



Announcement of Meeting
Economic Development Authority
Regular Meeting Agenda

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

Monday, February 10, 2025

8:00 AM

Council Chambers

A. CALL TO ORDER - ROLL CALL

Mayor or Presider will call the meeting to order, state the time, and take roll call.

B. APPROVAL OF MINUTES OF PRECEDING MEETING

- 1. LEDA - Regular Meeting - January 13, 2025

Attachments: 01 13 25 LEDA Minutes

C. BILLS AND COMMUNICATIONS

- 1. Approval of Regular Department Payment Report - 01 2025

Attachments: Dept Payment Report - 01 2025

- 2. Approval of Financial Report - 01 2025

Attachments: Financial Summary - 01 2025

D. DIRECTOR'S REPORTS & DISCUSSION

- 1. Southwest MN Housing Partnership - Reisch Addition Twinhome Project

The Southwest Minnesota Housing Partnership (SWHP) will be awarded \$1,187,580 Impact Fund Dollars from the MN Housing Board of Directors for their 2024 Single Family Housing application. The funds will be used to construct twin homes in Luverne.

Proposed Project:

SMHP will construct three twin homes (6 units) on three lots in the Reisch Addition. The units will be three-bedroom, two-bathroom, two-car garage, single-level twin homes with one shared wall.

SMHP applied for state Impact Funds to bridge the VALUE GAP and AFFORDABILITY GAP. The Value Gap addresses the difference in the cost it takes to build a project, and the dollar amount at which it can be appraised and sold. The Affordability Gap addresses the gap between what a property is selling for and what the buyer can afford. Value Gap will be used for the six units for households at or below 100% AMI (household income limit of \$111,700). Any Affordability Gap provided will be limited to households at or

below 80% AMI (\$89,400).

Total Project Costs = \$2,659,500

Of Units = 6

Total Development Cost Per Unit = \$443,250

Impact Fund Award Total = \$1,187,580

Grant Award Per Unit = \$197,930

Example of possible funding scenarios (each unit will be unique based on buyer):

Impact Fund Value Gap Subsidy Per Unit = \$145,850

Impact Fund Affordability Gap Subsidy Per Unit = \$51,080

Administration Fee Per Unit = \$1000

Typical Grant Per Unit = \$197,930

Typical Development Cost Per Unit = \$443,250

Typical Grant Award Per Unit = \$197,930

Average Price to Buyer = \$245,320

The Housing Partnership is the grant recipient and will be leading the project. Their tentative timeline includes:

Design & Bid - Spring/Summer 2025

Construction Start- Fall/Winter 2025

Construction Finish- Summer 2026

The Housing partnership is responsible for the construction and sale of all homes. More details will be available as their project plan develops.

Attachments: [Reisch Thomes Plans 052924](#)
[Impact Fund Income Limits 2024 \(1\)](#)

2. Childcare Center Construction Update

Last Month:

- Ansul system test and inspection
- Kitchen equipment start up
- Initial kitchen inspection completed
- All flooring finishing by 1/31
- Window shades complete
- Framed, drywall, mud, and taped Bulk Heads (loading dock and corridor RFI's)
- Patched, mud, and taped all damaged areas or touch up areas throughout the building.
- Drywall, mud, and sand pocket door
- Walk in cooler and freezer start up.
- Exhaust hood start up
- Doors and hardware
- Installed eye wash station in sick room

- Labeling in the mechanical room
- Relocated heater in the loading dock
- Installed carpet in offices and multi-purpose rooms
- Installed resilient athletic flooring in Activity Room
- Finished bathroom accessories
- Finished visual displays, grab bars, and other misc. div 10 items
- Electrical ceiling finishes
- Mounted lighting control boxes in Mechanical room
- Cleaning ongoing

This Month:

- Last of the glazing
- Continue with punch list corrections
- Continue with cleaning
- Final punch and walk through
- Final inspections
- Kitchen final
- Furniture / furniture punch list
- Lake Shore Equipment
- Other owner FFE

Kids Rock! has hired Director, Food Service Manager, and Assistant Director. There are 30+ applicants for Lead Teacher positions and 90+ applicants for Aide positions. Interviews will be set up for late February-early March. Furniture, Fixtures, and Equipment is arriving and rooms are filling up! Appliances are installed. There are 125+ kids on the pre-enrollment list. Families will be able to sign up for tours late February- early March and will be able to secure a spot with a down payment following their tour. Staff training, licensing inspection, and an Open House will take place in April with an anticipated opening date sometime in May.

Attachments: [Childcare Construction Updates](#)
[Childcare Project Update Pics.pdf](#)

E. BUSINESS

1. Motion to Approve Commercial Demolition Grant Request - Dikun Properties, LLC - 704 S. Kniss

Dikun Properties, LLC has submitted an application for the Commercial Demolition Grant Program for property at 704 S. Kniss. Dikun reports that the structure is substandard and dilapidated. Dikun would like to remove the blighted property on the parcel and has plans for potential redevelopment. EMV is \$28,700 (\$6,900 Land, \$21,800 Building). Annual taxes are \$532. Dikun has submitted proper paperwork and meets all the requirements for a Commercial Demolition grant for \$5000.

Attachments: [704 S. Kniss Ave- Commercial demolition.pdf](#)

F. ADJOURNMENT

A motion to adjourn would be in order.