



Announcement of Meeting

Economic Development Authority

Regular Meeting Minutes

305 E. Luverne St.
Luverne, MN 56156
www.cityofluverne.org

Monday, May 11, 2026

8:00 AM

Council Chambers

A. CALL TO ORDER - ROLL CALL

Present Patrick Baustian, Ryan DeBates, Tara Zewiske, and Quinn Buss
Excused Kevin Aaker

A Regular Meeting of the Luverne Economic Development Authority was held in the Council Chambers, commencing at 8:00 AM.

Additional attendees include: City Administrator Jill Wolf, EDA Director Holly Sammons, Star Herald Editor Lori Sorenson, and Building Official Chad McClure.

B. APPROVAL OF MINUTES OF PRECEDING MEETING

1. LEDA - Regular Meeting - March 9, 2026

A motion was made by DeBates, seconded by Zewiske, that these LEDA Minutes be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Buss

C. BILLS AND COMMUNICATIONS

1. Approval of Regular Department Payment Report - 03 & 04 2026

A motion was made by Zewiske, seconded by DeBates, that this LEDA Regular Department Payment Report be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Buss

2. Approval of Financial Report - 03 & 04 2026

A motion was made by DeBates, seconded by Buss, that this LEDA Financial Report be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Buss

D. DIRECTOR'S REPORTS & DISCUSSION

1. Maple Street Redevelopment

The City of Luverne is conveying six properties to the LEDA. The six properties are: 113 McKenzie St.; 117 McKenzie St.; 313 E. Maple St.; 315 E. Maple St.; 319 E. Maple St.; and 321 E. Maple St. The City acquired these properties (5 residential and 1 commercial) over a period of time between 2016-2021. The LEDA is equipped to determine the highest and best use of the parcels and to manage any future development in alignment with community objectives. The LEDA also has the authority to negotiate and manage development agreements, set project conditions, and guide responsible development.

Background

A housing development proposal was discussed at the February 10, 2026 City Council work session. Don Jahnke from Impresa Modular presented a housing development proposal for affordable housing on Maple St. The proposal includes a mix of duplexes, single-family homes, and town homes, and would offer a mix of rental and home ownership. Single family homes will have a foot print of over 800 square feet and cost between \$269,000 to \$289,000. Town homes will provide three-bedroom rental options, addressing a local market gap. The proposed development aims to add \$3.5 million to the local tax base.

Modular Construction Details

- Modular homes will be built to Minnesota code and offer energy efficiency
- Modular homes are built to Minnesota code with federal inspectors in the plant
- Energy efficiency is a focus, with options for radiant heating and mini splits
- Modular homes are constructed in controlled conditions, ensuring quality and efficiency
- Construction time is reduced as homes are built in the factory while site preparation occurs
- Modular homes are not to be confused with mobile homes; they are built to higher standards
- Modular homes can be delivered in 8-10 weeks after ordering
- Crane setup allows for quick assembly, with five houses set in two days

City's comprehensive plan and housing needs

- The proposal fits within the city's comprehensive plan and housing study needs
- The property is in a downtown zoning district and would require a conditional use permit process
- Replacing residential with residential is seen as a natural fit for the area
- The development would provide much-needed entry-level homes and rental options
- See pages 156-165 of Housing Demand Study
https://cms3.revize.com/revize/luvernemn/Documents/Department/Economic%20Development/Studies%20and%20Reports/2023_Luverne_Comprehensive_Housing_Demand_Study_FINAL.pdf

Potential Increase in Local Tax Base

The proposed development aims to add \$3.5 million to the local tax base

Building Official Chad McClure also stated that there currently isn't an inventory of property where interested parties can construct housing under 1300 sq. ft. outside of finding something on the private market.

DeBates asked about the vision for a Public Plaza as suggested by Roger Brooks. Sammons stated that the vision for the public plaza developed in 2019 was never formally presented to the council. The large-scale plan would require significant capital investment and ongoing maintenance, but no formal financial plan was presented. The City agreed to create a mini-plaza at the corner of Main St and McKenzie to serve the needs of summer events hosted by the Chamber & CVB. The City constructed a covered shelter and served it with power to provide a safe space for public events. McClure noted that some downtown property owners like to use the green space for their dogs. Buss suggested that additional locations along to Main Street could potentially better serve the downtown tourism needs if a different area could be redeveloped for a plaza in the future.

2. Lopau Second Addition Covenants

The Protective Covenants for Lopau Second Addition reference the establishment and powers of the Approving Authority (Article II, Section 201). It currently allows for each *lot* being entitled to one vote, which poses a potential problem when a twin home is developed on the lot and the homeowners need to share one vote. To clarify the legal interpretation, it is recommended to update the covenants to allow one vote per *dwelling*, and that the initial Approving Authority committee does not dissolve until 100% of the lots are sold by the EDA to keep uniform enforcement throughout the initial development of the addition. The Design and Quality Standards (Section 123) also states that no dwelling shall be erected which has gross livable floor area of less than 1300 square feet. With increasing construction costs and different trends in the housing market, the EDA may review and consider changing that requirement.

The board directed staff to put together a recommendation on amending the covenants to be less restrictive on the minimum square footage requirements, as well as changing the Approving Authority section as previously discussed.

E. BUSINESS

1. Motion to Approve Residential Demolition Grant Request - Leon Pick Trust - 109 W. Lincoln St.

Dan Pick and Julie Becker, Trustees of Leon Pick Trust, have submitted an

application for the Residential Demolition Grant Program for property at 109 W. Lincoln St.. Pick and Becker would like to demo the accessory structure on the southwest portion of the property to eliminate blight. Pick and Becker report that the structure is substandard, dilapidated, and beyond repair. Pick and Becker have submitted proper paperwork and meet all the requirements for a Residential Demolition grant for \$1500.

A motion was made by Zewiske, seconded by Buss, that this LEDA Business be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Buss

F. ADJOURNMENT

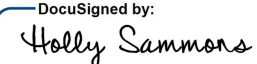
A motion was made by Buss, seconded by DeBates, that this meeting be adjourned. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Buss

G. SIGNATURES

DocuSigned by:

004BEE04C7E9488
Patrick T. Baustian, President

DocuSigned by:

18980B706C5840A
Holly J. Sammons, EDA Director