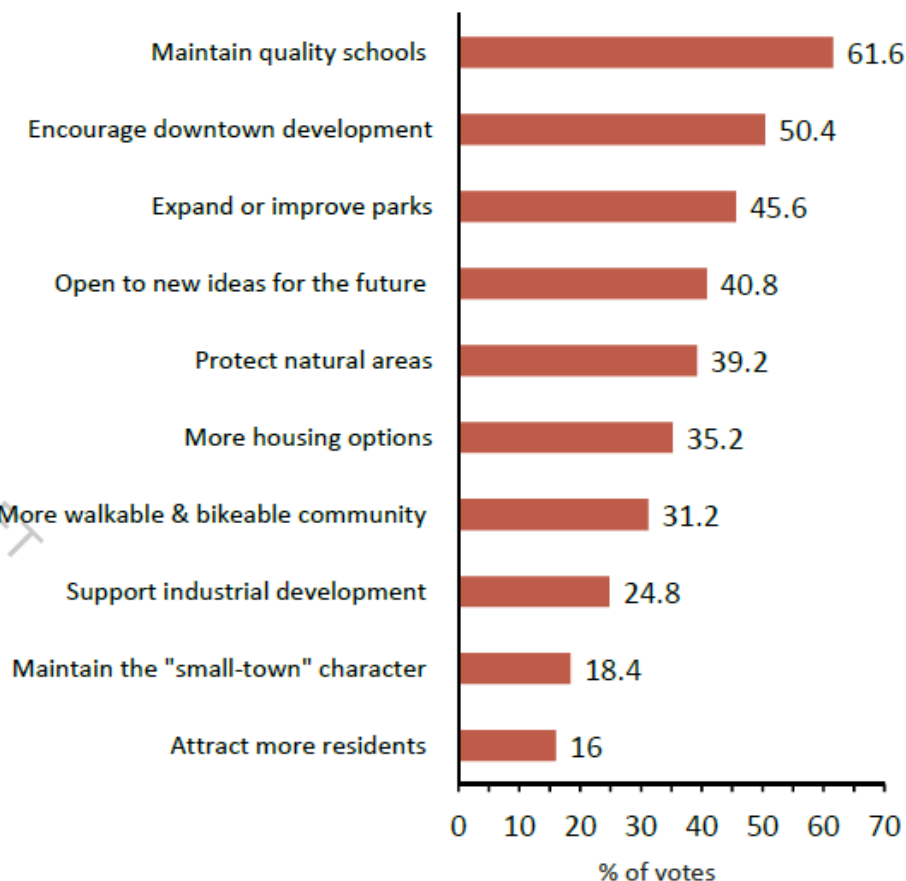


Support workforce development

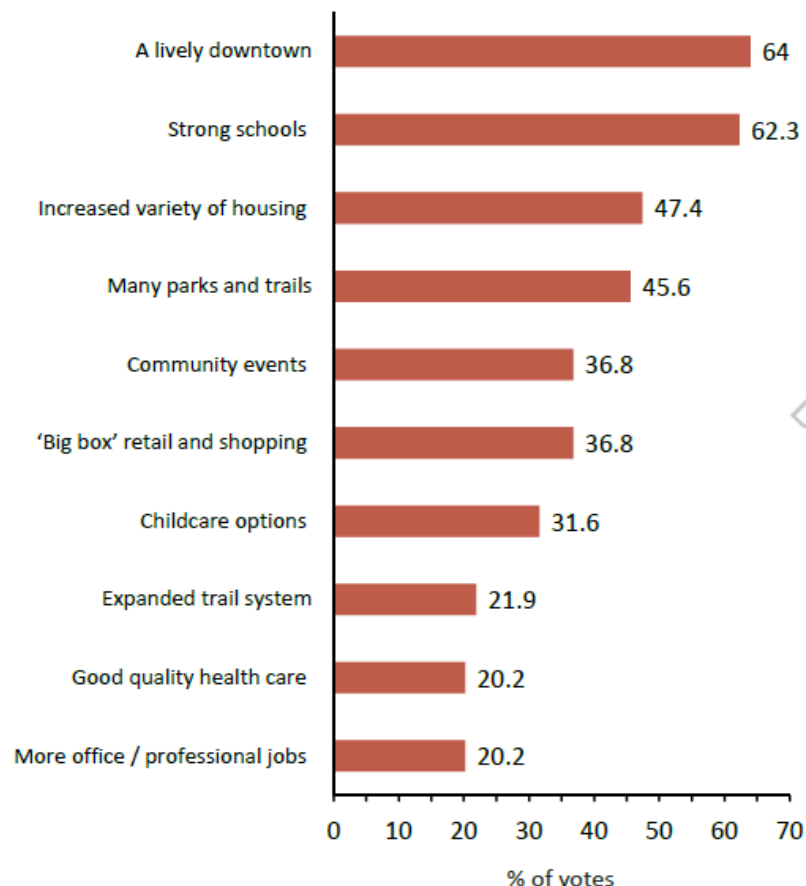


Expand housing options that meet different budgets

What should be the city's top priorities for the future?
Please select your top 5 responses.



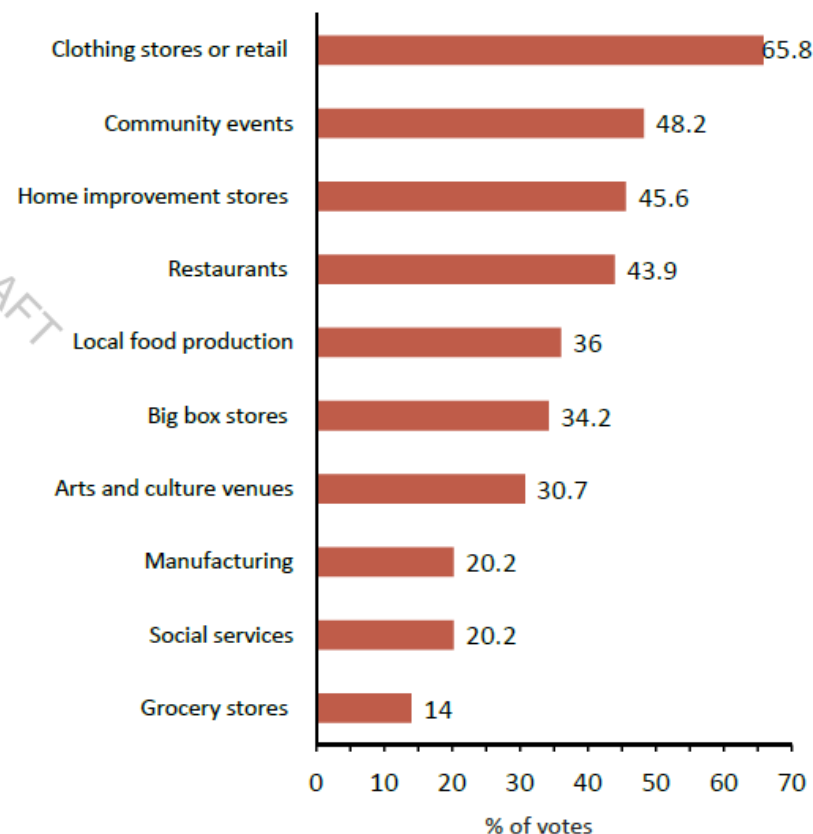
What are the most important things that could make Austin a more attractive place to live for young adults and new residents? Please select your top 5 responses.



Expand Retail Options

As noted earlier, public input mentioned that there is a lack of retail options in Austin and have to drive to nearby communities to purchase goods they can't find. They also highlighted that they would prefer to keep their dollars within Austin instead of spending elsewhere.

Which types of businesses or services are most needed in Austin? Please select your top 5 responses.



Support for Entrepreneurship

Community input indicated that the city should provide support for training and development of local entrepreneurs.



71%
of participants

responded that it is important to provide, sponsor or support training and development for local entrepreneurs.

Downtown Development

When the public was asked how they would improve Downtown and what types of businesses are needed, respondents highlighted adding retail and shopping options, outdoor seating, and restaurants. Most also responded that it is important to balance investments between Downtown and other parts of the city.

Top three reasons survey respondents visit Downtown



Dining

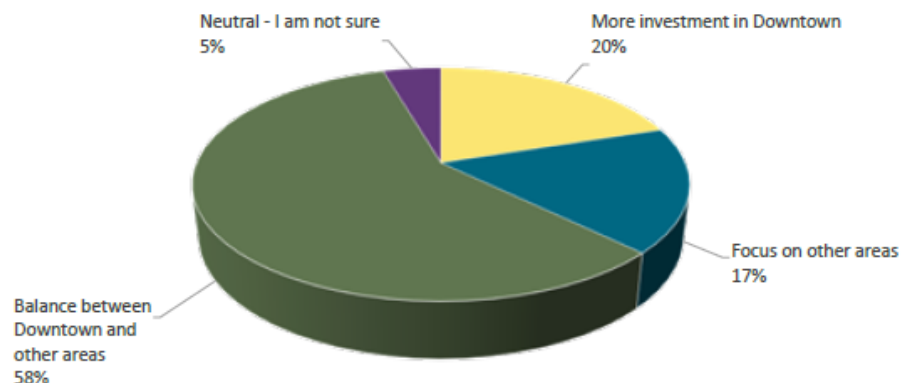


Shopping

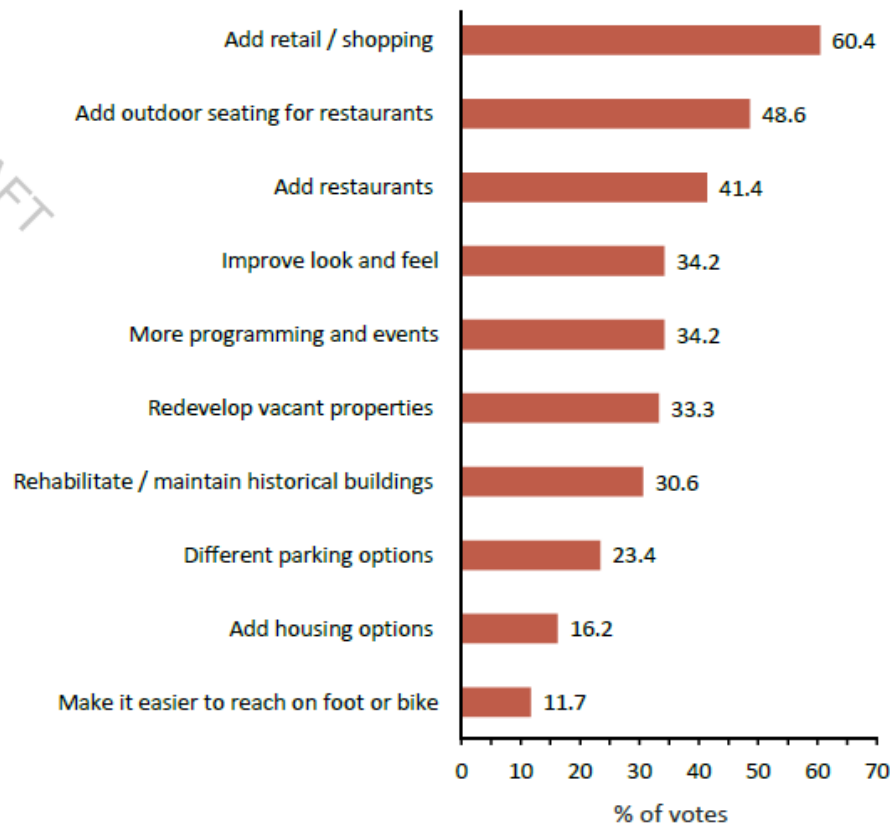


Entertainment

Do you think the city should invest more in Downtown development or focus on other areas of the city?



Which type of buildings, businesses or activities are needed in Downtown? Please select your top four responses.





Opportunity 1: Retaining Businesses

- Retaining existing businesses is more effective and cost-efficient than attracting new ones.
- City, Chamber, and DCA should maintain strong relationships with local businesses and offer timely support.
- Promote economic diversification to strengthen Austin's economic base.
- Enhance the local business climate through entrepreneurial programs, targeted assistance, and “buy local” initiatives.
- Build the capacity of small businesses so they can expand, create jobs, and strengthen community economic vitality.

Opportunity 2: Attracting Businesses that Complement Austin's Character and Economy

- Attract businesses that support the community vision and fit Austin's character. Evaluate prospects based on:
 - Alignment with existing industries and potential cluster growth.
 - Fit with local assets, infrastructure, and resources.
 - Match with local workforce skills, education, and availability.
 - Compatibility with existing training and talent-development resources.
- Develop clear strategies and targets help ensure long-term success for new businesses.





Opportunity 3: Attracting and Retaining Young Professionals

Austin has approximately 7,500 residents under age 18. Retaining young talent is essential to long-term economic success. This requires well-paying jobs, a vibrant community, quality amenities, and high quality of life.

Key Strategies:

- Strengthen partnerships between Austin School District, Riverland Community College, workforce programs, and local employers
- Increase awareness of local employment opportunities
- An active downtown with diverse dining, retail, housing, and entertainment
- Enhance pedestrian, bicycle, and transit connections between neighborhoods and commercial areas
- Promote Austin's low cost of living as a competitive advantage
- Invest in amenities that appeal to young professionals and families: schools, childcare, recreation, housing variety, entertainment, and parks



Opportunity 4: Regional Collaboration and Investment in “Clustering”

Marketing Economic development agencies can jointly market the area as a unified hub for advanced manufacturing and healthcare innovation—appealing to companies seeking a skilled and stable labor force.

Funding It also positions the region well for joint applications for state or federal funding targeting sector-specific growth, infrastructure improvements, or workforce retraining.

Workforce Mobility & Resilience

Workers trained in one locality can more readily transition into similar roles nearby, helping to balance labor supply and demand across jurisdictional lines.

Local and Regional “Food City” Concept

When a region invests in infrastructure like shared kitchens, food hubs, and distribution networks, it lowers barriers for entrepreneurs and supports local food production. This investment can also strengthen the city’s tourism and recreation industry, which help small businesses scale and create jobs.

Opportunity 5: Strengthen the Downtown

Austin's Downtown is a key part of the city's identity and one of its major economic drivers. Community survey results show strong public support for continued efforts to strengthen and enhance the Downtown.

This opportunity reflects the community's vision and includes:

- Strategies for wayfinding, zoning reform, parking, and stewardship.
- Integration of food system initiatives and tourism development to ensure that downtown remains a central hub for innovation, equity, and economic vitality.
- The city taking an active role in guiding downtown development efforts to support existing businesses and recruiting new ones.





Opportunity 6:

A Food City Concept

A key strategy that positions food as a central driver of economic development, community identity, health, and sustainability.



Supporting small food businesses and attracting new investments that include:

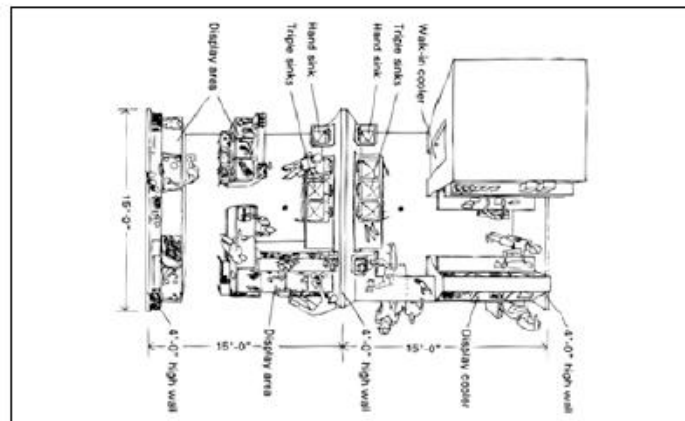
- Farmers Markets
- Community events that feature diverse cuisines and food vendors
- Educational programming, such as cooking classes, school partnerships,
- and agricultural development
- Community gardens to increase access to fresh produce
- Sustainability initiatives and practices, such as hydroponic farming, zerowaste initiatives, and climate-smart urban agriculture
- Recreation and tourism that places Austin as a regional destination
- Strengthen Austin's character and quality of life

Opportunity 7: Business Incubator

Community survey results support developing small businesses and local entrepreneurs. An incubator provides space to help establish operations, lowering the "barrier to entry" by:

- Reducing or pooling startup costs
- Streamlining access to appropriately sized business spaces
- Providing business support services like counseling, training, and entrepreneur loans

Might be outdoor collections of garden sheds or developed inside subdivided buildings. Incubators also serve as community gathering spaces while promoting new businesses and entrepreneurship.



Opportunity 8: Expand Recreation and Tourism on the Cedar River

The “Playbook” outlines the Cedar River Regional Park as a key initiative to enhance economic development and foster recreation and tourism.

- Destination for residents and visitors
- Improve development near the river
- Recreation that connects to broader network
- Proximity to downtown

The park's also serve as a venue for festivals, performances, and educational programming.



Opportunity 9: Downtown Hotel

Lack of lodging in Downtown limits Austin's ability to host tourists, business travelers, and attendees of large festivals and conferences. A hotel would fill this gap and serve as a catalyst for economic growth—bringing more foot traffic to local restaurants, shops, and entertainment venues.



Examples of Downtown Hotels



Opportunity 10: Expand Housing Options

Employers in Austin, particularly in the manufacturing and healthcare sectors, have expressed challenges in attracting and retaining skilled employees due to a shortage of suitable housing.

This includes increasing the supply of workforce and mixed-income rental housing, developing move-up single-family homes, and creating senior friendly housing options. These efforts will help retain current residents, attract commuting workers, and ensure that employers can grow without being constrained by housing shortages.



Opportunity 11: Intermodal transportation hub

Austin's role as an industrial transportation hub, that capitalizes on the airport, rail, and highways, is an untapped economic development opportunity.

The railroad offers freight access to national and international markets. Shipments can later be transported via trucks. This provides an attractive opportunity for businesses looking to ship products and materials in an efficient and low-cost manner.



Austin Comprehensive Plan: Development and Growth Opportunities

1. Retaining Businesses

2. Attracting Businesses that
Complement Austin's strengths

3. Attracting and Retaining Young
Professionals

4. Regional Collaboration and
Investment

5. Strengthen Downtown Austin

6. Support Austin/Mower Food
System Concept

7. Business Incubator Space

8. Expand Recreation and Tourism
on the Cedar River

9. Downtown Hotel

10. Expand Housing Options

11. Intermodal Transportation Hub

12. Others.... collaboration

1. Retaining & Expanding Existing Businesses

Objective: Strengthen relationships with existing businesses and support growth to promote long-term economic stability and job creation.

Current Focus:

- Conducting structured outreach to identify business needs, risks, and expansion barriers (**DCA**/ACGV)
- Developing education and technical assistance aligned with workforce, financing, and expansion readiness (**DCA**/ACGV)
- Formalizing a partnership with the Chamber of Commerce to coordinate business engagement and shared resources (DCA)

2. Attracting Businesses that Complement Austin's Strengths

Objective: Recruit businesses that align with and enhance Austin's existing industry base, workforce, and infrastructure.

Current Focus:

- Advancing a targeted marketing strategy and dedicated website to clearly communicate Austin's value proposition (IA/DCA)
- Proactively networking with target industries, site selectors, and regional partners (DCA)
- Streamlining the RFI process to be faster, clearer, and more competitive (DCA)

3. Downtown Hotel Development

Objective: Advance a catalytic downtown hotel project to support tourism, events, and overall economic vitality.

Current Focus:

- Securing a Letter of Intent (LOI) for land acquisition to establish site control (IA/DCA)
- Convening key stakeholders including city leadership, investors, and community partners (IA/DCA)
- Preparing and issuing an RFQ to identify experienced development partners (IA/DCA)

4. Local Collaboration & Investment Alignment (Vision-Brand & Story)

Objective: Align public, private, and nonprofit partners to maximize local investment and community-wide impact.

Current Focus:

- Serving as the central convener for cross-sector collaboration (IA)
- Aligning Impact Austin initiatives with the Comprehensive Plan and Playbook to leverage shared goals and resources (IA)
- Clarifying lead and support roles to strengthen accountability and execution (IA/DCA)
- Lead Placemaking and Brand & Story strategies to position Austin and Mower County as a place to live, work and visit. (IA/DCA)

A short, monthly check-in for community leaders to align around key successes, challenges, ideas, and priorities impacting the Austin area's growth and development. Reducing duplication, identifying shared opportunities, and advancing collaborative economic development efforts.

Marketing Overview

Basic ongoing

- CVN (Nu-Tek)
- DEED (Hy-Vee)
- AURI (numerous)
- UMN (w/HI)
- Available property site

Recent/Current Priorities

- Impact Austin Planning
- Expanded DCA staff
- RFI process (DEED)
- Buildings/Space/Land development
- Property site (LOIS)

What's Next (2026)

- Economic Dev. Expedition – best practices
- Playbook - Prioritization
- IA Activation - Events
- RFI process (DEED)
- Small independent business recruitment
- Buildings/Space/Land development

Additional in 2026: Big Box/Chain packet, Brand/Story marketing development, New website, Expanded Marketing



To: Austin Port Authority Board

From: Taggert Medgaarden, Executive Director

Date: 01/23/2026

Re: Downtown Easement Sign Committee (BEEP) – Review Process & Sync Health Sign Request

Purpose of this Memo

I am unable to attend the January 28th Port Authority meeting, and I apologize for that. In order to keep this moving forward and provide clarity for the Board, I am submitting this memo in my place for the board packet.

The purpose of this memo is to outline the Downtown Easement Sign Committee process and confirm whether the Port Authority Board is comfortable indicating that the committee provides the “yes/no” approval for sign look and design when a downtown exterior easement is in place.

This process is intended to help ensure signage maintains the character and intent of the downtown easement requirements while also avoiding unnecessary delays for property owners and tenants.

Background

Downtown building improvements and participation in programs such as BEEP (Business Enhancement/Encouragement Program) often include an easement that applies to the exterior look of the building. In most cases, a proposed sign is not finalized until later in the project—often when renovations are close to complete—because owners need time to determine final layout, design needs, and overall budget.

Additionally, signage is typically not funded through the BEEP match, which means the sign decision commonly comes after the original easement approval and project scope have already been established.

Because the Port Authority generally meets quarterly, requiring full board approval of every sign can create delays for property owners and tenants. To address that concern, a smaller committee review process has been used in practice, and I am formally identifying it as the Downtown Easement Sign Committee.

Downtown Easement Sign Committee – Role and Scope

The Downtown Easement Sign Committee is responsible for reviewing only the look and design of signage when a sign is subject to a downtown easement or exterior look condition.

The committee focuses on design elements such as:

- Color and background compatibility with the building façade
- Overall scale and proportion
- Materials and finish
- Placement as it relates to the building's appearance
- General appropriateness for downtown character

Important Clarification:

This committee does not replace or override the City's sign permit process. Property owners and tenants must still work directly with the City to ensure the sign complies with the City's sign ordinance, permitting, and code requirements.

Proposed Review Process

If acceptable to the Port Authority Board, the following process would be the standard procedure for downtown easement-related signage:

1. Applicant/Owner develops a sign design (mockup, colors, dimensions, placement, etc.).
2. If the sign is subject to an exterior easement/look condition, the design is submitted for Downtown Easement Sign Committee review.
3. The committee provides one of two responses:
 - Approved as shown, or
 - Suggested changes to better align with downtown character and the building's exterior design
4. After design approval, the owner/tenant proceeds through the City permit process for ordinance compliance and permitting approval.

Board Action / Ask

At this time, I am asking the Port Authority Board to confirm whether it is agreeable with the process as outlined above and that the Downtown Easement Sign Committee provides the “yes/no” approval on sign look and design in relation to maintaining the character and intent of the easement.

Sync Health Sign Request (Former Howe Building)

A sign design has been submitted for Sync Health (formerly the Howe building). The Downtown Easement Sign Committee has reviewed the sign and has approved the look and design on their end.

However, I want to confirm the Port Authority’s preference on this process before relaying any final information back to the property owner and tenant.

For reference, I have also submitted the Sync Health sign mock-up showing what is being proposed.

If the Board Prefers Full Port Authority Approval of Each Sign

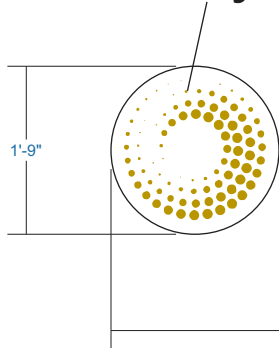
If the Port Authority Board prefers that each sign request must be approved by the full Port Authority Board, then the Sync Health sign request will need formal approval at this January 28th meeting in order to keep their timeline and process moving forward.

Once the Board confirms the preferred process, I will notify the owner/tenant accordingly.

Photo Rendering (NOT TO SCALE)

Vinyl on clear acrylic

Needs survey and clean art



SYNC HEALTH

15'-1 11/16"



Actual colors may vary slightly from examples shown due to limitations in the printing process.

QTY:	1
# of sides	1
Install notes: panel on wall	
OAH-	???
COLORS-	
Vinyl:	Gold
Paint	Gold to match vinyl

ARTWORK PROPERTY OF PRECISION SIGNS LLC.

This is an original unpublished drawing, created by Precision Signs LLC. It is submitted for your personal use in connection with the project being planned for you by Precision Signs LLC. It is not to be shown to anyone outside your organization, nor is it to be used, reproduced, copied or exhibited in any fashion whatsoever. All or any part of this design (excepting registered trademarks) remain the property of Precision Signs LLC. If all or part of this drawing is used without the written consent of Precision Signs LLC, a \$500.00 fee will be charged for the purchase of this custom artwork. Re: Ferrin vs. Glades Merc. Co. Fla. 1977

Print Name: _____ Signature: _____ Date: ____/____/____ Approve: ☐ With Changes: ☐

Date: 10/30/25 Prepared for: Sync Health Sales Rep: Craig Holschlag Designer: Jeremy Christenson Design #: JC-103025-01-A Scale: 1" = 2'

Notes: 1 Qty - 6mm ACM Dimensional letter set with a vinyl logo on clear acrylic. Peg mounted

Job Site address:

Austin, MN 55912

Phone: ???

Contact: ???



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Austin, MN 55912
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Needs survey and clean art



QTY:	2
# of Faces:	1
Install notes: new routed faces	
OAH-	???
COLORS-	
Faces:	Black
Vinyl:	Gold

Actual colors may vary slightly from examples shown due to limitations in the printing process.

ARTWORK PROPERTY OF PRECISION SIGNS LLC.

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Print Name: _____ Signature: _____ Date: ____/____/____ Approve: ☐ With Changes: ☐

Date: 10/30/25 Prepared for: Sync Health Sales Rep: Craig Holschlag Designer: Jeremy Christenson Design #: JC-103025-02-A Scale: 1" = 2'

Notes: 2 Qty - New routed aluminum faces painted black with acrylic backer decorated with gold vinyl.

Job Site address:

Austin, MN 55912

Phone: ???

Contact: ???



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City of Austin
Craig Clark,
City Administrator



500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773
Phone: 507-437-9941
craigc@ci.austin.mn.us
www.ci.austin.mn.us

TO: President and Port Board Members

FROM: Craig D. Clark, Executive Director

RE: Waiver of Restrictions to the contract for Private Development

The Port Authority was approached by a representative of the Carrington Company, who owns the former Younkers building, with a request to modify our restrictions most notably related to the Memorandum of Contract for Private Development (Exhibit 1). You can find the specific provision in question by referencing Exhibit B of the document Paragraph 2 (a) and (e) and 3 (a) and (e) of the attachment.

In those provisions, our objective was to protect an owner or occupant of the property from being tax exempt and not providing future revenue for the underlying TIF which was a part of the project. We can not compromise on this and the Carrington Company is not asking for that but is important to note.

However, legal counsel for the prospective occupant, Goodwill Industries Inc. is concerned that their utilization of the space would be prohibited given the language in Exhibit B as they are recognized as a charity. The fact that they are a tenant of the owners, who are a for-profit company, protects the property as taxable and was confirmed by the Mower County Assessor.

Even though there doesn't appear to be a problem both parties want to provide comfort for their lease agreement, so we are proposing the modification and approval of Exhibit 2. The most important language for us is the provision "so long as such lease and such use do not cause the Property to become tax exempt." With adoption of this modification both parties can be satisfied. It is also important to note these use restrictions expire at the termination of the TIF.

Costs of recording and responding to this request will be paid by the Carrington Company.

Port Authority action is requested to approve Exhibit 2 authorizing the President to sign and Secretary attest the agreement.

WAIVER OF RESTRICTIONS

The Austin Port Authority, a public body corporate and politic (the “Authority”) a party to that certain Unrecorded Contract for Private Development Agreement dated November 9, 2015 (the “Contract for Private Development”) by and between the Austin Port Authority and Hy-Vee, Inc., an Iowa corporation. as evidenced by Memorandum of Contract for Private Development dated November 9, 2015, recorded November 10, 2015, as Document No. A000623245 (the “Memorandum”).

Carrington Capital Investments, LLC, a Delaware limited liability company (“Owner”) is the owner of certain real property commonly known as 1405 18th Avenue NW, Austin, Minnesota (the “Property”) legally described as:

Lot 1, Block 1, Oak Park Mall Fifth Subdivision, Mower County,
Minnesota, according to the recorded plat thereof.

The Property is subject to the Contract for Private Development. Owner wishes to lease the Property to Goodwill Industries, Inc., a Minnesota non-profit corporation (“Goodwill”). Such tenancy shall not cause the Property to become tax exempt, and Owner shall remain responsible for payment of real property taxes with respect to the Property.

The Authority hereby waives the restrictions set forth in the Contract for Private Development that prohibit leasing of the Property to an institution of purely public charity, including as set forth in Sections 2(a) and 3(a) of Exhibit B to the Memorandum, to the extent such restrictions might prohibit Owner from leasing the Property to Goodwill Industries, Inc. for the purpose of the tenant operating a retail store, including donation and processing of donations and other items for sale; general office associated with Tenant’s operations, job training and other programs consistent with Tenant’s operations and mission; and an equipment loan department open to the general public, so long as such lease and such use do not cause the Property to become tax exempt. The Authority does not waive such restrictions as they might otherwise apply to any other use of the property by Owner or to Owner’s grant of any other interest in the Property, by lease or otherwise, other than as specifically described herein. Specifically, but without limitation, nothing in this waiver shall be deemed to waive the remainder of the restrictions, including those set forth in Sections 2(e) and 3(e) of Exhibit B to the Memorandum, which prohibit conveyance or use that would cause the Property to be exempt from real property taxes.

SIGNATURES APPEAR ON FOLLOWING PAGE

REMAINDER OF PAGE INTENTIONALLY BLANK

**SIGNATURE PAGE TO
WAIVER OF RESTRICTIONS**

IN WITNESS WHEREOF, the Authority has caused this Waiver of Restrictions to be executed effective as of the ____ day of January, 2026.

AUSTIN PORT AUTHORITY,
a public body corporate and politic

By: _____
Jason Baskin
Title: President

By: _____
Brienne Wolf
Title: Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF MOWER)

The foregoing instrument was acknowledged before me this ____ day of January, 2026, by Jason Baskin, the President, and Brienne Wolf, the Secretary of Austin Port Authority, a public body corporate and politic, on behalf of said public body.

Notary Public

This instrument was drafted by:
Shannon D. Hoagland
Hoagland Law, PLLC
P.O. Box 692514
Orlando, FL 32869

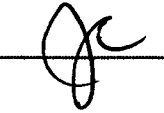
A000623245

OFFICE OF COUNTY RECORDER
MOWER COUNTY MINNESOTA

I HEREBY CERTIFY THE WITHIN
INSTRUMENT WAS FILED, AND/OR
RECORDED ON 11/10/2015 04:26PM

AS DOC #: A000623245
REC FEE: \$46.00

JILL CORDES
MOWER COUNTY RECORDER

BY 

MEMORANDUM OF CONTRACT FOR PRIVATE DEVELOPMENT

THIS MEMORANDUM OF CONTRACT FOR PRIVATE DEVELOPMENT (this "Memorandum"), is made this 9 day of November, 2015 by and between the AUSTIN PORT AUTHORITY, a body corporate and politic organized pursuant to Section 469.070 Minnesota Statutes ("Authority"), having its principal office at 500 4th Ave. NE, Austin, Minnesota 55912, and HY-VEE, INC., an Iowa corporation (the "Developer"), having its principal office at 5820 Westown Parkway, Des Moines, IA 50266:

WITNESSETH:

WHEREAS, Authority and the Developer entered into that certain Contract for Private Development Agreement dated November 9, 2015 (the "Agreement"), whereby Authority agreed to provide certain assistance to the Developer in connection with the construction of certain improvements (the "Improvements") upon the real property located in the City of Austin, Mower County, Minnesota and legally described on the attached **Exhibit A** (the "Property"); and

WHEREAS, in accordance with the terms of the Agreement the Developer has agreed to construct the Improvements; and

WHEREAS, the Agreement contains certain obligations, covenants and restrictions as further set forth therein.

WHEREAS, Authority and the Developer desire to give record notice of said Agreement;

NOW, THEREFORE, in consideration of the foregoing, Authority and the Developer agree as follows:

1. Public Assistance. Authority has agreed to provide certain financial and other assistance to the Developer in accordance with the terms of the Agreement.

2. Minimum Improvements. The Developer has agreed to construct the Improvements in accordance with the terms of the Agreement.
3. Restrictions. The covenants and restrictions set forth on **Exhibit B** and contained in the Agreement shall run with the title to the Property and shall be binding upon all present and future owners and occupants of the Property; provided, however, that the covenants and restrictions set forth on **Exhibit B** and contained in the Agreement shall inure only to the benefit of the Authority and may be released or waived in whole or in part at any time, and from time to time, by the sole act of the Authority, and variances may be granted to the covenants and restrictions herein contained by the sole act of the Authority. These covenants and restrictions shall be enforceable only by the Authority, and only the Authority shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of the covenants and restrictions herein contained, or to enforce the performance or observance thereof. Furthermore, the covenants and restrictions set forth on Exhibit B and contained in the Agreement shall remain in effect until the termination of the TIF District, as defined in said Agreement.
4. Transfer of Existing Property. Subject to the terms of the Agreement, Developer has agreed to transfer the property described on **Exhibit C** currently owned by Developer to the Authority. The Authority has the right to receive the property described in the Agreement, including the property described on **Exhibit C**. This provision hereby gives notice that a contractual relationship for the transfer of the property described on **Exhibit C** has been created between Developer and the Authority in accordance with the terms of the Agreement.
5. Effect of Memorandum. This Memorandum is intended to provide notice of the fact of the existence of the Agreement and is not intended to create a legally binding agreement, therefore in the event of a conflict between the terms of the Agreement and this Memorandum, the terms of the Agreement shall control in all respects.
6. Other Terms and Conditions. All other obligations, covenants, terms and provisions set forth in the Agreement are hereby incorporated by reference, and made a part hereof.
7. Copy of Agreement. A copy of the Agreement is on file at the offices of Authority at the above address.
8. Runs with the Land. The Agreement and the covenants set forth therein shall run with title to the Property and shall be binding upon all present and future owners and occupants of the Property

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date set forth above.

PORT AUTHORITY OF AUSTIN

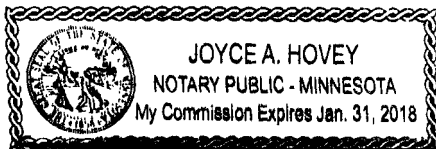
By: Jerry McCarthy
Name: Jerry McCarthy, its President

By: Tom Dankert
Name: Tom Dankert, its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF MOWER)

The foregoing instrument was acknowledged before me on this 9 day of November, 2015, by Jerry McCarthy, the President, and Tom Dankert, the Secretary, of the Port Authority of Austin, a Minnesota body corporate and politic organized pursuant to Section 469.070, on behalf of the corporation.

IN WITNESS WHEREOF, I have set my hand and my official seal this 9 day of November, 2015.




Joyce A. Hovey
Notary Public

[Signature Page to Contract for Private Development]

HY-VEE, INC

By 
Jeffrey Markey, Sr. Vice President

By 
Nathan Allen, Assistant Secretary

STATE OF IOWA)
) ss.
COUNTY OF POLK)

On this 4th day of November, 2015, before me, the undersigned, a Notary Public in and for the state of Iowa, personally appeared Jeffrey Markey and Nathan Allen, to me personally known, who being by me duly sworn did say that they are the Sr. Vice President and Assistant Secretary, respectively, of Hy-Vee, Inc., an Iowa corporation, that the instrument to which this is attached was signed on behalf of said corporation by authority of its Board of Directors; and that the said Jeffrey Markey and Nathan Allen as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.



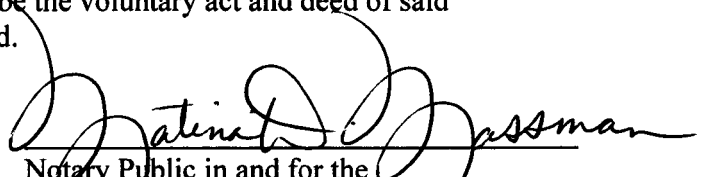

Notary Public in and for the
State of Iowa

EXHIBIT A

Property

The real property and interests in such property located in the County of Mower, State of Minnesota and described as follows:

Lots 1, 9 and 11, Block 1, Oak Park Mall Subdivision, according to the recorded plat thereof, Mower County, Minnesota and that part of Lot 13 of said Block 1 described as follows:

Commencing at the southwest corner of Lot 13, Block 1, in the plat of Oak Park Mall Subdivision, as the same is platted and recorded in the Office of the County Recorder of Mower County, Minnesota; thence North 00 degrees 29 minutes 33 seconds East a distance of 170.04 feet to the west line of said Lot 13 to a point on the north line thereof; thence South 89 degrees 30 minutes 27 seconds East a distance of 62.55 feet; thence North 00 degrees 29 minutes 33 seconds East a distance of 30.00 feet, on the west line of said Lot 13; thence North 89 degrees 49 minutes 15 seconds East a distance of 87.46 feet; thence South 00 degrees 29 minutes 33 seconds West a distance of 199.31 feet, to a point on the south line of Lot 13; thence South 89 degrees 49 minutes 15 seconds West a distance of 150.00 feet, on the south line of said Lot 13, to the point of beginning.

AND

All that part of Lot 3, Block 1, Oak Park Mall Subdivision, as the same is platted and recorded in the Office of the County Recorder of Mower County, Minnesota; described as follows:

Commencing at the northeast corner of said Lot 3, thence South 89°40'35" West a distance of 51.76 feet, on an assumed bearing on the north line of said Lot 3, to the northeast corner of Parcel II of the Mower County Highway R/W Plat No. 18, which is the point of beginning;

thence southwesterly and southerly on the east line of said Parcel II, as follows:

South 42°47'46" West a distance of 10.00 feet;

South 01°11'11" West a distance of 21.84 feet;

South 00°27'53" East a distance of 125.85 feet, on the southerly extension thereof, to the south line of said Lot 3;

thence South 89°30'27" West a distance of 45.79 feet, on the south line of said Lot 3, to the southeast corner of the West 155 feet of said Lot 3;

thence North 00°27' 05" West a distance of 155.14 feet, to the northeast corner of the West 155 feet of said Lot 3;

thence north 89°40'35" East a distance of 53.24 feet, on the north line of said Lot 3, to the point of beginning.

Subject to Highway Easement over, under and across Parcel II, as shown in Mower County Highway R/W Plat No. 18, as the same is platted and recorded in the Office of the Mower County Recorder.

Exhibit B

The Restrictions

1. The Property shall not be exempt from real estate taxes notwithstanding the ownership or use of the land and, specifically, shall not be a part of a job opportunity building zone or other tax free zone under local or state law.

2. The Property shall not be sold, transferred, conveyed or leased to any of the following parties:

- (a) An institution of purely public charity;
- (b) A church or ancillary tax-exempt housing;
- (c) A public hospital;
- (d) A public school district;
- (e) An organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, if as a result of such sale, transfer, conveyance or lease the Development Property would become exempt from real estate taxes; or
- (f) A Minnesota cooperative association organized under M.S., Section 308.05 and 306.018 for the purpose of complying with the provisions of M.S., Section 273.133, Subd. 3, or any other party that would cause the Property to be valued and assessed for real estate tax purposes at a lower percentage of its market value than the Property is then being valued and assessed for real estate tax purposes or would result in the Property becoming exempt from real estate taxes.

3. The Property shall not be used for any of the following purposes:

- (a) The operation of a public charity;
- (b) A church or house of worship;
- (c) The operation of a public hospital;
- (d) The operation of a public schoolhouse, academy, college, university or seminary of learning; or
- (e) Any other use which would cause the Property to be exempt from real estate taxes.

4. The Property shall be devoted to uses that are not prohibited by the Agreement.

5. The Property owner shall develop the Property in an orderly manner consistent with the applicable zoning ordinances and comprehensive plan.

Exhibit C

Developer's Existing Property

Lot 8, Block 1, in the Plat of Oak Park Mall Subdivision, Mower County, Minnesota.

PARCEL #2

Lot 13, Block 1, in the Plat of Oak Park Mall Subdivision, Mower County, Minnesota, less and except the following described portion of said Lot 13: Commencing at the Southwest corner of Lot 13, Block 1, in the Plat of Oak Park Mall Subdivision, as the same is platted and recorded in the office of the County Recorder of Mower County, Minnesota; thence North 00 degrees 29 minutes 33 seconds East a distance of 170.04 feet, on the west line of said Lot 13 to a point on the North line thereof; thence South 89 degrees 30 minutes 27 seconds East a distance of 62.55 feet; thence North 00 degrees 29 minutes 33 seconds East a distance of 30.00 feet, on the west line of said Lot 13; thence North 89 degrees 49 minutes 15 seconds East a distance of 87.46 feet; thence South 00 degrees 29 minutes 33 seconds West a distance of 199.31 feet, to a point on the South line of said Lot 13; thence South 89 degrees 49 minutes 15 seconds West a distance of 150.00 feet, on the South line of said Lot 13, to the point of beginning.

PARCEL #3

Lot 2 and Lot 3, Block 1, Oakwood West Subdivision, Mower County, Minnesota.

City of Austin
Craig Clark,
City Administrator



500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773
Phone: 507-437-9941
craigc@ci.austin.mn.us
www.ci.austin.mn.us

January 20, 2026

TO: President and Port Board Members

FROM: Craig D. Clark, Executive Director

RE: Update on Strategic Roadmap

Growth Master Plan

At our last meeting we visited about moving forward with a “Growth Master Plan” and included the example from the City of Hutchinson (Exhibit 1). Members of the Board ask if I could get feedback from my contacts from Hutchinson of which I have included as Exhibit 2. They have found it effective as you will see.

In visiting with SEH, an engineering firm we have worked with on other City projects and having reviewed the Hutchinson plan, suggested a cost of somewhere between \$60,000 and \$80,000 for a similar product. This was listed as a KPI for the Port Authority under Strategic Imperative 3 of “Position Austin for Future Economic Growth” and aids in Strategic Imperative 1 and 2 as they relate to our land holdings in Creekside and I-90 Business Park.

I would need direction from the Port Authority to proceed in soliciting proposals.

I-90 Business Park

As part of our EPA Brownfields grant we have performed a Phase 1 and Phase 2 environmental assessment of our 13 acre site as well as performed an Analysis of Brownfields Cleanup Alternatives (ABCA) These are several hundred-page long documents and I’m happy to provide them to you should you want to see them.

These efforts were completed at limited cost to the Port Authority and are done in an attempt to position us for clean up grant opportunities. Unfortunately, the grant application process and implementation requirements result in an extended timeline making it difficult to find a developer which can accommodate.

The environmental realities will not be possible without these environmental reviews so while not possible to move forward at this time will not be lost efforts.

Structural Assessment at the Walker Building

The Port Authority approved moving forward with a structural assessment of the Walker Building for evaluation of the roof and possible alternatives that would be bid out for improvement.

President Baskin has approved the agreement and that is in the hands of WHKS the engineering firm.

Creekside Business Park

I have reached out to NuTek on a couple of occasions on any update to our First Right of Refusal and Option to Purchase but did not get a return response.

Austin Utilities is evaluating options for a \$12 million water tower on land that they purchased in Creekside for \$275,000 several years ago. This was with the intention to replace the ground water reservoir located by the Austin Community Rec. Center/YMCA. They plan on evaluating a possible refurbishment but 2026 would likely result in a design of the new water tower with construction in 2027 and come online in 2028.

Walker Building Alternatives

The Port Authority has discussed having some conversations about the rental value of our “Walker Building” so that we can have alternatives should we lose our tenant.

To date I have not been able to find a firm who would do a rent assessment only. For those who were willing to do so it was only in conjunction with their firm listing the building for sale. I look for any input you may have.



GROWTH AREA PLAN

CITY OF HUTCHINSON, MN | DRAFT JAN 2023



HUTCHINSON
A CITY ON PURPOSE.

ABOUT

The City of Hutchinson is the anchor of McLeod County, MN. Historically, the city has seen steady, moderate growth for an outstate Minnesota community centered around a strong downtown, highly ranked school district, and a number of strong businesses. In order to sustain the success Hutchinson has seen throughout its past, the community must look to the future to plan for the community's growth. The Hutchinson Growth Area Plan looks at three distinct areas of the community to guide future development and population/business growth. The North and South Growth Areas focus on a variety of residential product types and densities at various price points to provide options for existing and new residents. The East Growth Area seeks to shape a new commercial node and expand the successful industrial park. Finally, this plan provided strategies for implementation, helping to guide land development and offer strategies for bridging financial gaps in the development process that may be present in the unique Hutchinson marketplace. This document serves as a vision for Hutchinson's growth for the next ten years and beyond.

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“A City on Purpose”



WHAT TO KNOW FIRST

INTRODUCTION

Hutchinson is a city with a vision toward the future. The city has a long history of prioritizing quality of life improvements and the economic, social, emotional, and environmental wellness for all residents, the workforce, and tourists.

The City of Hutchinson provides a welcoming small-town culture as the regional hub for McLeod County and surrounding areas. The vibrant, historic downtown, natural resources of the Crow River, and the expansive park system, and quality school district make Hutchinson a great place to call home. The surrounding agricultural landscape, the retail and commerce within the city, and the productive manufacturing further reinforce Hutchinson as a strong regional hub of activity.

As the City of Hutchinson's brand story identifies, the direction for the community is forward thinking with strong direction to serve its people, commerce and industry with a clear focus, charting a better course ahead and staying on point with intention and purpose.

To that end, the Hutchinson Growth Area plan seeks to promote the community's assets, identify the opportunities for residential and commercial/industrial growth, and to manage a balanced growth strategy that reinforces the city's character. The following sections of this report provide an overview of the key community metrics, establish a framework for development growth in three distinct areas of the community, and provide strategies for implementing the housing, commercial, and industrial growth over the next decade.





GUIDE FOR BUILDERS

Located just west of the Twin Cities metropolitan area, the City of Hutchinson boasts a strong job market, quality housing, park and open space amenities and quality schools.

Over the years, the city of Hutchinson has seen continued growth, and this growth is anticipated to continue over the next decade. The following provides key metrics on the overall community and highlights the major features the unique to this regional hub.



YEARLY PERMIT AVAILABILITY

The number of annual building permits has increased for nearly 10 consecutive years, with a total building valuation of just over \$12.5million in 2021.



There are seven subdivisions actively marketing 72 vacant lots total, or roughly 70% of the vacant lot inventory in Hutchinson. Based on recent trends, this supply may only last 1-3 years.

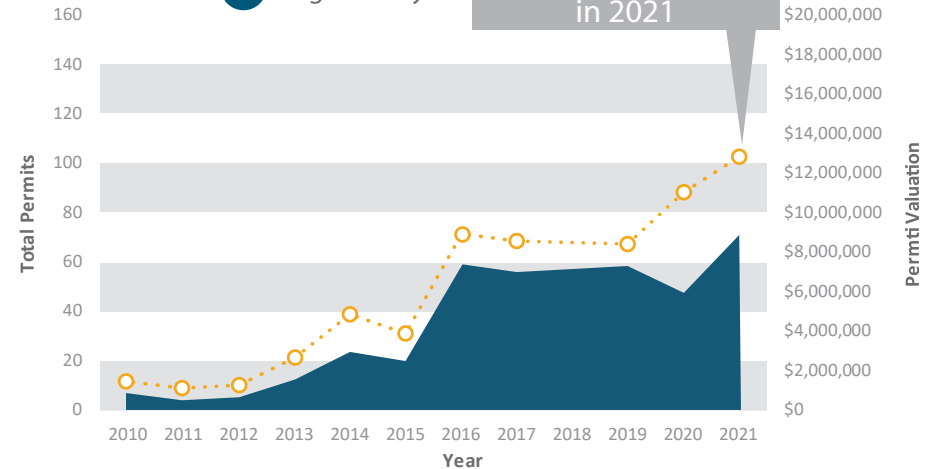


Multi Family



Single Family

71 TOTAL UNITS
\$12,559,265
VALUATION
in 2021



PLATTED LOT AVAILABILITY

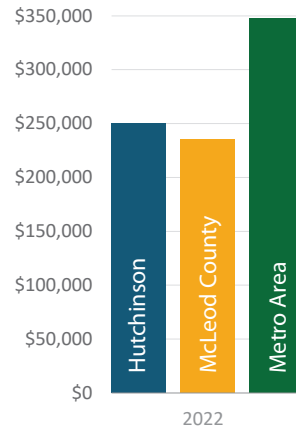
The 2022 Housing Study indicates there are approximately **106 vacant lots across 20 subdivisions** as of 3rd Quarter 2022. This compares to over 300 vacant lots in the previously completed housing study in 2012. The average lot size among the inventoried subdivision is just under one-quarter of an acre. Lot widths vary from 40' wide at the low end to around 90' wide for larger lots. The average market value (building plus land) among the inventoried subdivisions is approximately \$321,300 compared to actively marketing sales prices around \$387,500. Lot costs vary considerably based on subdivision, product type, and timing of the new construction.



HOUSE SALE PRICE POINTS

While economic events are impossible to predict, the City of Hutchinson has a projection of growth. Since 2012 the price per square foot has steadily increased to \$138 per square foot (+119%) as of 2022. As work from home opportunities continue to eliminate commutes for many, more families leave the metro area behind to 'seek more for their money' in terms of housing. Many will turn to new construction to design the house of their dreams, offering builders an opportunity to thrive and profit.

Existing Home Median Price Per Square Foot Comparison

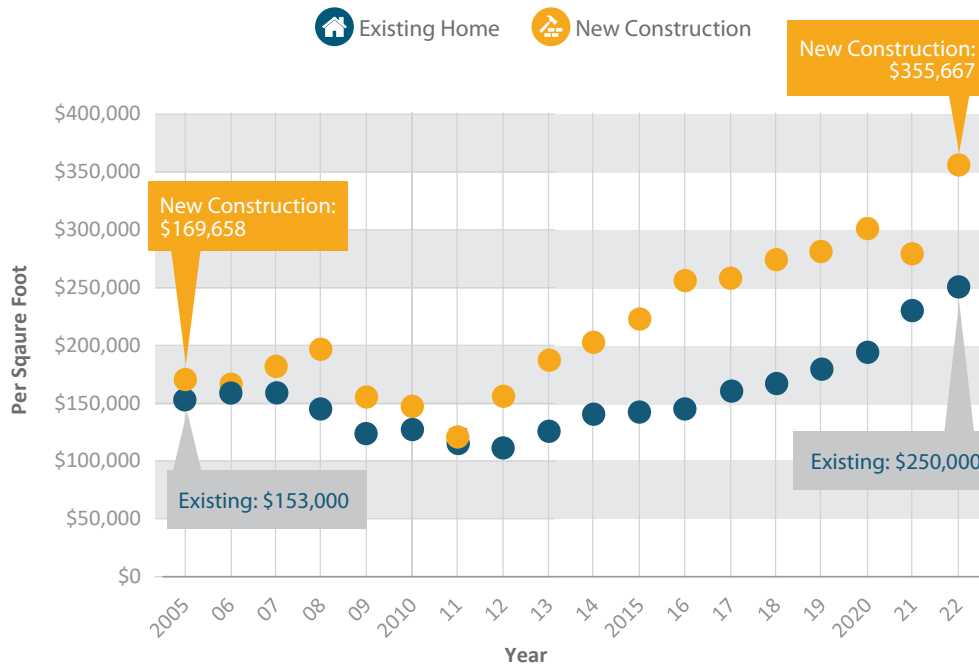


A History of Growth

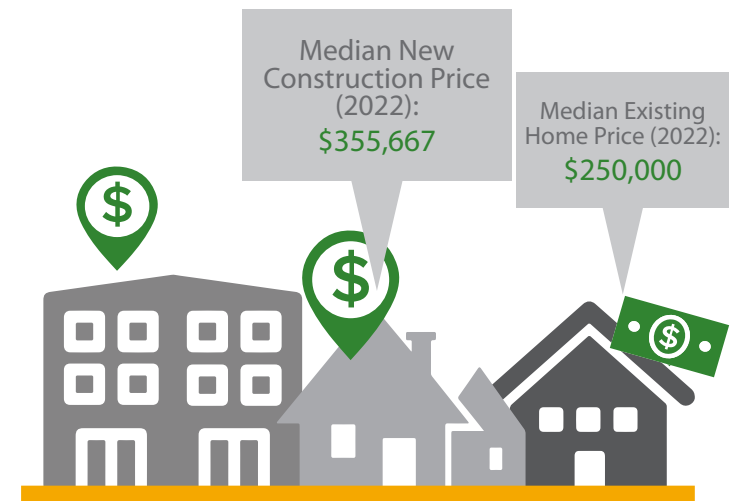
- In 2022, the price of an existing home sale topped \$230,000 compared to over \$355,000 for new construction. New construction commanded a premium of about 35%, compared to the historical average of 30%. New construction in the Twin Cities commanded a premium of 42% in 2022.
- Hutchinson housings costs on a median Price per square foot basis are about 30% lower than the Twin Cities Metro Area average. However, Hutchinson is priced about 5% higher than McLeod County.
- On average, the price of an existing home in Hutchinson is about 50% less than the cost of new construction.
- New construction pricing in Hutchinson jumped significantly between 2021 and 2022 having increased by about \$77,000 or 28%.



Existing vs. New Construction Median Sales Price

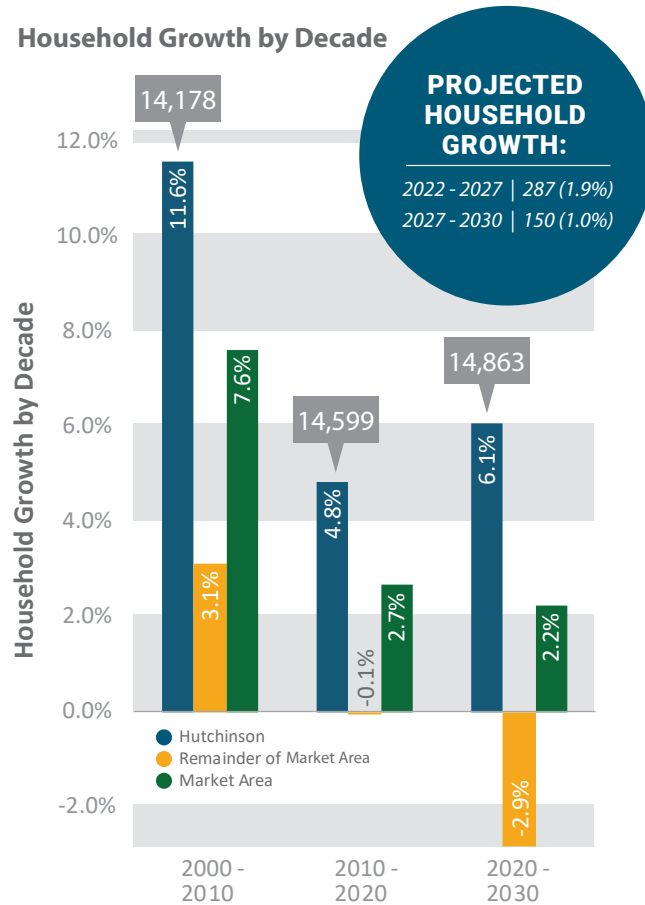


DRAFT



TRENDS

Household Growth by Decade



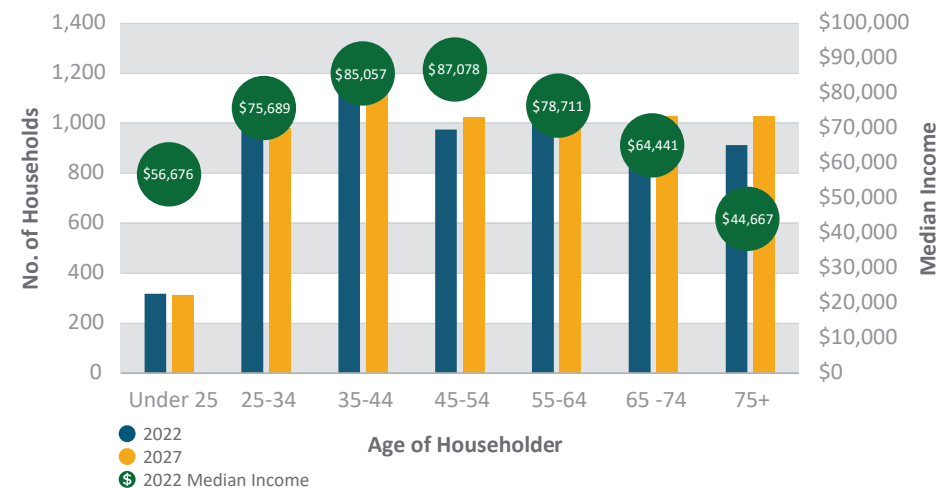
POPULATION

Families are choosing the City of Hutchinson. Between 2010 and 2020, the City of Hutchinson experienced an increase in both population and households. Due to declining household size, household growth is projected to outpace population growth. Projections indicate the City of Hutchinson will experience a 4.8% increase in population between 2020 and 2030.

HOUSEHOLD INCOME

- In 2022, only 3.6% of the non-senior (under age 65) households in the Hutchinson Market Area had incomes under \$15,000. All of these households would be eligible for subsidized rental housing. Another 3.2% of the Market Area's non-senior households had incomes between \$15,000 and \$25,000. Many of these households would qualify for subsidized housing, but many could also afford "affordable" or older market rate rentals.
- Median incomes for households in the Market Area peak at \$94,771 for the 35 to 44 age group in 2022. The majority of households (over 71%) in this age group are homeowners. By 2027, the median income for the 35 to 44 age group is projected to increase to \$104,297, just over 10%.
- The oldest householders are likely to have lower incomes. In 2022, 5.1% of households ages 65 to 74 had incomes below \$15,000, compared to 9.5% of households ages 75 and over. Typically, younger seniors have higher incomes (over \$30,000/year) due to the fact they are still able to work or are married couples with two pensions or higher social security benefits. Generally, senior households with incomes greater than \$30,000 can afford market rate senior housing. Based on a 40% allocation of income for housing, this translates to monthly rents of at least \$1,000. About 74.2% of senior households had incomes above \$30,000 in 2022.

Growth and Income Trends by Age





A SAMPLE OF MAJOR EMPLOYERS IN HUTCHINSON

3M |

Hutchinson's 3M manufacturing facility is the largest 3M production facility in the United States.

The Hutchinson facility manufactures Scotch transparent tape, Post-it flags, ScotchBlue painter's tape, Nexcare bandages, window films, optical film products, aerospace adhesives and much more – over two dozen products in all.

RESONETICS |

Resonetics is a leader in laser micro manufacturing for the life sciences. Core capabilities include laser ablating, cutting, drilling and welding.

TDK-HTI (HUTCHINSON TECHNOLOGY INC.) |

Specializes in high-volume manufacturing of precision electromechanical components and assemblies.

UPONOR, INC. |

Designs and manufactures intelligent water systems for comfort, health and peace of mind for residential and commercial applications

HEARTLAND AG SYSTEMS |

Manufactures a variety of agricultural fertilizer and chemical application equipment.

WARRIOR MANUFACTURING |

Founded in 1978, Warrior Manufacturing manufactures structural steel support systems and material handling equipment for the grain and feed industry including conveyor trusses, support towers, and stair platform systems.

IMPRESSIONS, INC |

A family-owned and operated company specializing in the design and production of high-end paperboard packaging and commercial printing.

MIDWEST INDUSTRIAL TOOL GRINDING, INC. (MITGI) |

MITGI manufactures and markets standard and custom carbide cutting tools.

***Hutchinson is
the center for
precision, high-tech
manufacturing in
Minnesota***

*We are Minnesota's
Manufacturing City!*



For a full list of
companies please visit:
[https://hutchinsoneda.
com/Hutchinson-
companies/](https://hutchinsoneda.com/Hutchinson-companies/)



WHY BUY IN HUTCHINSON?

GUIDE FOR RESIDENTS

'A City on Purpose' - Hutchinson is intentional about sustained growth and progress. Community leaders continually strive to maintain Hutchinson as a great place to live, work, and play.



Mission Statement

The City of Hutchinson exists so that residents, businesses, property owners, and visitors are provided with quality services and programs that support a safe, healthy, sustainable and business-friendly community with a small town atmosphere for a cost of government that is similar to, or less than, comparable out-state Minnesota cities.

HUTCHINSON CITY & DOWNTOWN HIGHLIGHTS



PUBLIC ART & MURALS

The City of Hutchinson displays frequently rotating public pieces featuring artists from across the region.



HISTORIC BUILDINGS & HOMES

Established in November of 1855 by a family of singers, this 167 year old city has numerous historic homes and buildings to explore.



FOOD & DRINK

The City of Hutchinson has a number of downtown eats to enjoy with a variety of flavors to try. Enjoy some classics and a show at River House Kitchen and Drink or have a sit-down to taste some extraordinary elevated cuisine at Flank Steakhouse.



PARKS AND TRAILS

Hutchinson's downtown area provides plenty of room to enjoy the great outdoors. See the following page for more information.



PUBLIC LIBRARY

The Hutchinson Public Library was formally dedicated and opened in June 1904. This historic landmark offers free services and resources to residents, and holds events like storytimes and LEGO club for local kids.



BURICH ARENA

Hutchinson's Indoor Ice-Skating and Hockey Arena, it is the home of Hutchinson Hockey Association, Hutchinson Figure Skating Association, Hutchinson Parks, Recreation and Community Education Skating School and Hutchinson High School Hockey teams.



AQUATIC CENTER

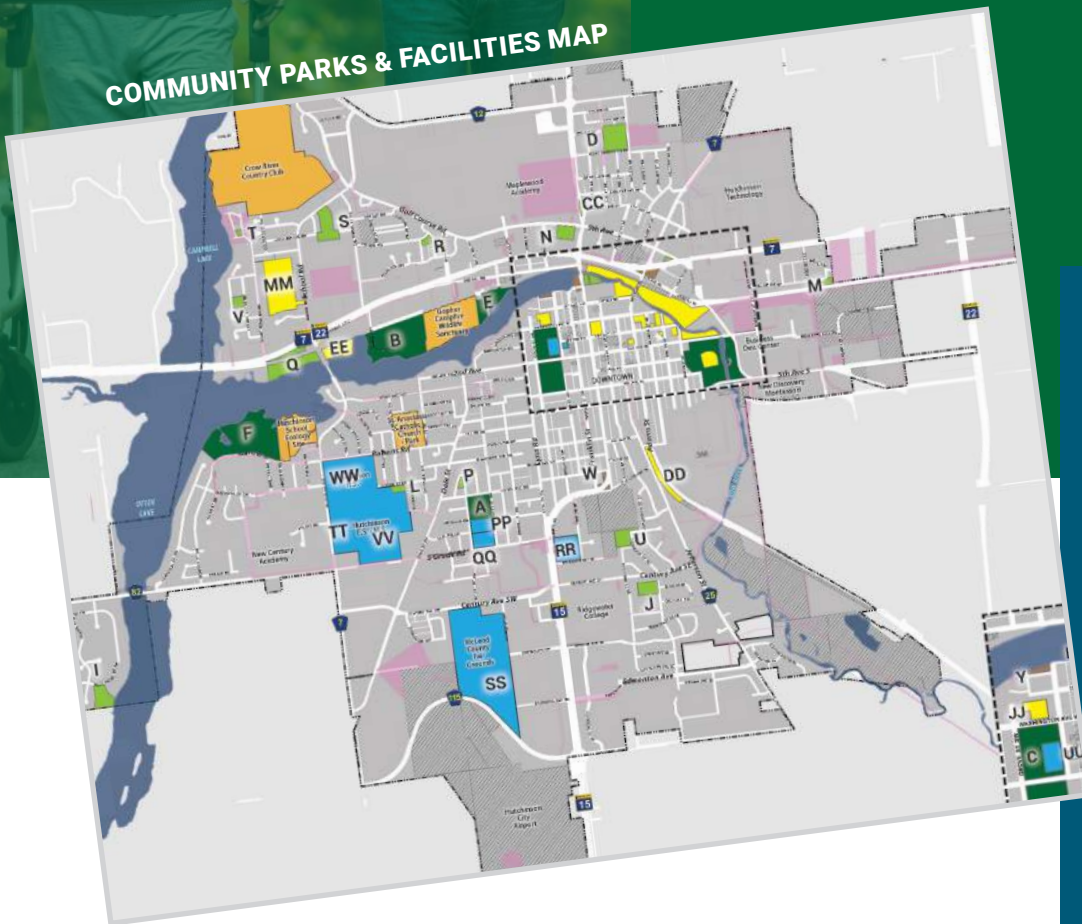
The aquatic center offers a range of amenities for little tikes to big kids (adults included) from a zero-depth entry with a small slide, 3 large water slides, a zip-line, lap pool, climbing wall, and 2 diving boards. If you choose to be a little more lazy in the sun, there's a lazy river and plenty of shaded seating perfect for lounging!

PARKS & TRAILS

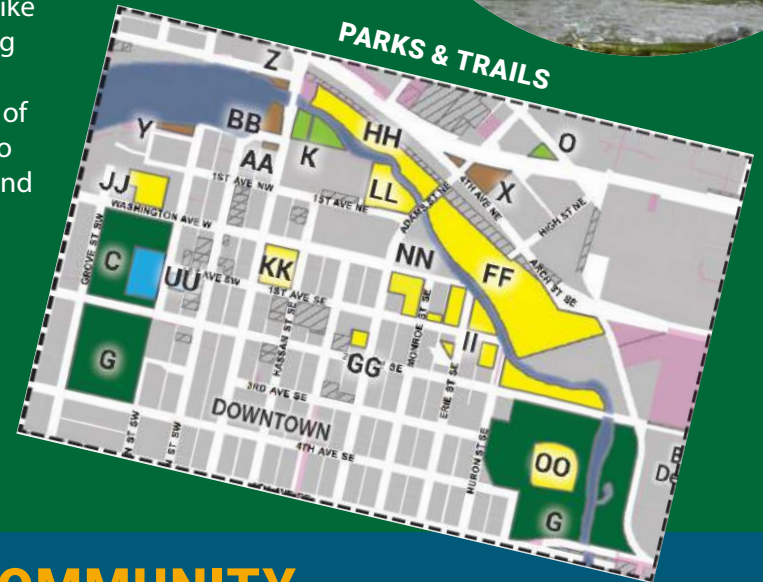
The Hutchinson Parks, Recreation, and Community Education Department serves the residents of Hutchinson and surrounding communities by providing recreational facilities and programs that contribute to a healthy and active quality of life. Hutchinson promotes walking and biking, by offering a variety of public trails and bike paths. The state's Luce Line Trail extending from Cosmos to Plymouth has a paved section that runs right through the heart of Hutchinson. This offers the opportunity to walk, run, rollerblade, and bike in a safe and scenic space along the Crow River.



COMMUNITY PARKS & FACILITIES MAP



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COMMUNITY EDUCATION

Parks, Recreation and Community Education (PRCE) houses a variety of functions including recreational and educational programming, parks and recreational facility maintenance. Community Education in Hutchinson provides lifelong learning experiences for people of all ages, abilities and cultures through programs and services.

To learn more, visit:

<https://www.hutchinsonprce.com/recreation-center/prce-brochure/>





SCHOOL DISTRICT HIGHLIGHTS

Excellence in Academics, Activities, and Character



THE CULTURE

Hutchinson Public Schools offer inclusive, diverse, tailored educational opportunities to fit your families needs. We provide educational support, highlight talents, and foster a safe learning environment where kids of all ages and abilities can thrive.

THE ARTS

Hutchinson Public Schools offer K-12 art classes, musical classes, and after school programs in music, voice, dance, and performing arts.

To learn more, visit:

<https://www.isd423.org/hs/students/visual-arts/>



ATHLETICS

Hutchinson Public Schools boasts an incredibly successful athletic program. Perennial contenders for state titles across numerous programs provide opportunities for young athletes to achieve their dreams in organized athletics.

To learn more, visit:

<https://www.isd423.org/?s=sports>



SPECIAL OLYMPICS

Hutchinson Public Schools has offered a Special Olympics School Age Delegation since the 2012-13 school year. Special Olympics helps individuals with intellectual disabilities overcome barriers through sports. It empowers athletes to shatter stereotypes and exceed their personal bests on the playing field and in life. Special Olympics offers people with intellectual disabilities much more than sports competition; it provides athletes with education and experiences that build up their confidence and self-esteem.

To learn more, visit:

Visit <https://www.isd423.org/district/activities/special-olympics/>

To learn more about the activities offered in Hutchinson Public Schools, visit:
<https://www.isd423.org/district/activities/activities-department-handbook/>



Hutchinson Public Schools offer tailored learning programs for Pre-K through High School Academics:

ELEMENTARY EDUCATION

Elementary school offer:

- Free all day everyday Kindergarten
- Small class sizes
- Enrichment program
- Before & after school & summer Targeted Service programs
- Everyday math K-5
- National Geographic (grades K-2) and Side by Side (grades 3-5)
- Small group Differentiated instruction by trained staff
- On site media center with large selection of student books
- Music, Art, Physical Education, Science/Technology Lab taught by certified teachers
- Technology program including use of classroom SMART boards, iPads, Chromebooks
- Family friendly atmosphere
- Many volunteer opportunities

SECONDARY EDUCATION

Secondary schools offer:

- Advanced Placement courses
- Three world languages (Spanish, German, Chinese)
- Pre-engineering
- Video production
- Concurrent classes with Ridgewater College – taught at high school
- CIS, College in the Schools – Courses that earn college credit
- Advanced math opportunities at the middle school
- Targeted & area learning services for students after school & during the summer
- Comprehensive and competitive programs in fine arts and athletics
- Vocational & technical education courses
- Rigorous academics
- Math League, Science Health Occupations, Knowledge Bowl, Business Professionals of America
- Exploratory opportunities in FACS, Tech Ed, Computer Applications, Art, General Music

TIGERPATH

ACADEMIES

No more "one size fits all" education. Over the past several years, we have been working to connect High School education with future education and employment. Our initiative is called TigerPath Academies. *These academies are created with the idea of merging traditional education with hands-on experiences rooted in real-world workforce opportunities.* The TigerPath Academies at Hutchinson High School emphasize small learning communities with a career focus – it's about better connecting education with the real world and making learning much more integrated, experiential and hands-on. "Degrees" are not enough – what's needed in the 21st century are skills. TigerPath provides students with skills and experience that can translate into rewarding careers in high-demand, high paying fields.

Visit <https://hutchtigerpath.com>





HUTCHINSON

A CITY ON PURPOSE.



GROWTH AREA PLANS

INTRODUCTION

The following sections of this chapter provide a framework that will guide future development patterns in Hutchinson's three identified growth areas. The North and South Growth Areas are intended to be a mix of residential housing product types from single family homes, small lot single family homes, townhomes and apartments. The East Growth Area is primarily comprised of industrial growth with a focus of commercial development along the Highway 7 and Highway 22 corridors.



GOALS & OBJECTIVES



NORTH AND SOUTH GROWTH AREAS

ENDURING NEIGHBORHOODS

Ultimately, the design of the new neighborhoods seeks to create a special place in Hutchinson. The design of these developments should respond to the surrounding characteristics of the land, adjacent development, and blend seamlessly into a growing community. Balancing efficient development of the land with long-term goals for attachment to the neighborhood you live in and strengthening community vitality, are key aspects of creating enduring neighborhoods.

VARIED HOUSING PRODUCT TYPES

New construction should explore a range of housing product types that cater to a broader population mix across the community. The predominant development type will likely be single family homes; however, future developments should explore variations in lot size to allow for a broader range of products and provide slightly more density in single family neighborhoods. Patio homes or detached townhomes represent a product type that provides universal access with a slab on grade design and a narrower lot size. Attached housing product types may range from twin homes to attached townhomes and offer differing price points for home ownership.



WALKABILITY

Selection of a neighborhood or home to live in can also be influenced by the number of trails and sidewalks that exist and connect to adjacent features such as neighborhood parks, regional trails, or major destinations in the surrounding city. The connections sidewalks and trails provide a key aspect of active living and promoting health and wellness in the community. Designing neighborhoods with connections to parks and trails are an important consideration in their ultimate design.



EAST GROWTH AREA

COMMERCIAL AND INDUSTRIAL GROWTH

As the prime location for industrial growth in the community, the East Growth Area identifies opportunities for small to large lot sizes and low to high visibility sites. Building off the existing infrastructure in the Hutchinson Business Park, the East Growth Area provides unique opportunities for industrial growth along the Highway 22 corridor south of the Luce Line Trail. Commercial development is anticipated to be focused at the intersections of Highway 22 and Highway 7 and could bring additional service/convenience retail, destination retail, and needed hospitality uses to the community.

COMMUNITY GATEWAY

The primary entrance to the City of Hutchinson from the east is the Highway 7 corridor. This corridor offers the transition from rural landscape to the City of Hutchinson and the city's industrial areas to the south. Unique commercial development, gateway elements, signage, and landscape can be combined to create a highly desirable commercial node on the east side of the City.

DESIGN CONSIDERATIONS



INFRASTRUCTURE

Efficient development of infrastructure is a key aspect of smart, cost-effective development for these growth areas. Sewer and water are located immediately adjacent to the North and South growth areas, while the most desired land to develop in the East Growth Area (near the Highway 7 and Highway 22 intersection) has a significant length to be installed to serve this areas. Developers will need to work with the community to create strategies for cost effectively delivering sewer and water services to these growth areas.



TRANSPORTATION

The concepts that follow seek to identify a pattern of develop that integrates logical intersection locations, new collector roadways where appropriate and an internal roadway network that offers an efficient pattern of the development. Understanding the surrounding network of roadways and their adjacent jurisdictions will guide the ultimate design of these growth areas.



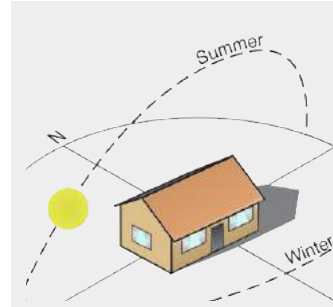
NATURAL RESOURCES

While most of these growth areas are currently in an agricultural use, drainage patterns, small wetlands and ponds, and remnant tree stands can all be preserved or designed into parks and open space features that create character defining features for neighborhoods. Stowmater treatment and drainage ways offer great opportunities to integrate trail networks and provide naturalized areas to contrast with developed lots.



PARKS, TRAILS AND OPEN SPACE

Building off of the quality parks, trails and open space network the City of Hutchinson already possesses, these growth areas seek to fill the necessary gaps in trail connections or neighborhood park spaces. The broader park system plan as provided a guide for these park spaces and trail connections and the development pattern proposed in the following concepts articulates new trail connections to the Luce Line Trail and existing or new parks, and how these trails interface with the design of the roadways in section.



BUILDING / DEVELOPMENT ORIENTATION

The final design of the lots and locations of buildings on them must respond to the adjacent uses and future development patterns. For residential areas, looking across property ownership lines and accommodating logical connection points for roadways that allow for all parties to have an efficient development plan are key aspects of phasing of these developments. For the commercial and industrial developments on the east side, designing lots to allow for access off state highways and creating locations for building locations that have high visibility are key for the commercial node.



SOUTH GROWTH AREA

INTRODUCTION

The South Growth Area is comprised of two parcels that total approximately 54 gross acres along Edmonton Avenue on the south side of Hutchinson. The South Growth Area may be the most likely area for near-term development and utilities and roadway infrastructure connections are readily available. The proximity to the adjacent commercial district along Highway 15 and the adjacent, established neighborhoods make these parcels logical locations for residential development.

LAND USE FUTURE LAND USE

The 2013 Comprehensive Plan indicates a land use guidance for these parcels as Low-Density Residential Neighborhood with an overall density range of 2-4 units per acre. Adjacent uses are primarily low density residential, a mix of single family homes and twin homes. Harmony River, a higher density senior care facility is located to the east of the southern parcel and Menards and the larger commercial area for the City of Hutchinson is located just west of the study area. The 2018 Park System Plan indicates a need for a neighborhood park on the south side of town and may occupy a portion of these growth area parcels.

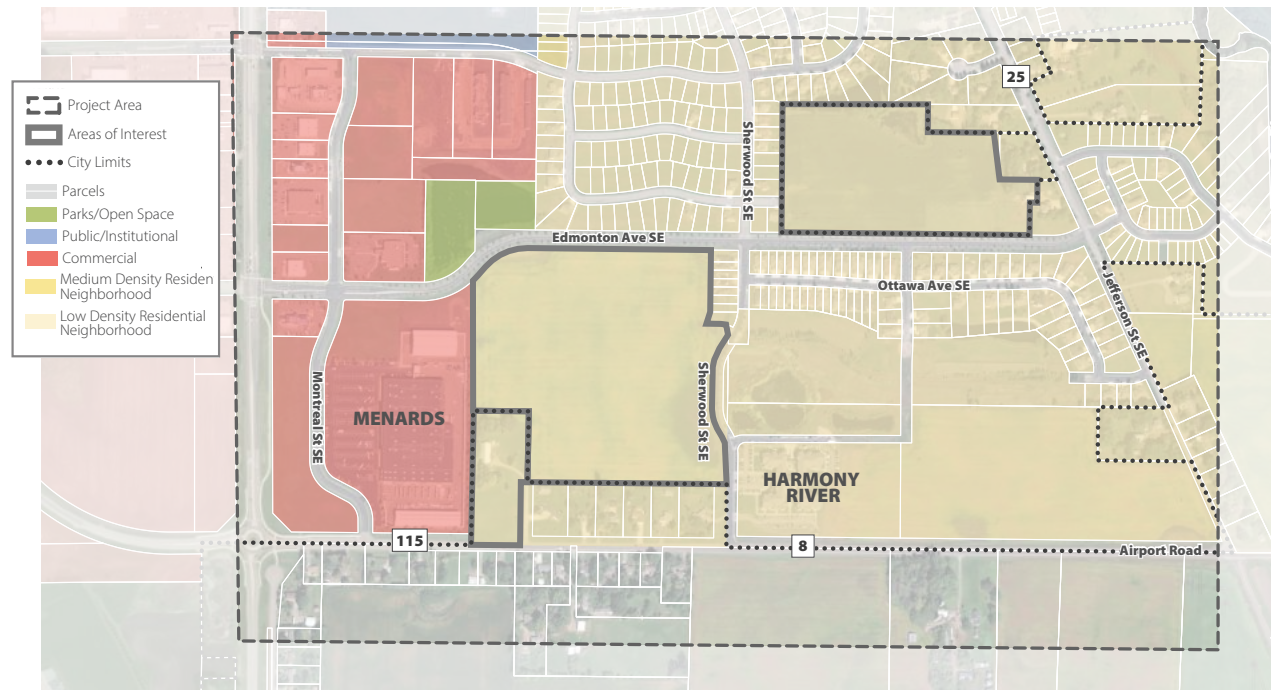


Figure 2.1 Future Land Use



EXISTING CONDITIONS

Both parcels are relatively flat with gentle topographic change, both of which generally drain to the east and the Crow River, although a small portion of the southern parcel may drain to a larger detention basin towards the northwest. Currently, both parcels are in an agricultural use with very limited vegetation other than the agricultural crops.

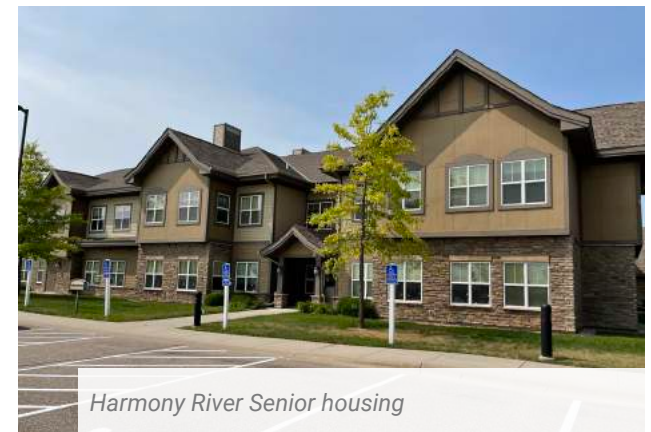
Roadway and infrastructure stubs exist to both parcels, primarily off Sherwood Street, SE and Eau Claire Street, SE. The extension of Calgary Lane, SE to the north will provide another access off Edmonton Avenue, SE, along with a potential second access to the southern parcel further to the west near an existing neighborhood trail connection.



Figure 2.2 Existing Conditions



Existing wetland complex



Harmony River Senior housing



Existing north access point



OWNERSHIP DIAGRAM

The northernmost parcel is owned by the Albrecht family and totals just shy of 19 gross acres. The existing farmstead remains on an adjacent parcel at the intersection of Edmonton Avenue, SE and Jefferson Street, SE. with the original farmhouse and barn. The second parcel is just over 35 acres and is owned by the Hazel M. Sitz Living Trust.

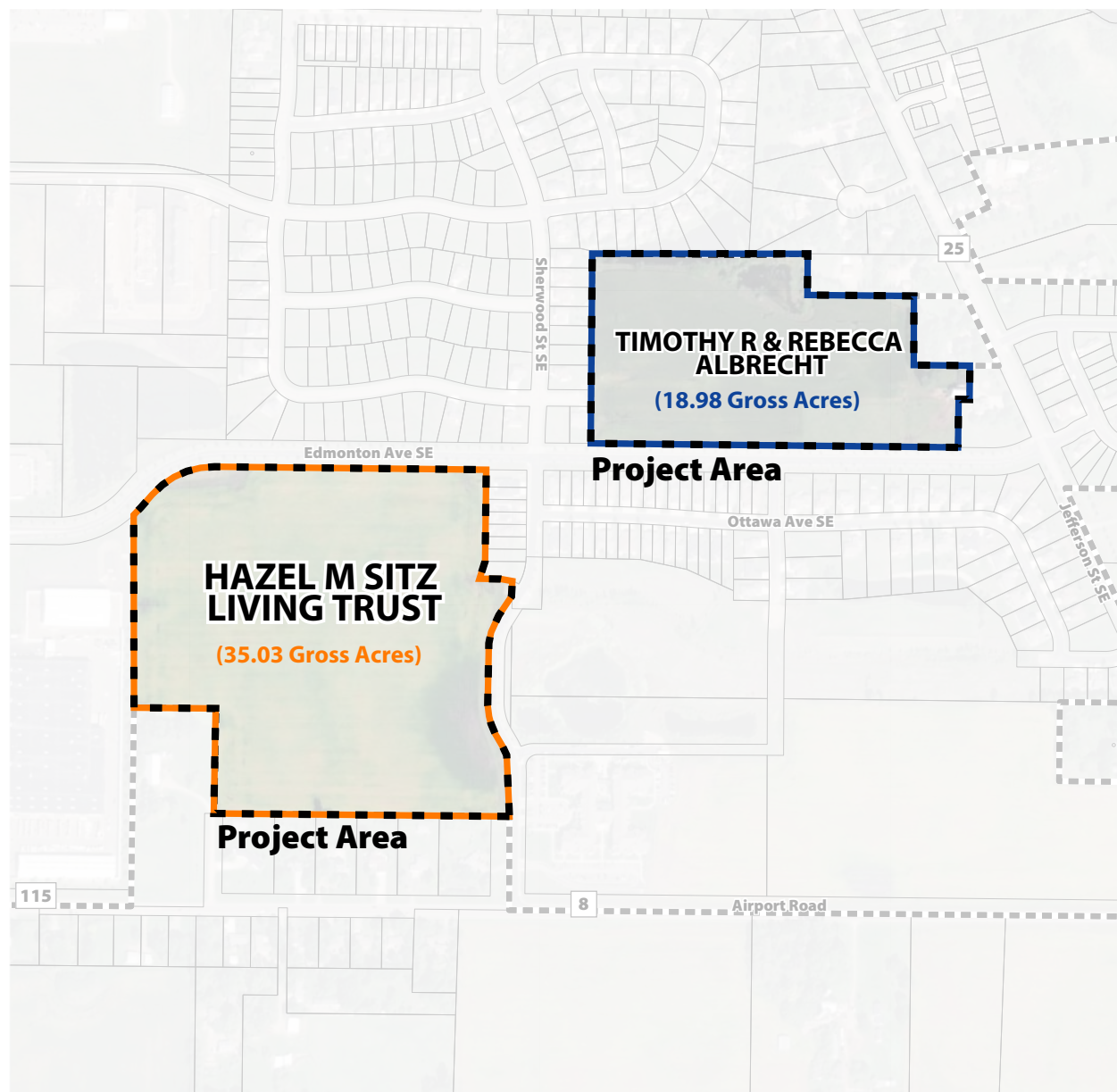


Figure 2.3 South Growth Area Ownership Diagram

SITE ANALYSIS DIAGRAM

Existing utilities are readily available to both sites, and access locations for future roadways have already been determined through previous development and roadway improvements. Existing stormwater treatment exists along the northern portion of the Albrecht parcel, while an opportunity for a central park space and stormwater treatment exists along Sherwood Street, SE for the Sitz Trust parcel.

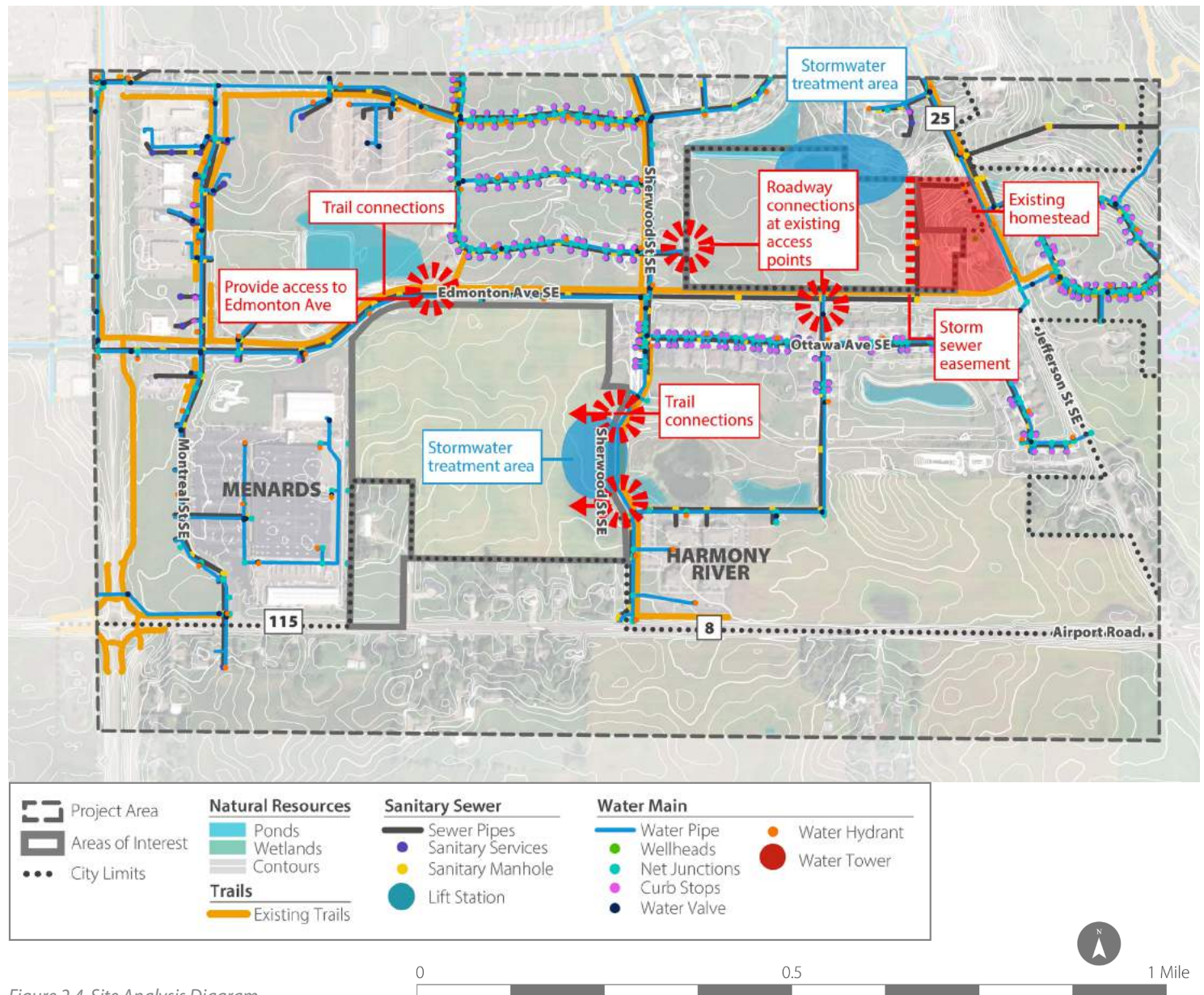


Figure 2.4 Site Analysis Diagram



SOUTH AREA PLAN CONCEPTS

CONCEPT 1

ALBRECHT PROPERTY:

- Focus on a similar product type for the property that exists to the west to integrate the neighborhood.
- Extend existing streets to the Albrecht property from Sherwood St. / Eau Claire Avenue and Edmonton Avenue.
- Extend stormwater treatment and expand stormwater treatment area on the northern portion of the property.
- Provide a naturalized buffer either through replating as an outlot or including with the existing home and barn.

DEVELOPMENT SUMMARY

SOUTH STUDY AREA CONCEPT 1						
	HAZEL M SITZ LIVING TRUST			ALBRECHT		
Development Yield	Units +/-	SF +/-	Linear Ft	Units +/-	SF +/-	Linear Ft
HDR - Apartments	0			0		
MDR - Rowhouse TH	49			0		
LDR - 65' Single Family	24			0		
LDR - 80' Single Family	30			41		
Office/ Medical		0			0	
Retail		0			0	
Totals	103	0		41	0	
Local Roadway			4,100			2,300
Collector Roadway			0			0
Private Roadway			1,500			0
Totals			5,600			2,300

Table 2.1 South Growth Area Concept 1

SITZ PROPERTY:

- Develop a central neighborhood park of approximately 3.15 acres with public street frontage surrounding the park.
- Provide a balanced mix of residential product types including small lot single family (north), traditional single family (central and south) and medium density residential such as patio homes, townhomes, rowhouses, etc. (west) as well as a small office use (northwest).
- Utilize existing access points off of Sherwood Street.
- Provide a northern development access to Edmonton Avenue.
- Anticipate a future connection south to Airport Road through the platted right-of-way for Bradford street.
- Provide an interconnected trail network throughout the development that connects the existing trail system to the park and minimizes having to cross private driveway accesses.
- Focus stormwater treatment features in the eastern edge and northwestern corner of the site (natural drainage flows).



Patio Homes

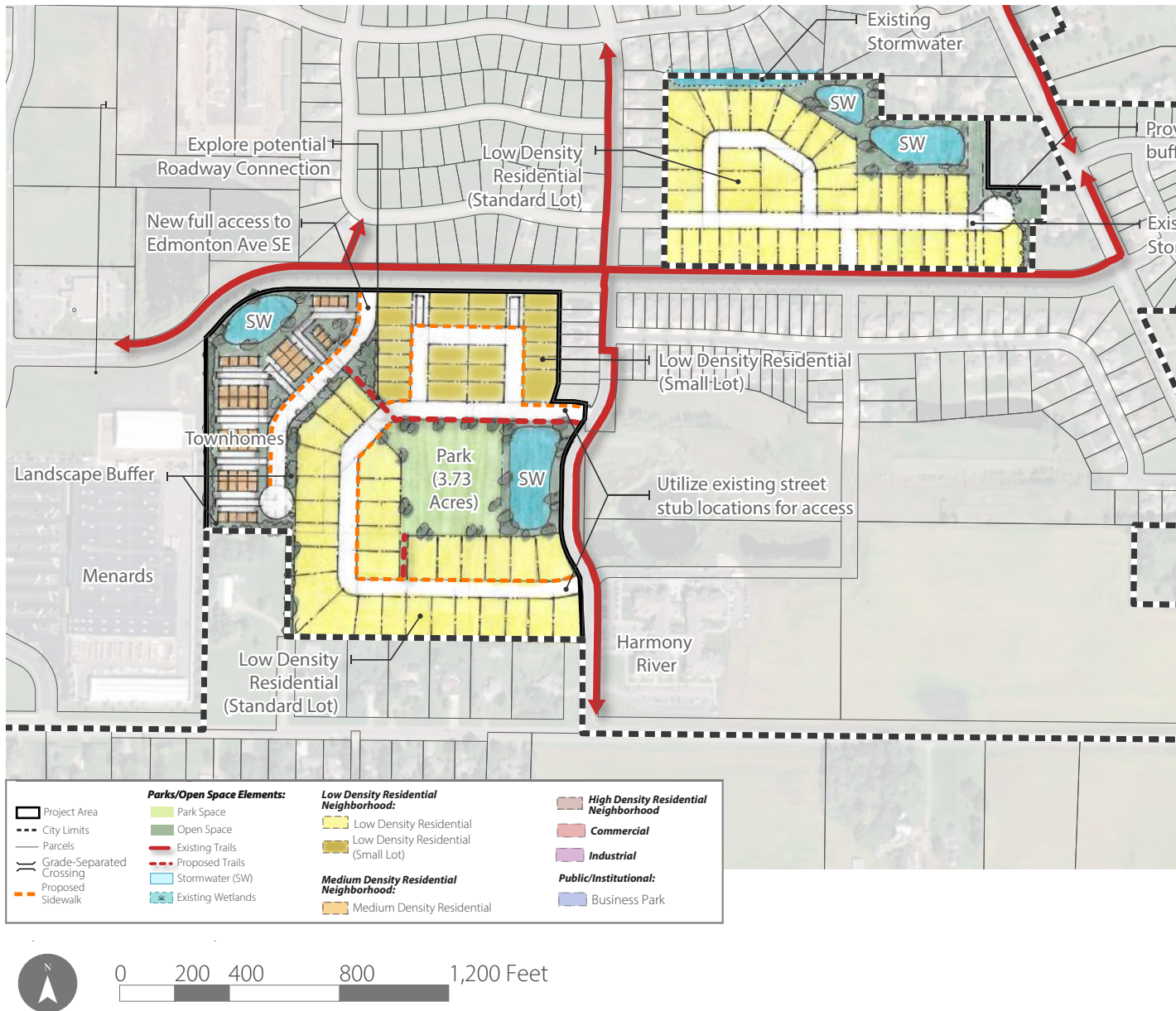


Figure 2.5 South Growth Area Concept 1

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CONCEPT 2

ALBRECHT PROPERTY:

- Provide two separate product types, one similar to the single family homes to the west, and a second that is more of a patio home/ duplex product type on the eastern portion of the site.
- Extend existing streets to the Albrecht property from Sherwood St. / Eau Claire Avenue and Edmonton Avenue.
- Extend stormwater treatment and expand stormwater treatment area on the northern portion of the property.
- Provide a naturalized buffer either through replating as an outlot or including with the existing home and barn.

DEVELOPMENT SUMMARY

SOUTH STUDY AREA CONCEPT 2						
	HAZEL M SITZ LIVING TRUST			ALBRECHT		
Development Yield	Units +/-	SF +/-	Linear Ft	Units +/-	SF +/-	Linear Ft
HDR - Apartments	358			0		
MDR - Twinhomes	31			0		
LDR - 65' Single Family	23			19		
LDR - 80' Single Family	21			30		
Office/ Medical		0			0	
Retail		0			0	
Totals	433	0		49	0	
Local Roadway			3,700			2,300
Collector Roadway			0			0
Private Roadway			2,100			0
Totals	0	0	5,800	0	0	2,300

Table 2.2 South Growth Area Concept 2

SITZ PROPERTY:

- Develop a central neighborhood park of approximately 5.3 acres with public street frontage on two sides of the park (show as north and west).
- Provide a balanced mix of residential product types including small lot single family/ patio homes (north), traditional single family (south) and high density residential such as apartments (west).
- Utilize existing access points off of Sherwood Street.
- Provide a northern development access to Edmonton Avenue near the trail connection north of Edmonton Avenue.
- Anticipate a future connection south to Airport Road through the platted right-of-way for Bradford street.
- Provide an interconnected trail network throughout the development that connects the existing trail system to the park and minimizes having to cross private driveway accesses.
- Focus stormwater treatment features in the eastern edge and northwestern corner of the site (natural drainage flows).



Medium Density Residential

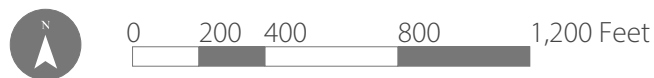
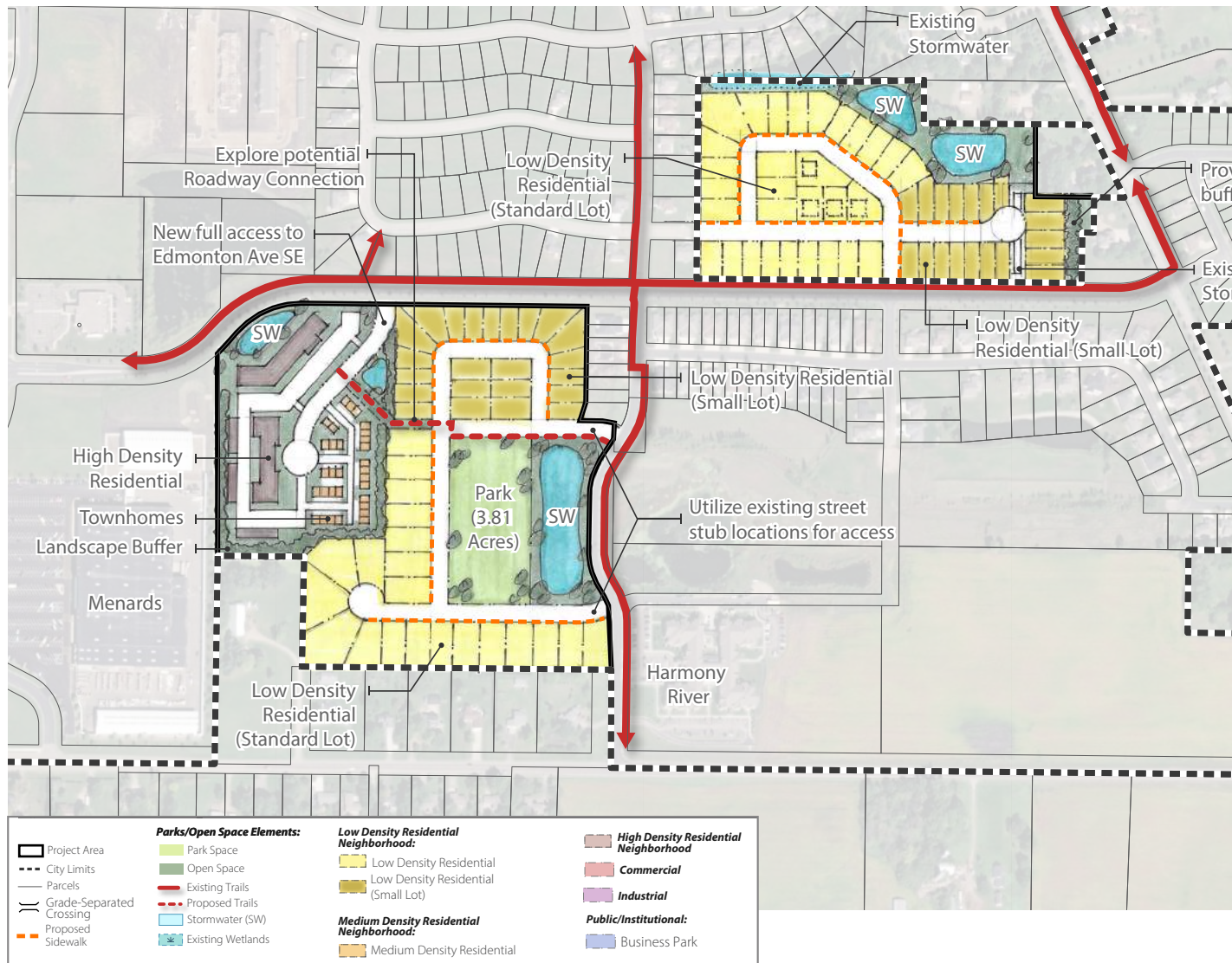


Figure 2.6 South Growth Area Concept 2

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SOUTH AREA PARK CONCEPTS

CONCEPT 1 PARK PLAN

The first concept for the neighborhood park provides public access from street frontage on the north, west, and south sides of the park. The park extends west from a stormwater treatment area and includes a small parking lot, pickleball courts, covered playground area, and shelter. A larger open field lawn is also proposed with the flexibility to have a 300'x150 soccer field for youth. Loop trails would connect the park to surrounding development and the existing trail along Sherwood Street, SE. Pollinator plantings, native perennials, and bordering tree and shrubs help to give the park color and seasonal interest all year long.



Figure 2.7 South Growth Area Concept 1 Park Plan



Native perennial plantings



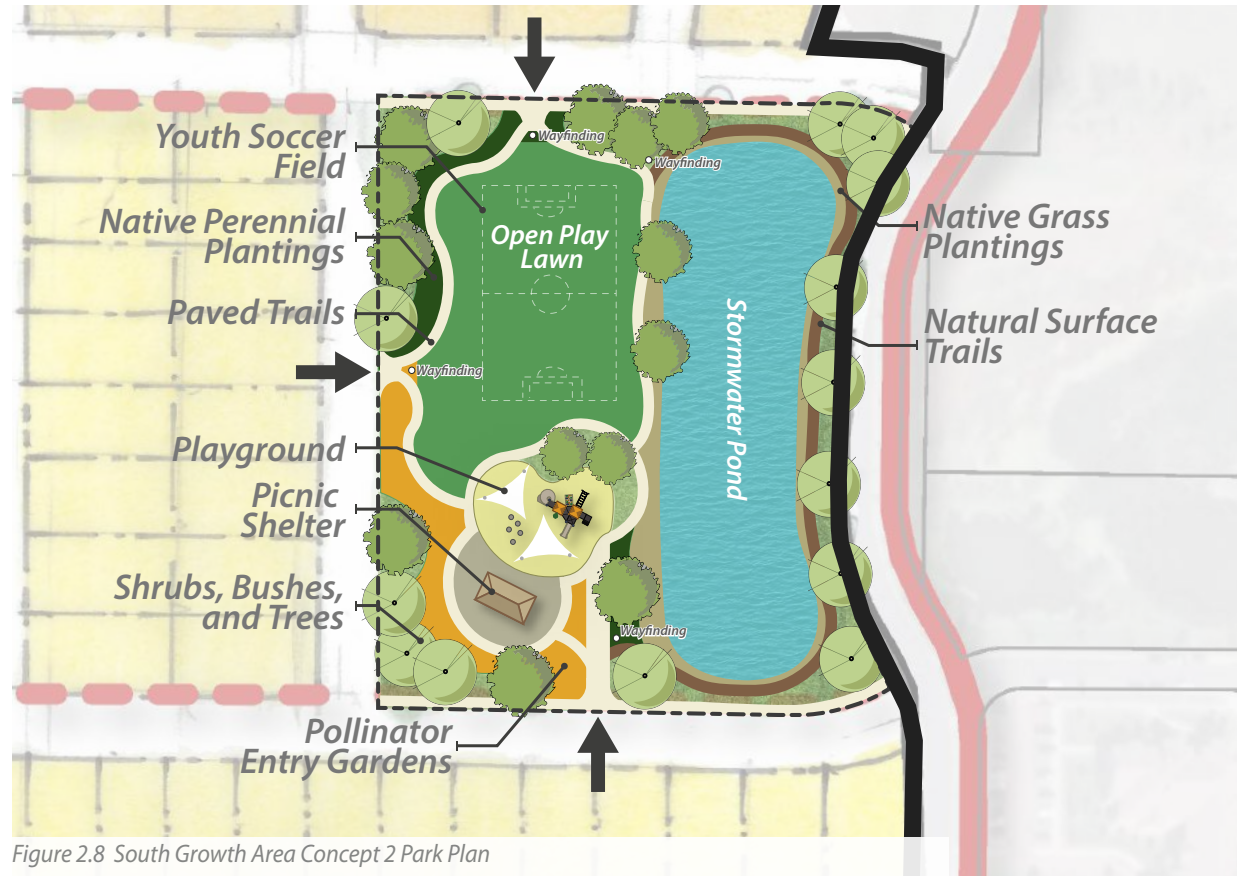
Playground



Youth soccer field

CONCEPT 2 PARK PLAN

The second neighborhood park concept explores an overall smaller footprint for the park and is surrounded by public roadway infrastructure and sidewalks or trails making the park highly accessible. The park area would be adjacent to necessary stormwater treatment infrastructure for the development and include features such as a playground and small pavilion, paved loop trails and a flexible field space that could be utilized for youth soccer. Pollinator gardens, tree and shrub plantings along the perimeter help to define the park space and add visual interest for every season.





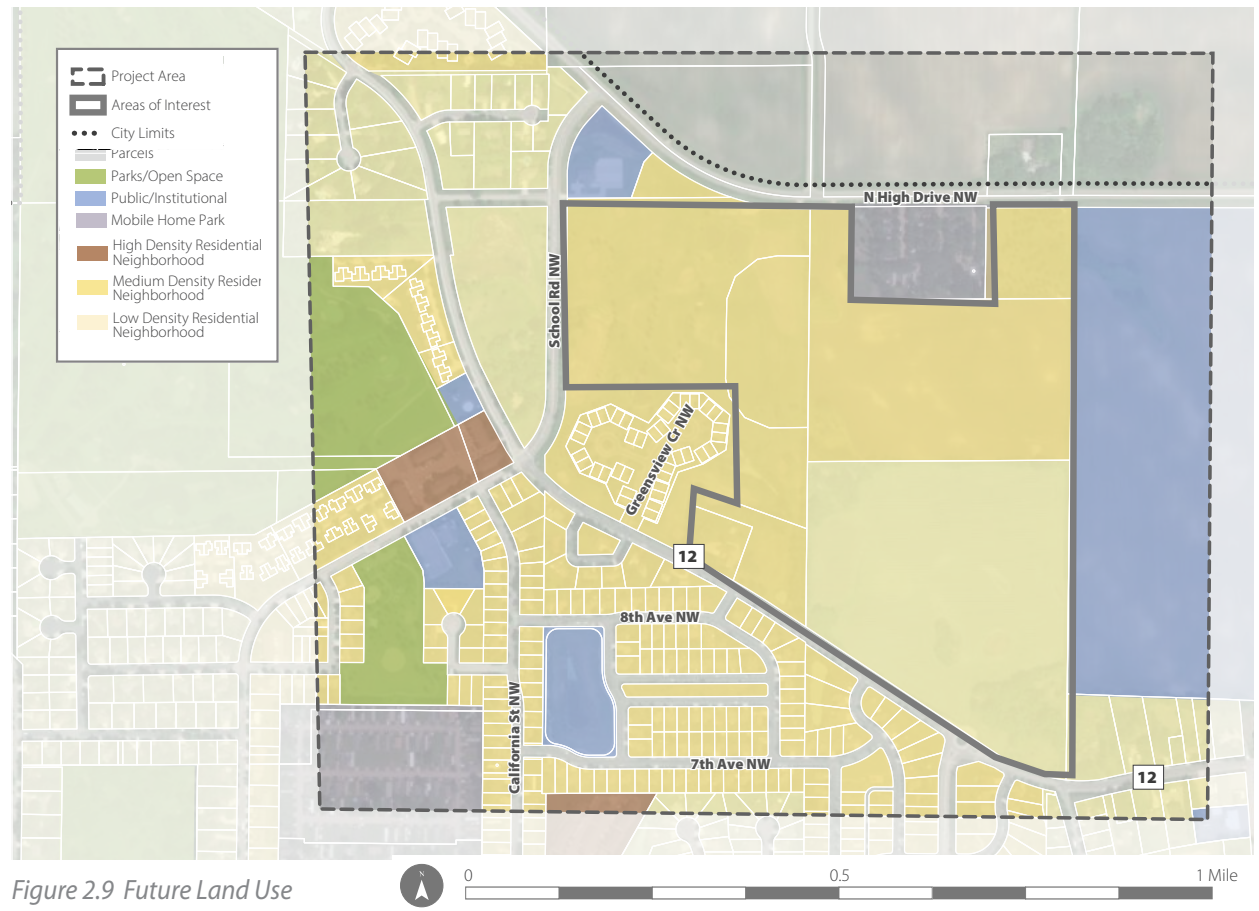
NORTH GROWTH AREA

INTRODUCTION

At roughly 102 total gross acres, the North Growth Area is located west of the Maplewood Academy property, extending west to School Road. From south to north, the growth area spans the land area between Golf Course Road NW (CR 12) extending north to North High Drive, NW.

LAND USE FUTURE LAND USE MAP

The 2013 Comprehensive Plan guides this area for both Low Density Residential Neighborhood and Medium Density Residential Neighborhood land use categories. Low Density Residential Neighborhood are predominately single-family detached units with the potential for twin homes or other lower density attached product types that fit an overall density between 2-4 units/acre. Medium Density Residential has a density range of 4-8 units per acre that is intended to promote a mix of housing types including single-family detached housing, twin homes, and lower density townhomes.



EXISTING CONDITIONS

The North Growth Area comprises land that was a former 9 hole golf course and land that is currently in agricultural use. To the east of the study area, Maplewood Academy owns a large tract of land in agricultural use. To the north a manufactured home park exists along North High Drive, along with the Jehovah's Witnesses church located off School Road just northwest of the study area. To the southeast an existing development of 36 twin homes is situated along Greensview Court, and a single-family home exception property exists along Golf Course Road, NW.



Figure 2.10 Existing Conditions



Existing church property



Previous golf course property



Golf Course Road NW

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OWNERSHIP DIAGRAM

Generally, the North Growth Area can be seen as three distinct ownership areas. Crown Properties, LLC owns roughly 38 acres along Golf Course Road, NW as one contiguous parcel. Immediately north of the Crown parcel, the Fratzke Trust and Mark Fratzke own a combined total of roughly 34 acres the reaches to North High Drive and fully wraps the existing manufactured home park along North High Drive. The remaining parcels are owned by the North Hutch LLC and the Bradfords and total just over 30 gross acres much of which was the former 9 hole golf course.

OWNERSHIP	
OWNER	ACREAGE
North Hutch LLC	30.20
Bart P & Melissa Bradford	
Scott Bradford	
Kenneth & Madge Fratzke Trust	28.86
Crown Properties of MN LLC	38.11
Mark E Fratzke	5.14
TOTAL GROSS ACERAGE	102.31

Table 2.3 Ownership Diagram Acreage Totals

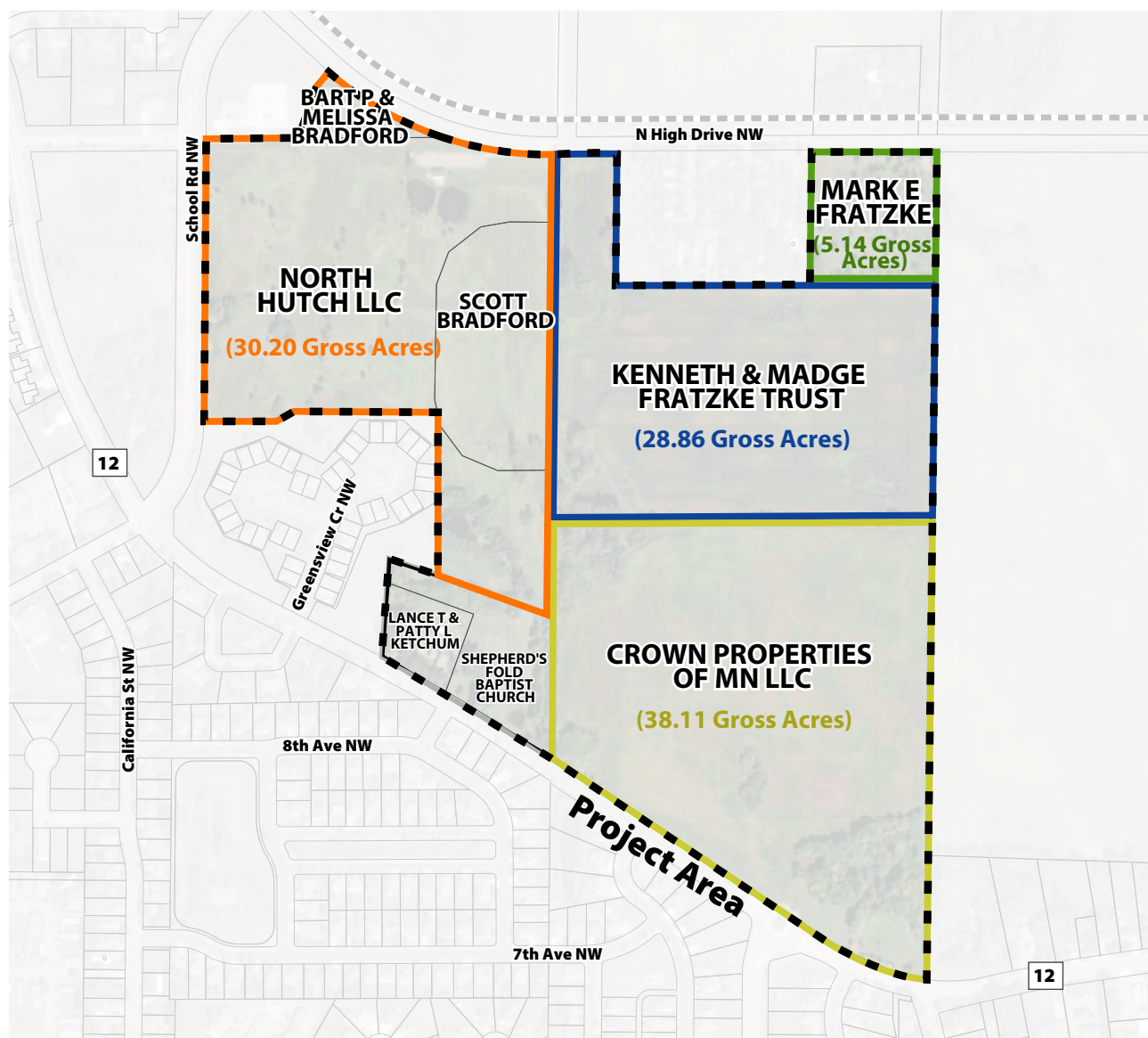
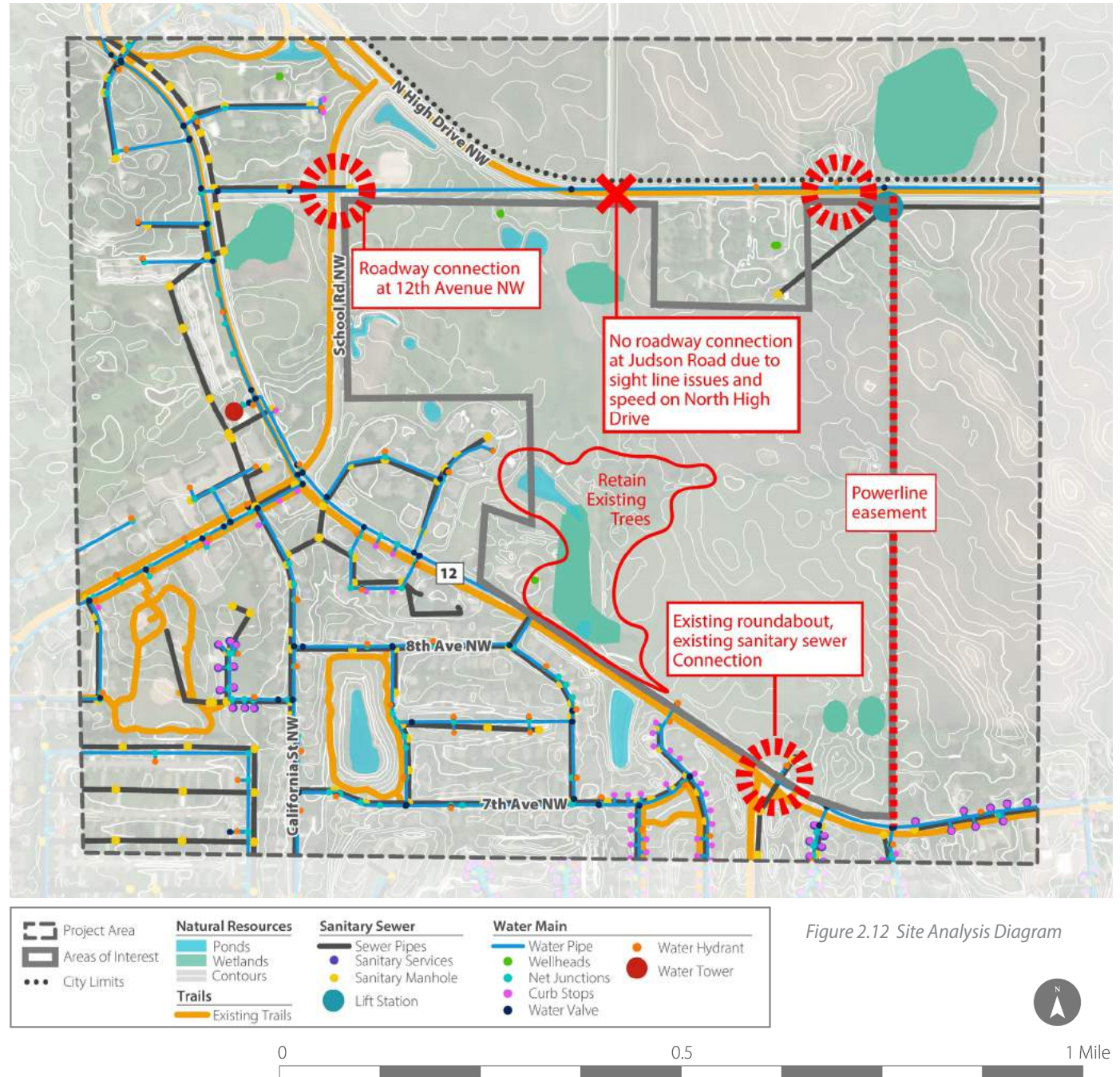


Figure 2.11 North Growth Area Ownership Diagram

SITE ANALYSIS DIAGRAM

The North Growth Area is gently sloping topography with a cluster of wetlands near the center elbow of the overall study area. Smaller wetland or open water pond pockets from the former golf course are scattered across the site with larger tree clusters along property lines or adjacent to wetlands. Trees are scattered across the golf course property.

Sanitary sewer and water main are located near the recently improved round-a-bout at Golf Course Road, NW/5th Avenue and Montana Street, NW. A collector roadway is planned to extend north from the exiting round-about geometry to North High Drive, and this connection point is anticipated to be between the manufacture home park and the Maplewood Academy property. Additional access is planned to connect at 12th Avenue North.



DRAFT



Standard Single Family Residential (85' Lot, typ.)



Small Lot Single Family Residential (65' Lot, typ.)



Medium Density Residential - Rowhouse Townhomes

NORTH AREA PLAN CONCEPTS

CONCEPT 1

KEY ELEMENTS

- Develop a north/ south collector road that has deep lot depths to the east (due to power line in rear lot line) and maximizes a side lot orientation on the west side of the roadway.
- Focus medium density residential near the intersection of Montana Street and 5th Avenue and also near High Drive and Kingdom Hall Church.
- Provide a balanced mix of residential product types including small lot single family, traditional single family and medium density residential (patio homes, townhomes, rowhouses, etc.) at each development phase/ by underlying land owner.
- Develop a central neighborhood park amenity that includes new active park land, works around existing wetlands, preserves existing trees, and integrates a trail network.
- Provide an interconnected trail network throughout the development that to the best extent possible avoids trails have to cross private driveway accesses.
- Focus stormwater treatment features in the south, central and north central portions of the study area.

DEVELOPMENT SUMMARY

NORTH STUDY AREA CONCEPT 1									
	CROWN PROPERTIES			FRATZKE			BRADFORD		
Development Yield	Units +/-	SF +/-	LF	Units +/-	SF +/-	LF	Units +/-	SF +/-	LF
HDR - Apartments	0			0			0		
MDR - Rowhouse TH	50			0			0		
MDR - Twin Homes	0			0			0		
MDR - Townhomes	0			0			21		
LDR - 65' Single Family	0			21			32		
LDR - 80' Single Family	49			51			13		
Office/ Medical		0			0			0	
Retail		0			0			0	
Totals	99	0		72	0		66	0	
Local Roadway			2,000			3,200			3,150
Collector Roadway			1,350			1,200			-
Private Roadway			2,050			0			750
Totals	0	0	5,400	0	0	4,400	0	0	3,900

Table 2.4 North Growth Area Concept 1



Figure 2.13 North Growth Area Concept 1

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CONCEPT 2

KEY ELEMENTS

- Create a curvilinear north/ south collector road that balanced development on both sides and minimized direct driveway access for individual properties.
- Focus medium density residential near the end points of the collector road connection at 5th Avenue and High Drive.
- Provide a balanced mix of residential product types including small lot single family, traditional single family and medium density residential (patio homes, townhomes, rowhouses, etc.) at each development phase/ by underlying land owner.
- Centralize stormwater treatment and design as an amenity for surrounding development including the integration of a trail network.
- Provide an interconnected trail network throughout the development that avoids trails have to cross private driveway accesses.

DEVELOPMENT SUMMARY

NORTH STUDY AREA CONCEPT 2									
	CROWN PROPERTIES			FRATZKE			BRADFORD		
Development Yield	Units +/-	SF +/-	LF	Units +/-	SF +/-	LF	Units +/-	SF +/-	LF
HDR - Apartments	0			0			0		
MDR - Rowhouse TH	36			0			0		
MDR - Twin Homes	0			28			0		
MDR - Townhomes	0			0			0		
LDR - 65' Single Family	28			23			20		
LDR - 80' Single Family	30			34			45		
Office/ Medical		0			0			0	
Retail		0			0			0	
Totals	94	0		85	0		65	0	
Local Roadway			2,900			3,050			3,300
Collector Roadway			1,350			1,250			0
Private Roadway			1,400			950			0
Totals	0	0	5,650	0	0	5,250	0	0	3,300

Table 2.5 North Growth Area Concept 2

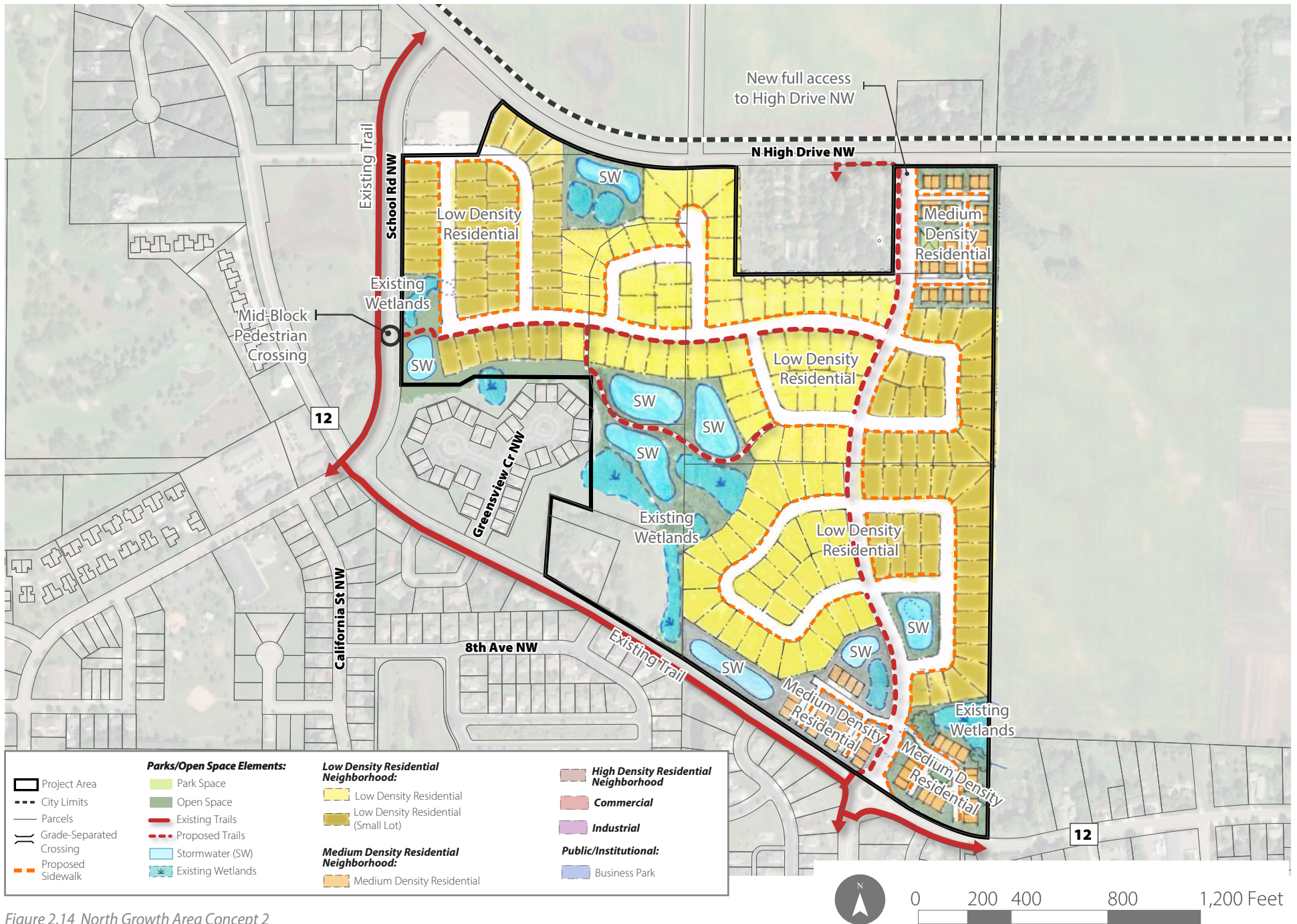


Figure 2.14 North Growth Area Concept 2

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STREET SECTIONS

INTRODUCTION

The following street sections illustrate how the concepts' propose changes to existing roadways by adding features like planters, trails, sidewalks, and on-street parking.

TRAILS AND SIDEWALKS

70' ROW | MULTI-USE TRAIL & SIDEWALK

This street section illustrates a 70 feet right of way in a residential neighborhood with enhanced pedestrian features to make the once busy road more welcoming to walkers, bikers, and residents living in the area. Two driving lanes at 13 feet wide offer enough room for traffic flow while encouraging slower speeds friendly to residential areas. On-street parking offers more places for residents with visitors or extra vehicles to park, while offering an additional physical buffer to pedestrians using the adjacent sidewalk. Raised boulevard planters with tall trees and grasses on either side of the road act as a vegetative buffer that mitigate the sounds of vehicular traffic, provide shade, screen cars from nearby homes, and make those using the trail and sidewalk feel more comfortable being in close proximity to moving vehicles.

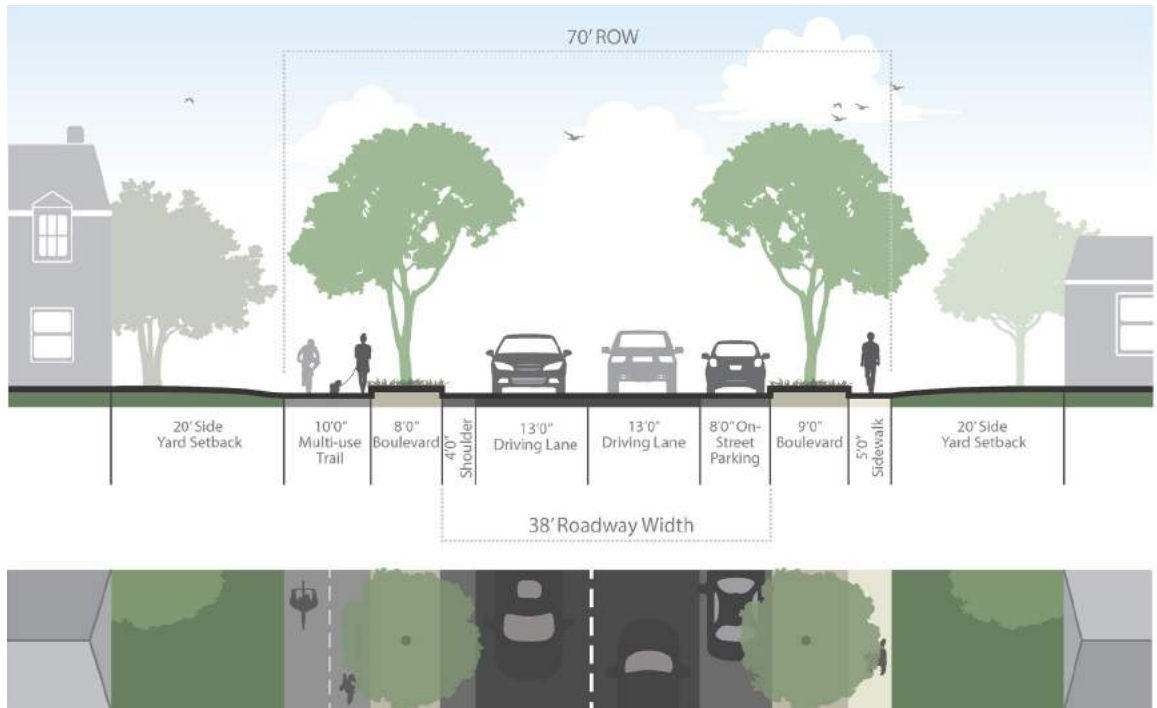


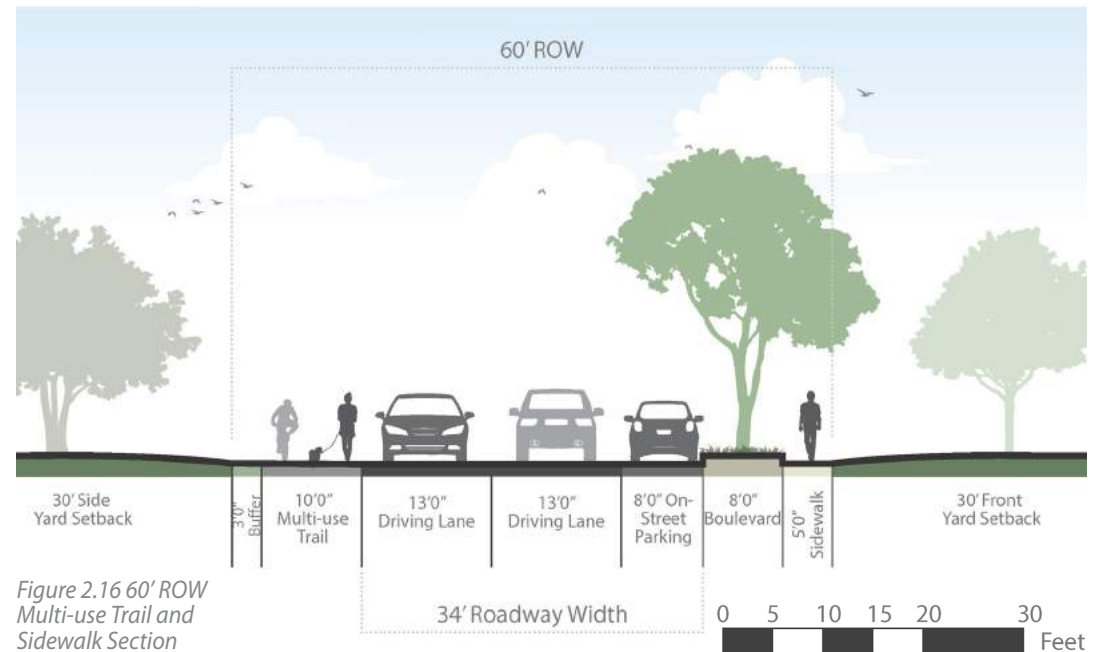
Figure 2.15 70' ROW Multi-use Trail and Sidewalk Section



60' ROW | MULTI-USE TRAIL & SIDEWALK

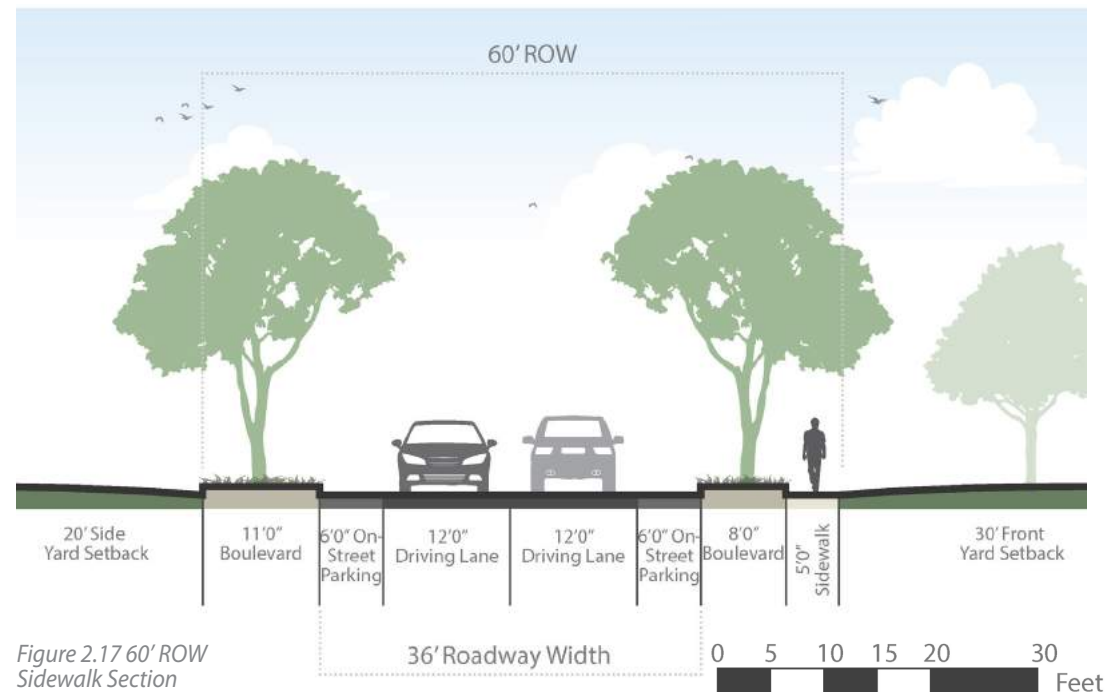
The following sections illustrate changes to a residential roadway with a 60 foot right of way, two driving lanes for vehicular traffic, and two different boulevard options.

The first figure shows an option of a multi-use paved pedestrian trail alongside two 13 foot lanes of traffic followed by on-street parking. Only one raised planting bed in the boulevard to separate pedestrians on the adjacent sidewalk from moving and parked cars. Trees or tall grasses in the planter will provide opportunities for shade and function as a sound and visual buffer for nearby homes.



60' ROW | SIDEWALK

The second figure also shows a 60 foot right of way but contains a boulevard and raised planting bed on both sides of the street. Trees and shrubs in the right-hand planter will provide shade and a physical buffer from moving traffic for pedestrians utilizing the adjacent sidewalks, and function to muffle traffic noise for nearby homes. However, this section arrangement eliminates the ability for a paved multi-use trail in exchange for a second vegetative buffer.





EAST GROWTH AREA

INTRODUCTION

The East Growth Area is much larger in scale compared to the South and North Growth Area and has a different focus for land uses. At just over 360 total acres, the East Growth area comprises the land for the future industrial growth of the community and with the intersection of Highway 7 and Highway 22, a unique commercial gateway node on this side of town. The uses along the Highway 7 corridor with this growth area are intended to be commercial with more employment or industrial uses off of the main frontage of the roadway. The land area is comprised of multiple parcels under the ownership on only a few parties. One of the primary challenges for this area is the extension of sewer and water to the commercial area at Highway 7 and Highway 22 from the existing location further west in the current Hutchinson Industrial Park. A substantial amount of development will likely be needed to offset the cost of extending utilities to allow for development, a single project or two will likely not be able to offset these costs.

LAND USE FUTURE LAND USE

The East Growth areas occupies land that is both inside of the city limits of Hutchinson as well as land that is in an identified Joint Planning Area with Hutchinson Township and Hassan Valley Township on the eastern edge of the City of Hutchinson. These areas outside of the current city limits have been targeted for commercial uses along highway corridors and industrial uses near the existing Hutchinson business park, but the predominant land uses are agricultural. Within the city limits, a small acreage exists that is currently guided commercial. (Note: The orange colors are in the city limits already, while the grey colors are not.)

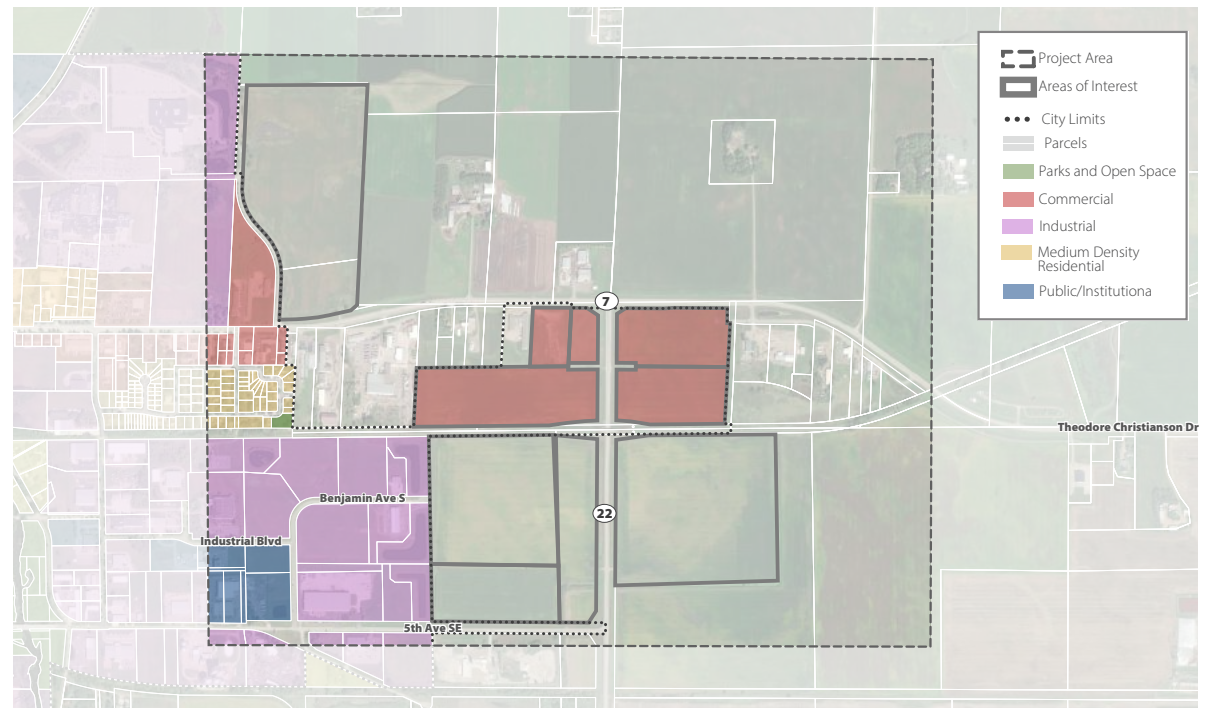


Figure 2.18 Future Land Use



EXISTING CONDITIONS

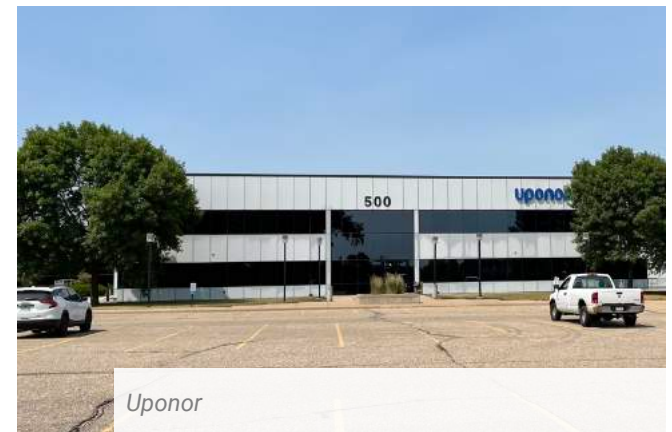
Much of the existing land use is primarily in an agricultural use today. The land is generally flat with gradual drainage toward the McLeod County drainage ditch in the southeast portion of the study area, with higher topography just south of the Luce Line Trail. The Hutchinson Industrial Park is along western boundary of the land south of the Luce Line Trail and north of 5th Avenue SE. Highway 7 is the primary east/west connection to the Twin Cities Metropolitan area, and Highway 22 connections Hutchinson to the southeastern communities of Glencoe and Norwood Young America along Highway 212. Highway 212 is a major connector to the metro area especially to the southwest and south metro.



Figure 2.19 Existing Conditions



Existing stormwater infrastructure



Uponor



Highway 7 and 22 intersection

OWNERSHIP DIAGRAM

The Exsted family owns roughly 125 acres along the Highway 7 corridor on both the north and south sides. The large parcel north of Highway 7 is just outside of the city limits and is adjacent to Uponor. The collection of parcels south of Highway 7 have frontage on both Highway 7 and Highway 22. The Schmeling family owns a small farmstead on land that is just shy of 13 acres that fronts Highway 7 on the south side of the highway. This parcel is adjacent to two existing commercial uses that are currently outside of the city limits of Hutchinson.

South of the Luce Line Trail, three large tracts of land are shown in the growth area boundary. The Kulberg property is the largest and split into four distinct parcels by Highway 22 and 5th Avenue SE. Immediately adjacent to the existing Hutchinson Business Park, is the fourth Kulberg parcel at nearly 40 acres and the remaining tract of land is owned by Decker along 5th Avenue S.

OWNERSHIP	
OWNER	ACREAGE
Willard Exsted Etal	50.07
Willard W Exsted	12.80
Schmeling Etal	12.96
H&H Holdings	4.55
H&H Holdings	6.05
Willard Exsted	3.72
Scott W Exsted	25.87
Willard & Sheryl Exsted	16.14
Scott W Exsted	15.50
Hutchinson City	5.38
Hutchinson City	6.09
Hutchinson City	4.47
David F & Steven D Kulberg	38.50
Joy Decker	18.20
David F & Steven D Kulberg	142.25
TOTAL GROSS ACERAGE	362.55

Table 2.6 North Growth Area Concept 2

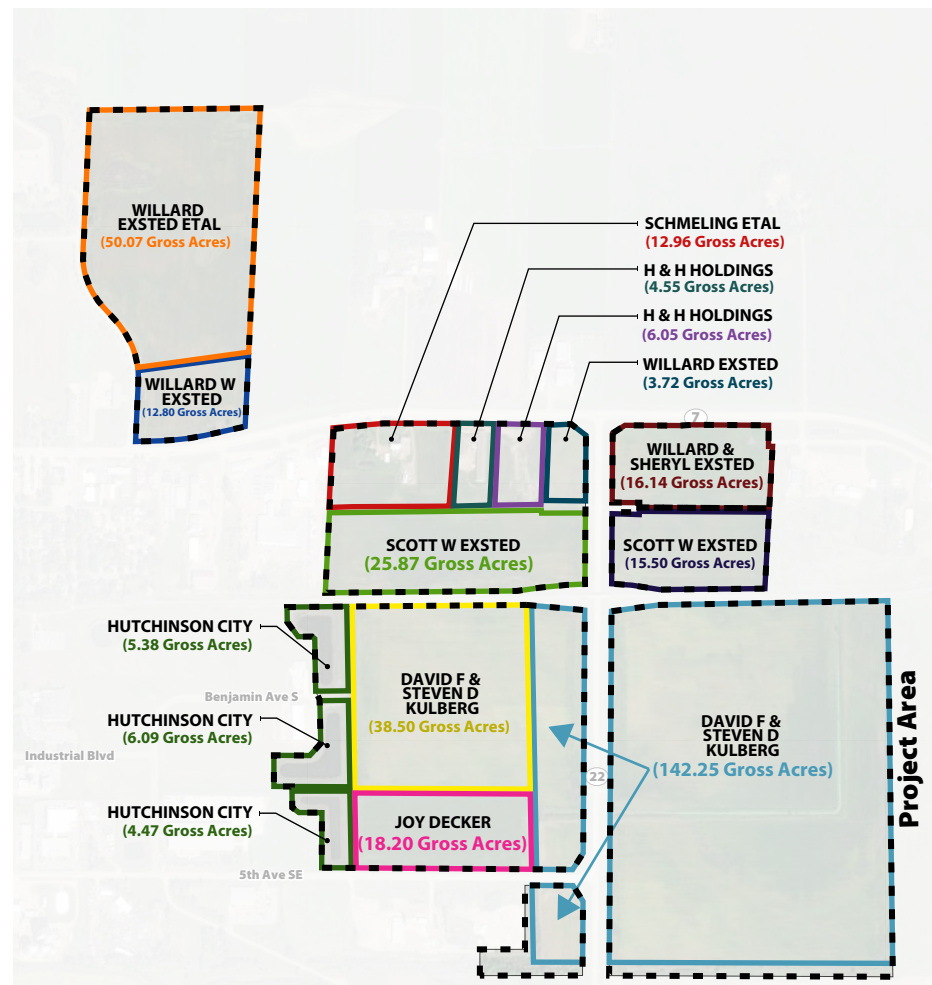


Figure 2.20 East Growth Area Ownership Diagram

SITE ANALYSIS DIAGRAM

State Highways 7 and 22 are the key transportation corridors for this growth area. This intersection is a major gateway from the east and carries significant vehicular traffic, both autos and semi-trucks. Intersection spacing and access configuration will be guided by MNDOT, however, platted access exists today for a backage road south of Highway 7 and north of the Luce Line Trail. The Luce Line Trail is a major recreational amenity for the region an connects all the way back to the Twin Cities metro. A second regional corridor is planned on the southern edge of the East growth area. The Dakota Rail Trail will eventually connect to Carver County.

An existing McLeod County drainage ditch and expanded stormwater/ flood protection area is also identified in the in the southeast corner of the Kulberg property/ study area. Extension of sewer and water infrastructure is needed from Benjamin Avenue S to the west and north and should be planned to accommodate the existing uses currently outside of the City of Hutchinson that operate on a well and septic system.

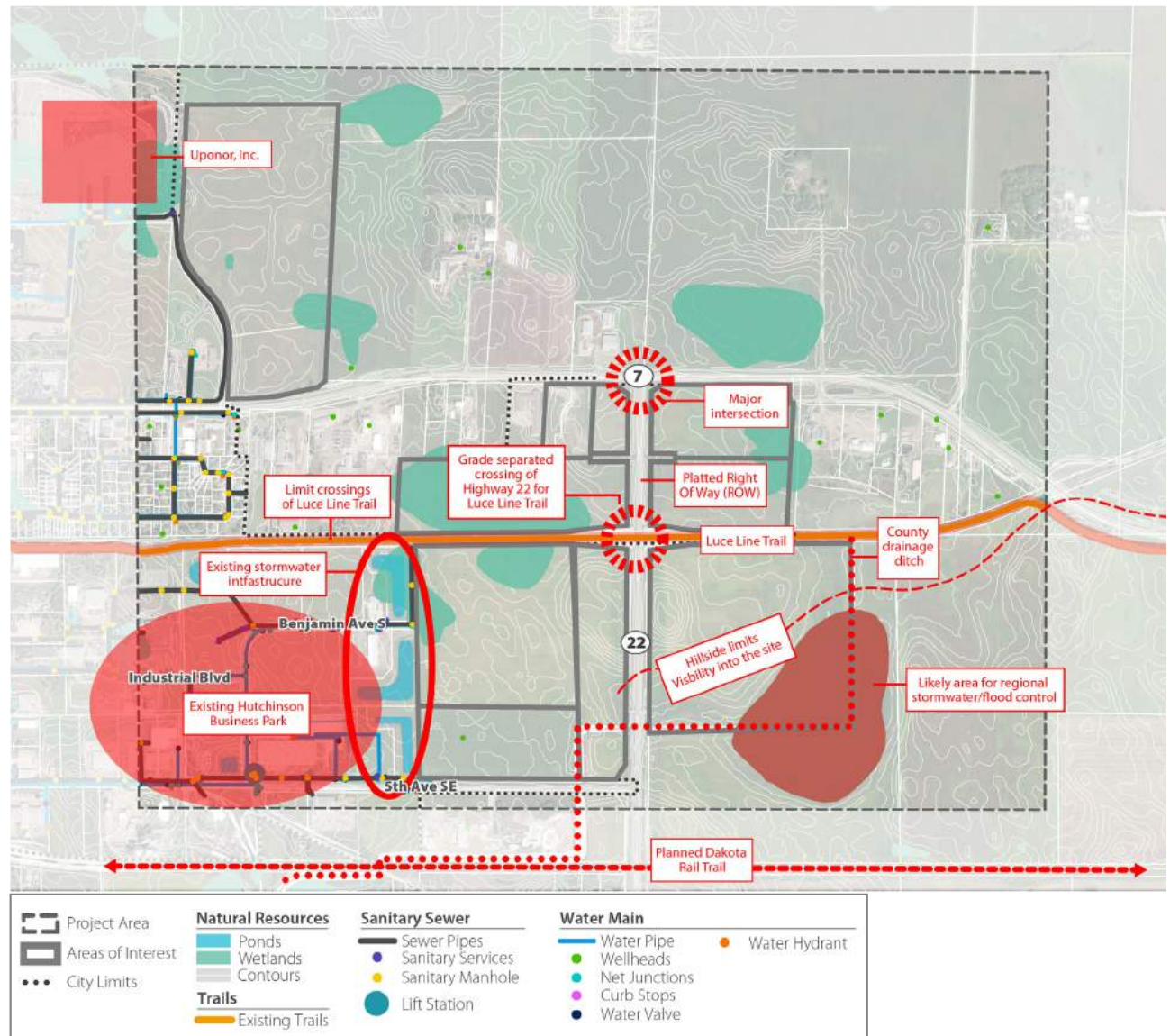


Figure 2.21 Site Analysis Diagram





Commercial/Hospitality



Industrial



Commercial/Retail

CONCEPT KEY ELEMENTS

- Focus on commercial/ retail uses along the Highway 7 frontage including convenience retail, goods and services, support services, and hospitality.
- Focus on office/ business park uses on the Exsted land near Hutchinson Technologies and Uponsor.
- Expand the existing industrial park to the east and across Highway 22 on the Kulberg property.
- Provide an area of support commercial/ service uses at the intersection of Highway 22 and 5th Avenue.
- Create a full access on Highway 22 at the existing right-of-way street stubs north of the Luce Line Trail and south of Highway 7.
- Create a $\frac{3}{4}$ access on Highway 22 near the midpoint between the Luce Line Trail and the 5th Avenue intersection.
- Provide two additional at-grade crossings of the Luce Line Trail for vehicular circulation and utility connections, one just east of the existing Industrial park stormwater ponds, and a second at the eastern edge of the Exsted property.
- Focus areas of stormwater treatment that respond to existing topography and balance each development quadrant – focusing ponding near trail corridors or near the county ditch.
- Provide internal trail connections between businesses and commercial/ retail destinations, as well as between the Luce Line Trail and the planned Dakota Rail Trail.



Business Park

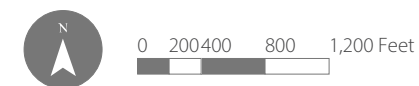
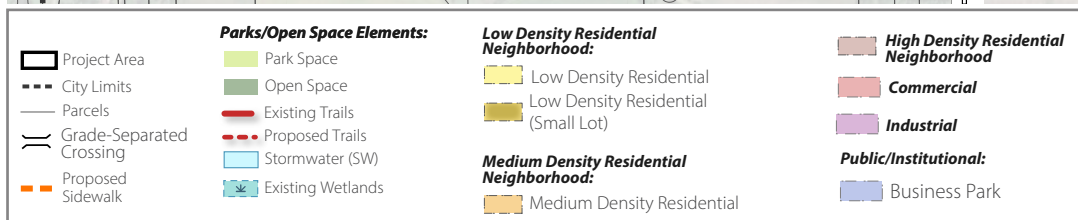
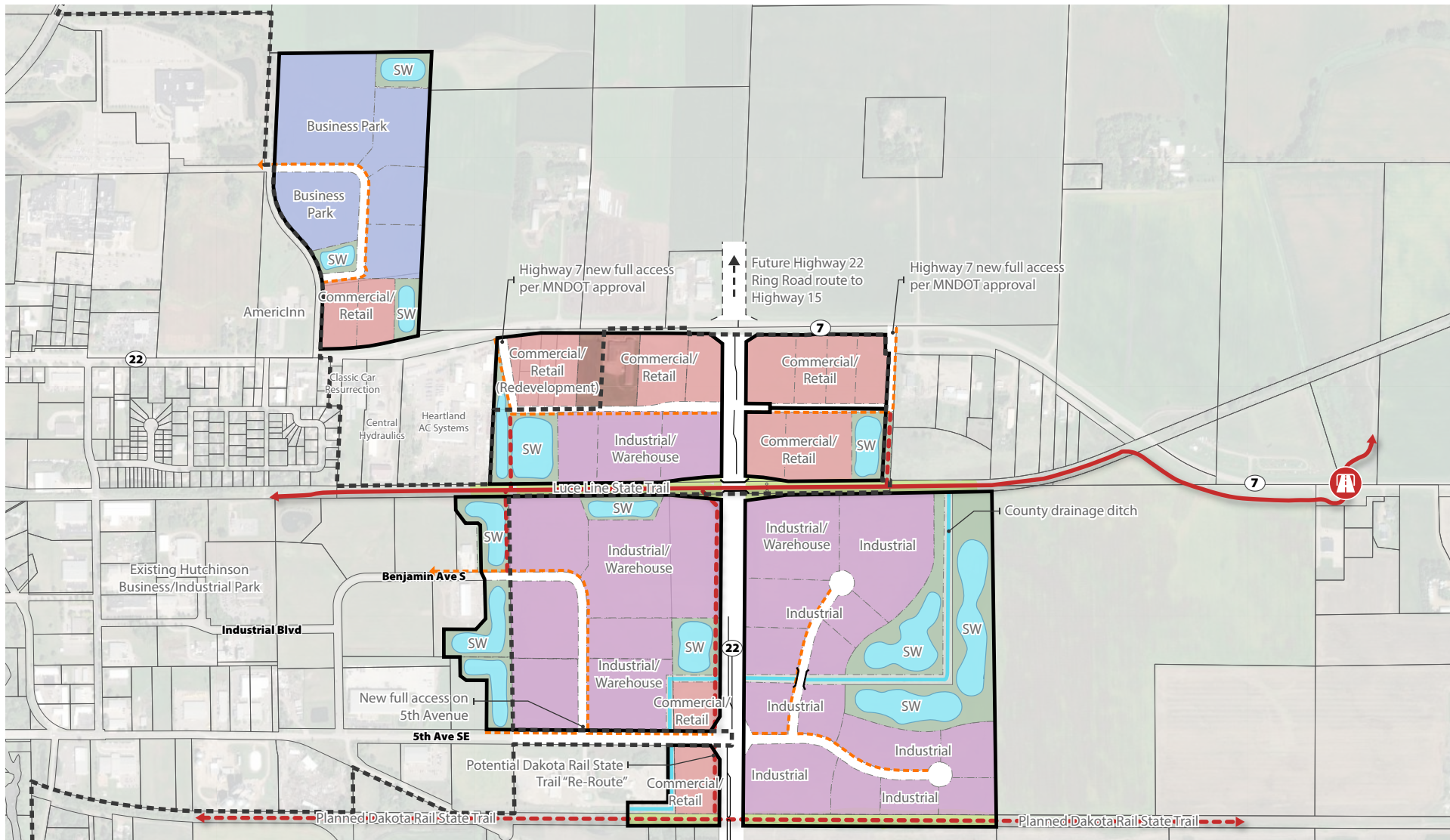
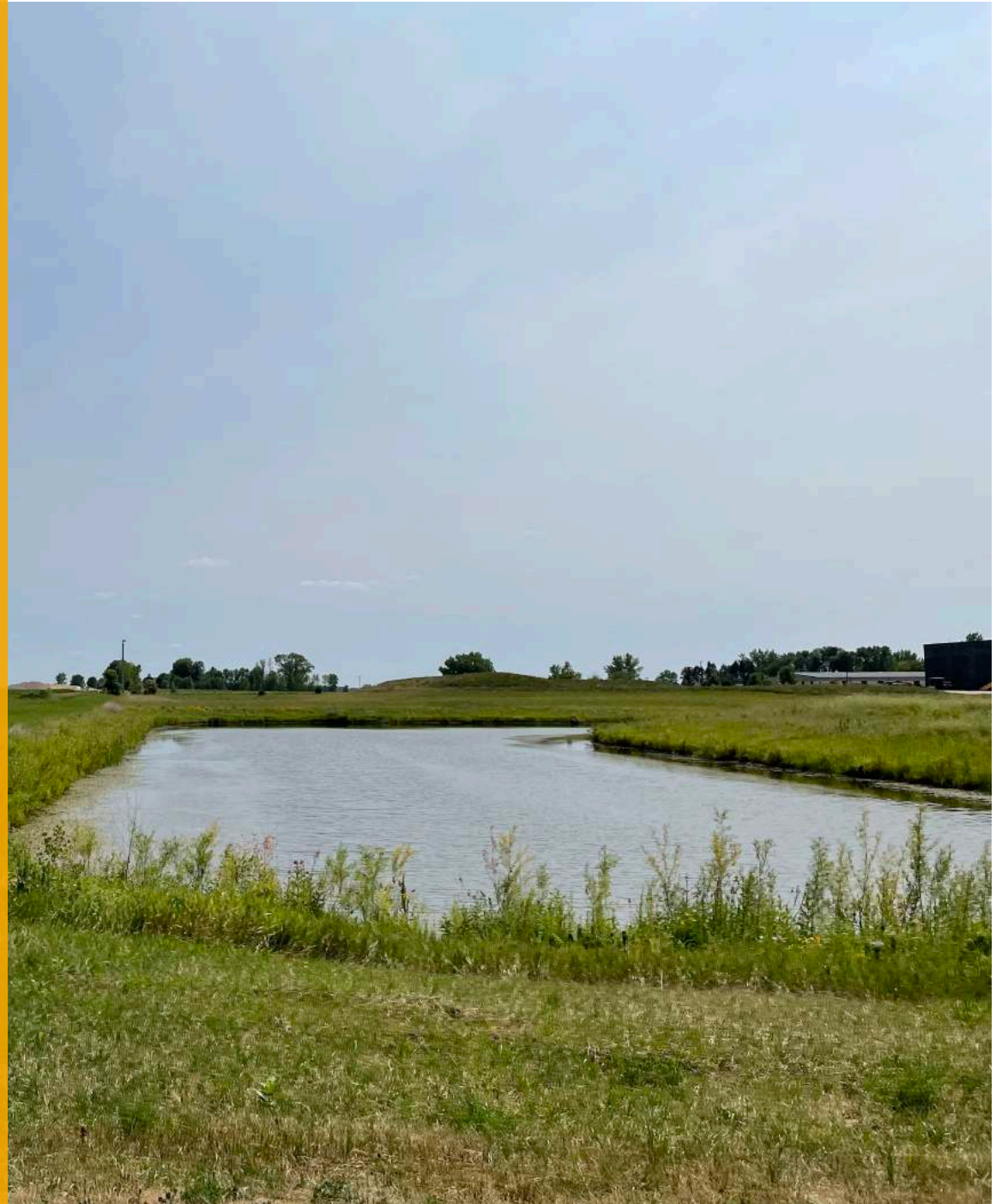


Figure 2.22 East Growth Area Concept

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IMPLEMENTATION



KEYS TO IMPLEMENTATION

There are many factors to successfully realizing the vision set forth by the City of Hutchinson for the North, South and East Growth Areas. These factors apply regardless of the final form and timing of development, as development will likely span several years. The vision may have to adjust to respond to changes in market conditions and consumer preferences, land ownership, and broader community-wide goals, yet at the same time it is important to protect the vision against short-term opportunities that compromise the long-term vision.

With the planning provided in this summary report, consistent policy implementation and commitment to the vision, development will eventually reach the critical mass that leads to success. This chapter provides an overview for roles, actions, and investments required to realize the full build-out of these three growth areas.



PATIENCE

Transformation of the Hutchinson Growth Areas will not be implemented overnight. The time-frame for implementation reflects its evolutionary nature, looking forward over a period of years. The desired change often requires the patience to wait for the right things to happen, rather than making changes simply to be seen as doing something.



COMMITMENT

Commitment to the growth area and patience go hand-in-hand. This study does more than simply seek to attract new development to shovel ready sites; this plan provides a road map to enhance each of the entire growth areas. Commitment to these growth area plans means the willingness to actively promote public and private investments that align with the objectives of the plan. It also requires the willingness by decision makers to deter developments which do not meet the objectives of the Growth Area Plans. Not all these decisions will be easy or will they occur exactly as analyzed in this report.



FINANCIAL REALITY

Implementing the Growth Area Plans requires careful investment of public funds, but the private side of the financial equation must not be overlooked. New development and existing businesses will pay for their portion of the improvements called for in the plan. The Growth Area Plans seeks to balance the investment in public initiatives with the creation of a financial environment that sustains successful businesses and strong neighborhoods



STRATEGIC INVESTMENTS

If financial support for the plan was unlimited, the need for strategic decisions would be less important. With limited funds, every expenditure is crucial. It is not possible to immediately undertake all the initiatives described in the Growth Area Plans. Needs and opportunities not contemplated in the plan may arise in the future. Every investment must be evaluated for its impact on enhancing the overall growth area.

ROLES & RESPONSIBILITIES

There is a temptation to give sole responsibility for implementation of the Hutchinson Growth Area Plans to the City of Hutchinson. Many of the powers and resources needed to undertake the actions prescribed in the plan are held by the city, yet the success of the plan cannot be made only by the responsibility of City government. Achieving the vision for the corridor requires ongoing collaboration of both public and private stakeholders. This section describes the roles and responsibilities of key parties.



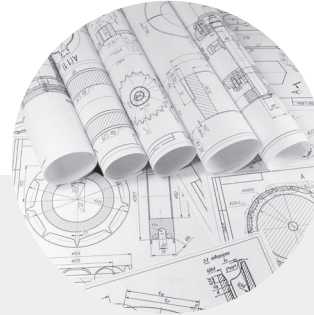
BUSINESS AND PROPERTY OWNERS

While the City influences the physical setting, the Hutchinson Growth Area Plans will become a place for commercial, employment and mixed residential uses. Property owners interested in development will determine the type of retail, employment and residential developments that meet the land use guidance provided in the growth area plans. Property owners will decide how to approach development of their property and carry forward their proposal to the City of Hutchinson.



CITY OF HUTCHINSON

The ultimate responsibility for implementing the recommendations of Growth Area Plans rests with the City of Hutchinson. The Planning Commission and City Council will provide direction on staff resources, review proposed development projects, and approve public investments. Responsibility for managing on-going development in the growth area will primarily fall on the Planning, Engineering, and Parks and Recreation Departments.



PUBLIC WORKS DEPARTMENT

The Engineering Department also plays a major role in the design of public infrastructure (roadways and utility infrastructure) improvements needed to support development and redevelopment in the growth area. The Engineering Department is a key player in utility extensions and planning for future roadway and transportation improvements, including ongoing conversations with the MNDOT on access points on Highway 7 and Highway 22.



PARKS, RECREATION & COMMUNITY EDUCATION DEPT

The Parks, Recreation and Community Education Department (PRCE) is responsible for planning and developing the proposed neighborhood park in the South and North Growth Areas and network of trails throughout each of the three growth areas. They will also lead coordination efforts with the State of MN on connections to the Luce Line Trail and future Dakota Rail Trail in the East Growth Area, and how internal trail connections are made to the existing trail system.

ROLES & RESPONSIBILITIES



PLANNING / ZONING / BUILDING DEPARTMENT

The Planning / Zoning / Building Department will share a lead role in managing implementation for the City with the Engineering Department. The actions to be taken by the Planning / Zoning / Building Department to implement the growth area plans include:

- Application of land use controls and development guidelines to shepherd private development;
- Coordination of land use controls with adjacent townships and joint planning board.
- Review of development plans and proposals;
- Coordination of planning for capital improvements needed to facilitate development; and
- Creation of financial plans for development/ redevelopment of public investments and continued monitoring.



PLANNING COMMISSION

The Planning Commission has the lead responsibility for evaluating the application of land use controls needed to implement the growth area plans. The Planning Commission advises the City Council on issues involving the establishment of and compliance with the Comprehensive Plan and the Zoning, Subdivision, Shoreland, Tree Preservation, and Sign ordinances. The Planning Commission also reviews residential, commercial, and industrial development proposals and makes recommendations to the City Council according to the goals and objectives of the Comprehensive Plan.



CITY COUNCIL

The City Council sets the foundation for implementing the growth area plans consistent with the overall mission of the City. While other bodies (Planning Commission and Park and Recreation Board, for example) play key roles in the implementation process, important development powers reside with the City Council. Among the powers that may be needed to undertake public initiatives in the growth areas are:

- Allocate money in the annual budget to capital improvements.
- Approve the establishment of potential tax increment financing (TIF) districts.
- Levy of special assessments for public improvements.
- Issuance of general obligation bonds to finance development and improvement projects.



COMMUNITY-AT-LARGE

The community of Hutchinson must stay involved as development continues over time. The community must work together with decision-makers and provide the necessary input on any new development proposals. The community should provide comment on whether the proposed project meets the vision set forth in the growth area plans while respecting existing land owners' desires. Ultimately, the community must:

- Provide a singular focus for the plan. The knowledge gained from the planning process will allow members of the community to comment on development proposals efficiently and effectively.
- Continue public involvement. Continue to attend public meetings, or provide comments and suggestions to proposals as they come forward.

LAND USE CONTROLS

The initial focus of implementation will be on actions needed to establish the North, South, and East Growth Area Plans as the official guide to development of the study areas. These implementation procedural steps involve the adoption of key policy documents and updated development controls.



APPROVE THE NORTH, SOUTH, AND EAST GROWTH AREA PLAN

The first implementation step is for City Council actions to approve these plans. These approvals set the stage for subsequent actions such as amending the comprehensive plan, zoning ordinances, capital improvement programs, and the allocation of financial resources.



AMEND LAND USE CONTROLS

Study approval is the trigger for taking other actions needed to guide land use for the area in accordance with this plan. Land use controls not only promote the desired development outcomes, they also prevent development that is not consistent with the growth area plans.



COMPREHENSIVE PLAN

The City of Hutchinson will need to update the Comprehensive Plan with the new “North, South, and East Growth Area Plan,” including the land use plan designations (Chapter 2) and appropriate policies consistent with the vision of the plan. Amending the Comprehensive Plan creates the foundation for all other implementation actions. Consistency with the Comprehensive Plan is a statutory requirement for zoning regulations, capital improvements and redevelopment projects. The growth area plans will be added to the Comprehensive Plan as an additional appendix.



ZONING REGULATIONS

More direct control of development comes from zoning regulations. All development will be approved through the Planned Unit Development process. Consistency with the approved growth area plan will be a key component in which to analyze proposals.





FUNDING TOOLKIT

Funding sources for infrastructure – the following contains a summary of funding sources available to Minnesota cities to finance capital expenditures for infrastructure and development.

GENERAL MN CITY SOURCES

PROPERTY TAXES

Property taxes serve as Minnesota cities’ primary source of general revenue. These taxes are spread over the entire tax base of the community and provide for essential services like public safety, public works, administration and parks and recreation. Property tax levies may also pay for capital projects directly or repay portions of bonds issued for public improvements. The property tax levy is considered a city’s most reliable and flexible revenue source. Because of this, any requested amount competes with funding for essential priorities during a city’s budgeting process.

SPECIAL ASSESSMENTS

Special assessments are charges levied on specific property benefiting from a local improvement. Special assessments are collected with property taxes. The amount of the assessment must not exceed the increase in market value received by the property from the improvement. Assessments allow cities to finance improvements and allocate a portion of debt repayment directly to the benefiting property owners over time. Bonds issued for improvement projects can rely on a combination of assessments and dedicated property tax levies for their repayment.

IMPROVEMENT DISTRICTS (STORM SEWER OR BUSINESS SPECIAL SERVICE DISTRICTS)

Improvement districts impose a tax levy on a specific geographic area in which property owners receive special services above and beyond services received by the general taxpayer. An example might be installing storm water improvements that improve drainage in one watershed. In this case, only the properties within that watershed would receive an additional property tax levy to pay for the improvement. Improvement Districts often require a petitioning process and/or property owner consent prior to establishing such a district within the community.

CONNECTION CHARGES / AVAILABILITY FEES

Charges collected for connection to the utility system upon development or redevelopment. This revenue source is typically used to directly fund improvements or repay bonds funding the expansion of the water, sewer, and/or storm water utility systems.

USAGE FEES

Cities establish rates and charges to customers for use of the utility systems in order to fund its operational and capital needs. Utilities are typically run as a business enterprise relying on rates and charges without the use of tax revenue support.

OTHER SOURCES

LOCAL OPTION SALES TAX (LOST)	Establishing a new sales tax earmarked for local infrastructure projects of regional significance. Requires both state legislative and local voter approvals. Can be a dedicated funding source for specific projects that deliver a benefit or expected use beyond the local community. The City of Hutchinson already utilizes a local option sales tax to retire debt issued for prior water and sewer utility system expansion.
VALUE CAPTURE (TAX INCREMENT FINANCING - TIF)	Ability of a city to capture the majority of new incremental property taxes generated from new development and use those revenues to fund public or private infrastructure improvements supporting that specific development. TIF is limited by state statute to predominantly redevelopment, environmental contamination, or affordable housing sites.
VALUE CAPTURE (ABATEMENT)	Similar tool as TIF except a city collects only the city-share of property taxes created from new development. Abatements may be used to fund public or private infrastructure improvements tied to any type of development. Many Minnesota communities utilize tax abatement programs to help finance new housing development either by funding infrastructure improvements or providing temporary property tax relief as a development incentive.
JOINT DEVELOPMENT	An agreement between a city and developer to establish requirements for constructing local improvements and their funding. Agreements often proscribe land dedication and/or alternative fees to help fulfill public improvement facilities or open space necessitated by the development.

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EXTERNAL SOURCES

DEDICATED GRANT AND/ OR LOAN PROGRAMS

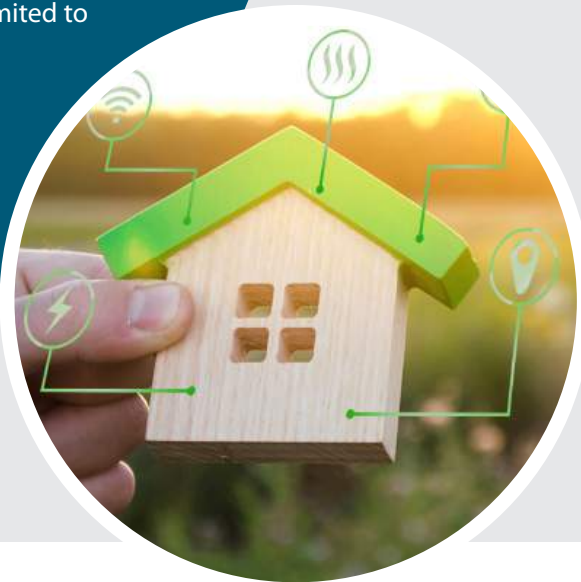
- Public Facilities Authority (PFA) Utility and Transportation Revolving Loan Programs administered by the State of Minnesota.
- DEED grant programs
- MHFA funding



SMALL AREA PLAN FINANCIAL FEASIBILITY

A core goal of this planning process is to determine whether the proposed new development uses can self-fund the costs of the water, sewer, storm water and roads needed to serve the anticipated development. Ehlers has analyzed the projected lot development and market pricing within each area against the expected infrastructure costs to determine whether private development can be reasonably expected to fund the necessary capital improvements or if additional resources are called upon. Land developers sell developed lots to home builders.

Typical new single-family homes are priced in the \$350,000 to \$525,000 range depending on size and style. Based on these home prices and current market conditions, developers may expect to sell a lot for \$65,000 to \$95,000. For private land developers, this means that costs to acquire land, install infrastructure, pay city fees, and improve lots ahead of home construction are limited to approximately \$65,000 to \$95,000.



ROADWAY AND UTILITY COSTS

The majority of the roadway costs are the developer's responsibility. The City pays for a portion of the collector roadways, but all of the other new roadways and intersections are typically installed by the developer at its expense.

Similarly, the developer will have to invest a significant amount to extend the water and sewer lines into the proposed development areas. The City pays for oversizing pipes to serve future development, but the majority of the cost to extend water and sewer lines and install stormwater infrastructure is a developer expense to be recovered from lot sales. The estimated infrastructure expense to be borne by the development is approximately \$18-\$20 million for the North Area and approximately \$10 million for the South Area.

These costs would be spread across the lots available for sale, resulting in the following estimated per lot infrastructure costs to be paid by the development:

Range of Estimated Infrastructure Expenses Per Lot*	
North Area	South Area
\$60,000 to \$100,000	\$60,000 to \$85,000

*Larger lots would be allocated more expenses and smaller lots would be at the lower end of the range.

REASONS BEHIND FINANCIAL GAPS IN REAL ESTATE DEVELOPMENT

Based on the aforementioned home prices and current market conditions, developers may expect to sell a lot for \$65,000 to \$95,000. This amount needs to pay for their costs to acquire the land, cover the estimated infrastructure, carrying expenses and deliver a reasonable return on investment (profit). If these cost components exceed the market value of the lot, there is a financial gap in the project.

FINANCIAL REALITY: A HYPOTHETICAL EXAMPLE

If we assume land acquisition and carrying cost of \$10,000 to 12,000 per lot and a 10% profit margin, then lot sale prices leave room to fund \$45,000 to \$75,000 share of infrastructure costs. Based on preliminary planning and pre-design cost estimates, the infrastructure is estimated to cost \$60,000 to \$100,000 per lot, potentially leaving a financial gap for the land developer.

Single family land developers across the region are recently experiencing financial gaps due to:

- Rising interest rates that put downward pressure on home sale prices (and thus what builders can afford to pay for lots) and upward pressure on carrying costs
- Rapidly increasing construction costs for the infrastructure

An additional challenge in funding infrastructure is timing. To take advantage of economies of scale, infrastructure installation is often incurred up front to serve the development as it rolls out over time. If only a small amount of lots are anticipated to be ready for absorption by the market initially, developers will be incentivized to seek minimal or piecemeal infrastructure investment. Developers may seek temporary municipal funding sources to step in and cover roadway and utility extensions until full development is achieved

**\$65,000 to
\$95,000 per lot**

*(Prices for Improved Lots In the
Hutchinson Market)*

**\$10,000 to
\$12,000 per lot**

(Acquisition Costs)

**\$45,000 to
\$75,000 per lot**

*(Amount remaining to fund a share of
infrastructure costs, which are estimated at
\$60-100k per lot in Hutchinson)*



FUNDING A POTENTIAL FINANCIAL GAP

Financial gaps can prevent private investment that results in a shortage of single family lots. In Hutchinson the lot supply is declining as the existing inventory gets purchased and there is a lack of new investment



The actual gap for the North and South Areas, if any, will depend on the actual development concept, infrastructure costs, and land costs. Higher density development can lower the gap as the infrastructure cost can be spread across more units. **The preliminary analysis within this study estimates a potential gap could range from \$0 to \$25,000 per lot.** If developers are faced with a financing gap due to market pricing, they may request financial assistance from the City. One of the purposes of this feasibility analysis is to determine what potential the North and South Area development may have on new city property taxes and fee revenue. Using new home prices, over the first ten years the new development is expected to generate approximately \$7.5 to \$10 million in city property taxes (today's dollars). These funds would be relied upon primarily to provide for city services supporting the new residents. However, portions could also be used to help solve for a gap and incentivize the new development.

PRIMARY EXAMPLES OF WAYS MN CITIES UTILIZE THEIR FUNDING TOOLKITS TO PROVIDE FINANCIAL ASSISTANCE AND SOLVE DEVELOPMENT FUNDING GAPS INCLUDE:

- **Tax Increment or Tax Abatement PAYGO Note:** Incremental taxes from the new development are captured over time and used to repay the developer for a portion of the infrastructure costs incurred up front. Under a PAY GO Note, the city promises to provide the captured taxes only as they become available. If development does not occur, no new taxes are created and the developer will not recover their investment.
- **Special Assessments:** a city pays for a portion of the improvements from existing capital funds or bonding, and assesses the property owner. The assessment is paid as lots are developed or added to property tax statements. The risk that gets passed onto the city is that if the development stalls or fails, the assessments may not get paid in a timely way.
- **City-borne Costs:** A city takes on a portion of the land or improvements and recovers the cost from its future utility revenues and tax collections. If development does not occur or is delayed, the City may need to raise its overall taxes or utility rates to pay for its investment in the project.
- In evaluating potential forms of assistance, cities should analyze the potential impacts of assuming financial risk related to the project. The following table arranges the Primary examples of city participation on a risk continuum.





HUTCHINSON

A CITY ON PURPOSE.



Craig Clark

From: Matt Jaunich <MJaunich@hutchinsonmn.gov>
Sent: Monday, December 15, 2025 4:57 PM
To: Craig Clark; Dan Jochum
Cc: Miles Seppelt
Subject: RE: Hutchinson Growth Master Plan

CAUTION: This email originated outside of our organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Craig,

Hope all is well!

I've included Dan Jochum in on my response. Dan is our planning director and he was the one who spearheaded our Growth Master Plan. He can provide some additional information that I may have forgotten.

I'll do my best to lay out what the direct and indirect benefits of the Growth Master Plan has been for us here in Hutchinson.

- 1) The document has served as an educational tool for our City Council and Planning Commission along with our EDA and members of the public who have read it. The information in the report has served as a good reminder of what to expect when it comes to lot costs, development and future growth ideas for the City. The document has more or less become a marketing tool for the city.
- 2) It has served as a "vision" document for the areas identified. As my planning director said, "it's one thing to look at an area and see it is zoned R-2 or C-3, it's another thing to see what that R-2 or C-3 could actually look like". I think it tells the community that we are interested in seeing our community grow. We've had requests for the document from both residents and developers. With the developers, we've used the document to show them what the area could actually look like.
- 3) 2 of the properties that were analyzed in the report have been bought by private developers. One of the developers spent this past summer developing the land he purchased into our first new housing development in 20 years. He essentially used the layout in the Growth Plan for his development. The new development was platted for 51 lots. There are currently 2 homes being constructed on the site and development has added much needed residential lots to the community. While the second developer hasn't expressed his plans for the land yet, he is using our Growth Plan as a guide as he considers his options. In both cases, the Growth Plan assisted in the sale of the land.
- 4) In one of the areas, we did a study to see what the costs would be to run utilities to the site. That has helped prepare city staff and get us ready for future development if something serious comes up. Essentially, we will be ready to go if we need to pull the trigger.
- 5) One of the other sites identified in the plan has been looked at by another developer for housing. They are looking at a combination of single-family homes, duplexes, triplexes and an Apartment Complex. In total, it would represent about 260 housing units. To be honest, I don't have any faith

in the developer and I don't see this project happening. But they did use concepts of our Growth Plan in their drawings.

- 6) One of the owners of one of the areas looked at in our Growth Plan is currently in discussions with Kwik Trip on bringing a second location to town. Not sure if our Growth Plan assisted or will assist in those conversations and there is no guarantee a project will develop, but it is an area that we are familiar with and staff knows what it would take to get utilities to the site. The Growth Plan may have assisted in gaining that knowledge.

To be honest, I would do the plan again and not even think about based off of what has happened in town since we approved this plan. Not all of it is associated with the Growth Plan, but I think the Plan grew interest in the community for new development. At the very least, it's a development tool for the community.

The planning documents the City has produced in the past have been extremely beneficial to the community. We currently have two other projects going on in town that go back to our Downtown Plan we approved a few years ago. We currently have a developer building a 81-unit apartment complex in our downtown area on a site identified within our Downtown Plan, and another developer is looking at building a new hotel in our downtown area at the old "Jurgenson Hotel Site" that has been identified for redevelopment going back 40 years now.

Not to rub it in, but the developer of the apartments around Kwik Trip here in town, has just purchased some additional land (or has an option to purchase), to construct 3 more apartments in town that will have 126 total units 🤔

Hope this helps. Let me know if you want to chat or need anything else.

Matt Jaunich, ICMA-CM
City Administrator
111 Hassan Street SE
Hutchinson, MN 55350-2522
(320) 234-4241
mjaunich@hutchinsonmn.gov



From: Craig Clark <craigc@ci.austin.mn.us>
Sent: Friday, December 12, 2025 3:46 PM
To: Miles Seppelt <MSeppelt@hutchinsonmn.gov>; Matt Jaunich <MJaunich@hutchinsonmn.gov>
Subject: Hutchinson Growth Master Plan

Matt and Miles,

The Austin Port Authority has been contemplating a Growth Master Plan that is like your recent effort in Hutchinson. We discussed it at our most recent meeting as part of a goals discussion/strategic plan.