

WATERVILLE CITY COUNCIL AND  
WATERVILLE ECONOMIC DEVELOPMENT AUTHORITY  
SPECIAL MEETING

November 27, 2017, 6:00 p.m.

There was a special meeting of the Waterville City Council and Waterville Economic Development Authority held at 220 Paquin Street (Former Senior Center) at 6:00 p.m. on November 27, 2017 to discuss the Waterville Housing Study.

Council Present: McIntyre, Grobe, Smith, and Mayor Schmidtke

Council Absent: Wollin (arrived 6:01 p.m.)

EDA Present: Richard Davis, Jennifer Grobe, Sue Myers and Chairperson Alan Schmidtke

EDA Absent: Sue Cutts

Also Present: Administrator/Clerk Teresa Hill

Also Absent: None

**1. Call to Order.** Chairperson Alan Schmidtke called the meeting to order noting that all EDA members were present except Sue Cutts. Mayor Alan Schmidtke called the meeting to order noting all Council was present except Dave Wollin (arrived 6:01). Also present City Administrator Teresa Hill, Laura Elvebak of MN Valley Council of Governments and Scott Knutson of Community Partners Research, Inc.

**2. Approval of Agenda.**

**A. Waterville EDA:** Motion by Grobe, seconded by Davis to approve the agenda. Unanimous vote. Motion carried.

**B. Waterville City Council:** Motion by McIntyre, seconded by Smith to approve the agenda. Unanimous vote. Motion carried.

**3. Pledge of Allegiance.** Pledge of Allegiance was recited.

**4. Waterville Housing Study – Scott Knutson.** Mr. Knutson of Community Partners Research, Inc. addressed the EDA and Council. Mr. Knutson advised that he was the lead person of his company that worked on the Waterville Housing Study project. Mr. Knutson advised that from their estimates it shows a minor decline in population in the recent years in Waterville partly due to the closure of the nursing home. This is also an ongoing trend that we are seeing all over Minnesota and the upper Midwest of smaller average household sizes. There has been minor household growth in the City of Waterville of one to two households per year. Like most communities Waterville is showing an aging pattern which is continuing to trend older. There are more households age 55 and older with fewer households age 54 and younger. Mr. Knutson said their study included the primary market area of Elysian, Morristown, Kilkenny and townships of Waterville, Elysian, Kilkenny, Iosco and Morristown. The median household

income level for all renters in 2015 was \$26,010, while the median income for homeowners was substantially higher at \$49,286. Mr. Knutson said their projections based on past history Waterville could expect between 4 and 6 new households per year going forward. There should be some proactive efforts to provide housing opportunities. That may be additional lots get created so that people can build houses and maybe some rental unit creation by converting existing structures. While growth could bring in younger households, the overall aging patterns will continue to shift and by 2022, projections show more than 56% of households in the Waterville Market Area will have a head of household age of 55 or older. Mr. Knutson provided information on the existing housing data. Some communities are looking at City incentives, tax incentives or financial incentives to try and spur new housing construction. Some variation exists in recent years in the median sale price for existing houses, which may be due to lake shore activity. In the two recent years with the largest volume of good sales (2015 and 2016) the median has ranged between \$118,000 (2016) and \$135,000 (2015). On employment and economy the best available evidence indicates that 70% or more of Waterville residents drive 10 minutes or more for employment. Waseca, Mankato, Faribault and Owatonna are some of the primary destinations for Waterville residents. Mr. Knutson gave recommendations on home ownership, rental housing and housing rehabilitation and preservation. Discussion by Council and EDA regarding Mr. Knutson's presentation of the Housing Study. Mr. Brad Meister inquired as to where in Waterville are there areas to build. Discussion held regarding different areas in town that are buildable. Mr. McIntyre suggested annexing properties into the City to acquire land for development. Mr. Todd Schwartz questioned how do we facilitate potential growth for either single family or rentals to promote and support the school and increase the tax base. Mr. McIntyre said we need to have a program that generates young families to come and build and live in this community. You have to take care of your school because you are going to increase your student population. Discussion regarding other towns that have generated incentives to large corporations to move into their community. Mr. Knutson said the City of Waterville is within striking distance of some pretty major cities and some big employment centers. It doesn't become unreasonable for the City of Waterville to become "a bedroom community". Ms. Vail questioned how we can get people to recognize what Waterville has to offer. Mr. Knutson said Waterville does promote their tourism well with the "Hot Summer Nights" Discussion held regarding the number of apartment complexes that are being built at this time in Mankato and Eagle Lake. Mr. Knutson said the rental apartments are very strong. Ms. Laura Elvebak of MN COG said that millennials move all the time and have no interest in home ownership. They like rental properties with nice amenities. Also the senior citizens are moving to rental properties with nice amenities. Both generations are going after these same properties. The EDA will be reviewing the current comprehensive plan and the work study to present to possible developers. Discussion held regarding talking to land owners. Chip Beadell advised that they were waiting for the housing study to come forward and they may have a change in their preliminary plans as how to develop their property. Mr. Schwartz said we should identify what we do have available for bare land in the City, identify what we could have

available for bare land in the City, go to the landowners and figure out what that will cost to annex it in or buy it from them for development. Determine what the infrastructure plan is for sewer and water and get that out to those areas that need to have it and go from there. Mr. Schwartz said he does believe the multi-family, twin home, four-plex for rental and for sale is probably the first step for us. That is where we have the most demand and would be the easiest to turn. Chairperson Schmidtke said that the EDA will be meeting with Laura Evlak of MN COG to work on the direction that the City needs to go. Chairperson Schmidtke thanked Mr. Knutson for being present at the Council and EDA meeting.

**5. Council Adjourn.** Motion by Smith, seconded by Wollin to adjourn. Unanimous vote. Motion carried. Council Meeting 7:15 p.m.

**6. EDA Loan Request.** A request was made for an EDA loan in the amount of \$5,000. The Loan Committee met and recommended that the loan be granted in the amount of \$5,000 with zero percent interest for a period of five years. Motion by Myers, seconded by Davis to grant the loan to a business in the amount of \$5,000 with zero percent interest for a period of five years. Unanimous vote. Motion carried.

**7. Laura Elvebak of MN COG.** Motion by Grobe, seconded by Myers to schedule the next Regular EDA meeting for December 18, 2017 at 5:00 p.m. Unanimous vote. Motion carried. Ms. Laura Elvebak introduced herself to the Council and gave her background and employment history. She said she has a lot of experience with rural cities and counties and has a lot of resources. Ms. Myers asked if there has been an inventory of the lots that are available. Ms. Hill said that there has been a lot inventory completed when the Wastewater Treatment Plant was being built. Ms. Hill said the spots that are available for industry is by the Weaver property. Mr. Schmidtke asked if there has been anything back on the septic inventory. Ms. Hill said she has requested the information but has not received it yet.

**8. EDA Adjourn.** Motion by Schmidtke, seconded by Grobe to adjourn. Unanimous vote. Motion carried. Meeting adjourned 7:30 p.m.

EDA:

\_\_\_\_\_  
Alan Schmidtke, Chairperson

\_\_\_\_\_  
Teresa Hill, Administrator/Clerk

COUNCIL:

\_\_\_\_\_  
Alan Schmidtke, Mayor

\_\_\_\_\_  
Teresa Hill, Administrator/Clerk