



WABASHA PORT AUTHORITY AND DEVELOPMENT AGENCY

Wabasha City Hall

<https://us02web.zoom.us/j/82539841446>

Meeting ID 825 3984 1446

Tuesday, June 20, 2023

5:30 PM

1. **Call to Order -**
2. **Roll Call -**
 1. Guest Speaker: Bolton & Menk Highway 60 Reroute Development Update from Kristo Trisko
 2. Guest Speaker: SMIF Presentation from Alissa Oeltjenbruns, VP of Philanthropy
3. **Consent Agenda -**
 1. May 24, 2023 Port Authority Meeting Minutes
 2. May 2023 Port Authority Financials
 3. Monthly Staff Invoice: 1st Half 2023
 4. Bolton & Menk Invoice 0313831
4. **Old Business -**
5. **New Business -**
 1. Approve Section 217d Agreement with US Army Corps
 2. Discussion on Three Rivers 2024 Application- identifying sites
 3. 2023 Mid-Year Work Plan Update
 4. Housing Study Update
6. **Directors Report -**
 1. Director's Staff Reports
7. **Other -**
 1. SEMLM Summer Meeting Invitation
8. Next Meeting - Tuesday, July 18, 2023
9. Adjourn -

Port Authority

2. 1.

Meeting Date: 06/20/2023

ITEM TITLE: Guest Speaker: Bolton & Menk Highway 60 Reroute Development Update from Kristo Trisko

DEPARTMENT: Administration

PURPOSE:

Bolton & Menk will be presenting to the board new information about the Highway 60 rerout project and future development of the Athletic Fields.

ITEM SUMMARY:

City and Port staff met with Bolton & Menk in April to discuss some components of the Highway 60 reroute and the development of the Athletic Fields. New information was presented regarding shoreland overlay that impacts potential strategies for seeing the land developed in the future. Bolton & Menk will be presenting this information to the Port Authority board.

Port Authority

2. 2.

Meeting Date: 06/20/2023

ITEM TITLE: Guest Speaker: SMIF Presentation from Alissa Oeltjenbruns, VP of Philanthropy

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

Annual update on the work SMIF achieved in the last year, and request for funding consideration in 2024.

Attachments

City of Wabasha Request Letter

Wabasha County FY23

March 30, 2023

Caroline Gregerson
City of Wabasha
900 Hiawatha Dr E
PO Box 268
Wabasha, MN 55981-0262

Make a difference today!

A gift of \$100
will allow SMIF to invest
\$1,500
into your community!

(Wabasha County ROI: \$1 donated = \$15 invested)

Hello Ms. Gregerson and City Council,

For over 37 years, Southern Minnesota Initiative Foundation (SMIF) has been supporting our 20-county region, focusing on businesses, early childhood needs, and Community Foundations. We live in a vibrant and diverse region, and every community has unique needs and opportunities that we strive to address. From offering child care trainings to being a gap lender for small businesses to supporting 31 Community Foundations, we work to retrofit our services to the needs of communities in southern Minnesota.



Over the past few years, SMIF has invested over \$731,290 into Wabasha County. We value every gift we receive and stretch every dollar to serve as many people as possible. ***Will you consider making a donation to SMIF in 2024?*** With your support we can continue to invest in our region. Please see the enclosed fact sheet for more information on how SMIF is impacting early childhood, entrepreneur and community efforts in your county.

Sincerely,

A handwritten signature in black ink that reads 'Tim Penny'.

Tim Penny
President and CEO

cc: Cassie Harrington, Board Member



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

Collaborating for Regional Vitality

Wabasha County Investments

We envision southern Minnesota as a prosperous and growing region with vibrant communities, innovative and successful economies, and engaged and valued citizens. To achieve this vision, Southern Minnesota Initiative Foundation, a regional development and philanthropic organization, fosters economic and community vitality in 20 counties of southern Minnesota through a culture of collaboration and partnership.

For every donation of
from Wabasha County

\$1

=

\$15

is invested back into
Wabasha County
communities.*

*Includes grants, loans & programming

20 LOANS

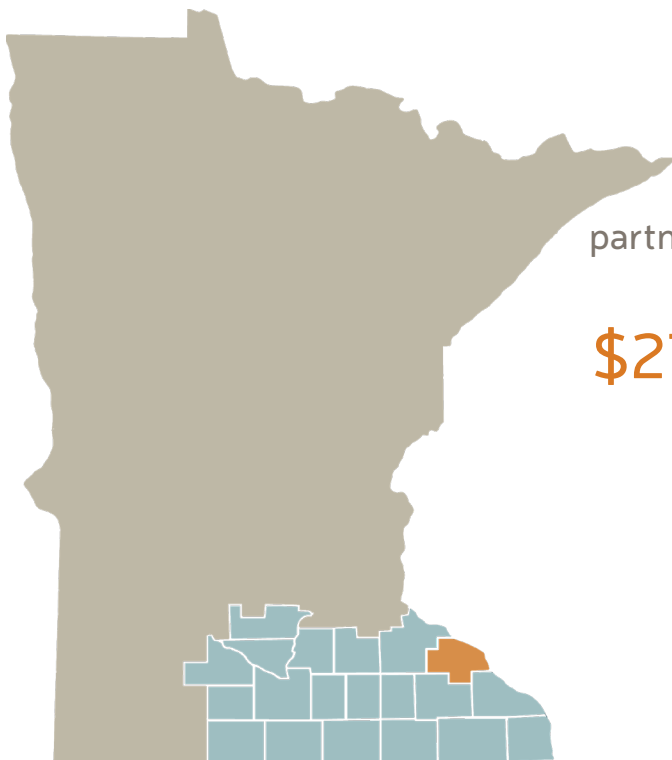
\$1 million to Wabasha County entrepreneurs

\$3.3 million to support community initiatives and programming

183 GRANTS

\$1.1 million to support grant-making

***\$5 million invested annually to the 20 counties of
south central and southeastern Minnesota***



Since 1986, Southern Minnesota Initiative Foundation has leveraged local investments & partnerships to create a stronger **Wabasha County**:

\$273,000 in local donations to SMIF

\$4 million

invested by SMIF in Wabasha County
through grants, loans, and programming for
stronger kids, businesses and communities

Making a Difference

Providing support and resources for community vitality



Wabasha-Kellogg Area Community Foundation gave back to their local communities in several ways during 2021. They provided \$3,000 toward a Wabasha Main Street beautification project called Community Roots Mural and \$9,000 went toward a Swimming Pool Pass Program to provide free passes for local youth. WKACF collaborated with the Hiawatha Valley Mental Health Center to provide mental health certification for a local clinician. They also provided \$5,000 to the Wabasha Area Food Shelf. Other areas of support included: Kellogg Lions Club and their Ball Field Project, St. Elizabeth and their Cardiac Monitoring System, Wabasha County Substance Abuse, Wabasha Youth Ski Team, Great River Homes, WK Scholarship Program, Meals on Wheels, Channel One Food Distribution, Elder Network, Artist on Main, Reads Landing School Museum, Hope Coalition (Domestic Abuse), WK Grad party, and Special Needs in Public Health. "I am proud to live in a community that generously supports one another and has a desire to make an impact to keep our community a great place to live, work and play," said Bob Mann, WKACF Board member and former president.

Early Childhood

- 18 early child care providers and centers received Emergency Child Care Grants to provide immediate support during the COVID-19 pandemic.
- Tri-Valley Opportunity Council was awarded 100 books through an Early Literacy Grant to encourage reading to help young children gain new vocabulary and develop language development.
- 15 local Early Childhood professionals participated in free trainings provided by SMIF in 2021, impacting more than 150 children, to gain resources and knowledge to increase quality care for young children.

Number of children
impacted: **50**

Hours of Training
Provided: **43**

Economic Development

- 40 Wabasha County businesses received \$410,000 in DEED Small Business Relief Grants to assist with pandemic-related challenges.
- Lake City engaged in the Rural Entrepreneurial Venture (REV) program. This is a three-year commitment to focus on growing their local economy by connecting entrepreneurs with mentors and resources.

Number of entrepreneurs
impacted: **29**

Hours of training and
events provided: **565**

Community Vitality

- Plainview Area Foundation, Wabasha-Kellogg Area Community Foundation and Zumbro Valley Foundation received \$20,688 in matching funds and services throughout 2021. As the fiscal host, SMIF maintains all filings with the government and administrative work while providing technical assistance to the local board. Volunteers focus on raising dollars and granting them where they see fit in the community.
- The Hammond Public House received 15 gallons of paint through a Paint the Town grant to restore an historic building on Main Street.
- The City of Elgin received a \$1,625 Small Town Grant to support a strategic plan for the revitalization of the downtown.

Port Authority

3. 1.

Meeting Date: 06/20/2023

ITEM TITLE: May 24, 2023 Port Authority Meeting Minutes

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

Review the May 24, 2023 Port Authority meeting minutes.

ACTION REQUIRED:

Approve the May 24, 2023 Port Authority meeting minutes.

Attachments

May 24, 2023 Port Authority Meeting Minutes

DRAFT



WABASHA PORT AUTHORITY AND DEVELOPMENT AGENCY

WABASHA CITY HALL
Tuesday, May 24, 2023
5:30 PM

Present: President John Friedmeyer; Dave Wodele; Vice President Michael Walters; Treasurer Cory Loechler; Robin Gwaltney; Jeff Sulla; Craig Falkum

Attendees: Ben Strand, CEDA Representative, Emily Durand, Mayor, Caroline Gregerson, City Administrator, Tyler Grabau, Finance Director

1. **Call to Order -**
2. **Roll Call -**
3. **Consent Agenda -**

Moved by Vice President Michael Walters, seconded by Jeff Sulla to approve the Consent Agenda.

Vote: 7 - 0 Adopted - Unanimously

1. April 18, 2023 Port Authority Meeting Minutes
2. April 2023 Port Authority Financials
3. Bolton & Menk Invoice 0311902
4. Stantec Invoice 2081824
4. **Old Business -**

5. **New Business -**

1. 2023 Work Plan Update

Port Authority staff provided the board with a progress update on the 2023 workplan and presented them with an outline of what staff anticipates spending most of their time on for the remainder of the year (business visits, support for downtown businesses as street project begins, completion of housing study and next steps, and application to USDA to recapitalize the Revolving Loan Fund. The Port Board discussed whether it was worth the time for staff to assist with communication efforts and support during the street project since Bolton & Menk has people on their team working on that. There was consensus that it wouldn't hurt to have someone on the local/ground level assist in communication efforts during the construction project.

2. Wabasha-Kellogg Community Boost Application Discussion

Port Authority staff presented the board with recommendation to approve two grant applications for the Blandin Boosts Grant. One grant was from the Wabasha Main Street Program in the amount of \$5,000 and one was from Grand Pad and Dreamweaver in the amount of \$5,000.

Moved by Craig Falkum, seconded by Robin Gwaltney to approve the Main Street Community Boost Grant.

Vote: 7 - 0 Adopted - Unanimously

Moved by Craig Falkum, seconded by Treasurer Cory Loechler to approve the Grandpad/Dreamweaver Community Boost Grant.

Vote: 7 - 0 Adopted - Unanimously

6. April/May Director's Report

Port Authority staff provided a summary of items worked on since April's meeting.

7. **Directors Report -**

8. **Other -**

9. Next Meeting - Tuesday, June 20, 2023

10. Adjourn -

Port Authority

3. 2.

Meeting Date: 06/20/2023

ITEM TITLE: May 2023 Port Authority Financials

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

Review May 2023 Port Authority Financials.

ACTION REQUIRED:

Approve May 2023 Port Authority Financials.

Attachments

May 2023 Port Authority Financials

Wabasha Port Authority Financial Summary and Projection

Per May 31, 2023 Bank Statements

Port Authority Current Account Balances	
Cash and Marketable Securities	
PA Checking	\$67,122
PA Main Money Market	\$72,845
Restricted Funds	
PA Revolving Loan Fund	\$60,969
Total Current Account Balances:	\$200,935

	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Checking and Money Market Accounts												
Checking and Money Market Revenue												
Misc Interest	\$250			\$250			\$250			\$250		
2023 Tax Levy	\$55,838											
Emergency Loan Repayments												
Checking and Money Market Revenue	\$56,088	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0
Checking and Money Market Expenses												
City of Wabasha - Admin Support	\$7,500						\$7,500					
CEDA	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344	\$3,344
Legal Costs for Barge Terminal	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Environmental Review		\$25,000			\$25,000			\$25,000			\$25,000	
Checking and Money Market Expenses	\$15,010	\$32,510	\$7,510	\$7,510	\$32,510	\$7,510	\$15,010	\$32,510	\$7,510	\$7,510	\$32,510	\$7,510
Checking and Money Market Fund Balance	\$181,044	\$148,534	\$141,024	\$133,763	\$101,253	\$93,743	\$78,983	\$46,472	\$38,962	\$31,702	-\$808	-\$8,319
Revolving Loan Fund Account												
Revolving Loan Fund Revenue												
Hill Loan Repayment	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550
Anderson House Repayment	\$714	\$714	\$714	\$714	\$714	\$714	\$714	\$714	\$714	\$714	\$714	\$714
Round the Clock Nutrition Repayment	\$183	\$183	\$183	\$183	\$183	\$183	\$183	\$183	\$183	\$183	\$183	\$183
Cassie Modjeski Repayment	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208
Revolving Loan Fund Revenue	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656
Revolving Loan Fund Expenses												
Anderson House	\$45,309											
Revolving Loan Fund Expenses	\$45,309	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revolving Loan Fund Balance	\$17,315	\$18,971	\$20,626	\$22,282	\$23,938	\$25,593	\$27,249	\$28,905	\$30,560	\$32,216	\$33,871	\$35,527
Total Port Authority Balance	\$198,359	\$167,505	\$161,650	\$156,045	\$125,191	\$119,336	\$106,232	\$75,377	\$69,522	\$63,918	\$33,063	\$27,208

Wabasha Port Authority Bank Account Detail

Per May 31, 2023 Bank Statements

Summary

Port Authority Account Summary

Checking Account:	\$67,121.60
Revolving Loan Fund:	\$60,968.93
Money Market:	\$72,844.81
Total	\$200,935.34

Account Details

Port Authority Checking Account

April 30, 2023 Balance:	\$66,489.94
Deposit: Transfer from the Revolving Loan Fund	\$631.66
May 31, 2023 Balance:	\$67,121.60

Port Authority Revolving Loan Fund

April 30, 2023 Balance:	\$58,273.99
Deposit: Two Anderson House Loan Payments	\$1,428.00
Deposit: Round the Clock Nutrition Loan Payment	\$183.34
Deposit: George Hill Loan Payment	\$550.00
Deposit: Anderson House Loan Payment	\$714.29
Deposit: Modjeski Loan Payment	\$210.00
Deposit: Round the Clock Nutrition Loan Payment	\$184.00
Deposit: Interest	\$56.97
Withdrawal: Round the Clock Nutrition Revolving Loan Disbursement	\$631.66
May 31, 2023 Balance:	\$60,968.93

Port Authority Money Market

April 30, 2023 Balance:	\$72,770.16
Deposit: Interest	\$74.65
Withdrawal:	\$0.00
May 31, 2023 Balance:	\$72,844.81

Port Authority

3. 3.

Meeting Date: 06/20/2023

ITEM TITLE: Monthly Staff Invoice: 1st Half 2023

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

Review Monthly Staff Invoice 1st Half 2023.

ACTION REQUIRED:

Approve Monthly Staff Invoice 1st Half 2023.

Attachments

Monthly Staff Invoice 1st Half 2023



City of Wabasha Staff Support Invoice

First Half 2023

Date: June 20, 2023

To: Wabasha Port Authority

Month	Amount
January 2023	\$1,250
February 2023	\$1,250
March 2023	\$1,250
April 2023	\$1,250
May 2023	\$1,250
June 2023	\$1,250
Total	\$7,500

Total: \$7,500

Please remit to: City of Wabasha
PO Box 268
Wabasha, MN 55981

Port Authority

3. 4.

Meeting Date: 06/20/2023

ITEM TITLE: Bolton & Menk Invoice 0313831

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

Review Bolton & Menk Invoice 0313831.

ACTION REQUIRED:

Approve Bolton & Menk Invoice 0313831.

Attachments

Bolton & Menk Invoice 0313831



Real People. Real Solutions.

Please Remit To: Bolton & Menk, Inc.
1960 Premier Drive | Mankato, MN 56001-5900
507-625-4171 | 507-625-4177 (fax)

Payment by Credit Card Available Online at www.Bolton-Menk.com
To Ensure Proper Credit, Provide Invoice Numbers with Payment

City of Wabasha
finance@wabasha.org; cityadmin@wabasha.org
Caroline Gregerson, City Administrator
900 Hlawatha Drive East, PO Box 268
Wabasha, MN 55981

May 31, 2023
Project No: H19.114396
Invoice No: 0313831
Client Account: WABASHA_CI_MN

Wabasha/USACE Dredge Material Plan

Engineering and Planning Services to Assist the City of Wabasha with the USACE Dredge Material Management Plan

Professional Services from April 15, 2023 to May 12, 2023

DMMP and Section 217D Agreement Work (001)

Professional Services

	Hours	Amount	
Principal	8.00	1,584.00	
Totals	8.00	1,584.00	
Total Labor			1,584.00
Total this Task			1,584.00

Port Prelim Design, EAW and Permitting (002)

Professional Services

	Hours	Amount	
Principal	1.00	198.00	
Specialist	.50	76.50	
Design Engineer	3.00	411.00	
Senior Planner	9.00	1,416.50	
Planner	14.00	1,652.00	
Senior Project Engineer	2.50	470.00	
Totals	30.00	4,224.00	
Total Labor			4,224.00

Consultants

Consultant			
4/30/2023	CJS ColeJenest & Stone	524.70	
Total Consultants		524.70	524.70

Total this Task \$4,748.70

Total this Invoice \$6,332.70

Billings to Date

	Current	Prior	Total
Labor	5,808.00	367,252.00	373,060.00
Consultant	524.70	94,978.14	95,502.84

Project	H19.114396	Wabasha/USACE Dredge Material Plan			Invoice	0313831
Expense		0.00	760.90	760.90		
Totals		6,332.70	462,991.04	469,323.74		

Bolton & Monk, Inc. is an equal opportunity employer and federal contractor or subcontractor. Consequently, the parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that those laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.

Notice: A Finance charge of 1.5% per month (annual percentage of 18%) is charged on balances 30 days or over.

Port Authority

5. 1.

Meeting Date: 06/20/2023

ITEM TITLE: Approve Section 217d Agreement with US Army Corps

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

This is a non-binding memorandum of agreement with the US Army Corps to partner with the City of Wabasha and its Port Authority to move dredged material and keep the Mississippi open for channel navigation for the Upper Mississippi River. This agreement identified the Carrells Facility and Wabasha Sand and Gravel Facility to be the sites of dredged or excavated material. The tipping fees identified in the agreement identify the fees paid to cover the cost of the City to engage a private operator (Kohners) to move the material to sites identified in the agreement plus the City's costs. The City anticipates costs in Davis Bacon and federal compliance on the project. A future operator agreement will be approved by the Port.

ACTION REQUIRED:

Approve Section 217d agreement. The agreement is with the City but operations and cost of the project undertaken by the Port Authority.

Attachments

Final Section 217d Agreement

Plate 2

MEMORANDUM OF AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
THE CITY OF WABASHA, MINNESOTA
FOR CALCULATION OF USER FEES FOR USE OF
DREDGED MATERIAL PLACEMENT FACILITIES IN WABASHA, MINNESOTA

THIS Memorandum of Agreement (MOA) is entered into this _____ day of _____, _____, by and between Department of the Army (hereinafter the “Government”), represented by the U.S. Army Engineer, St. Paul District (hereinafter the “District Engineer”) and the City of Wabasha, Minnesota (hereinafter the “City”) represented by its Mayor.

WITNESSETH, THAT:

WHEREAS, the Government has the authority for continued operation and maintenance of the Mississippi River 9-Foot Navigation Channel Project pursuant to the River and Harbor Act of 1930 and is directed by the Secretary of the Army who shall, as he determines feasible, dispose of dredged material from the Upper Mississippi River system pursuant to the recommendations of the GREAT I study as provided in Section 1103(i) of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. § 652(i)); and

WHEREAS, it is the Government’s policy to dispose of dredged material in the least costly way consistent with sound engineering practices and meeting the environmental standards established by the Clean Water Act Section 404(b)(1) evaluation process (hereinafter the “Federal standard”); and

WHEREAS, the Government, on or about May 11, 2017, published for notice and public comment its long-term plan for managing dredged material in Lower Pool 4 of the Upper Mississippi River entitled “Draft Feasibility Report and Integrated Environmental Assessment, Lower Pool 4 Dredged Material Management Plan” (hereinafter the “DMMP”); and

WHEREAS, the City, through a series of formal comment letters and meetings with the Government expressed what it deemed to be important concerns and objections related to the Government’s identification of certain sites, such as Southside Fitzgerald, as temporary and permanent placement or transfer sites for dredged material management in the Tentatively Selected Plan (hereinafter the “TSP”) within the DMMP and identifying such TSP as the Federal standard; and

WHEREAS, Section 217(d) of the Water Resources Development Act of 1996, Public Law 104-303, as amended by Section 2005 of the Water Resources Development Act of 2007, Public Law 110-300 (33 U.S.C. § 2326a(d)), provides that the Government may enter into agreements with non-Federal providers of disposal facilities and non-Federal sponsors to utilize the non-Federal public or private facility for disposal of dredged material from a Federal navigation project and to pay a user fee for placement of the material at the disposal facility in an

amount that shall be sufficient to repay funds contributed by the private entity plus a reasonable return on investment; and

WHEREAS, the City submitted a proposal to the Government on July 29, 2020 (hereinafter the “City’s proposal”) to partner with the Government under Section 217(d) and has identified the Carrells Facility and Wabasha Sand and Gravel Facility as disposal facilities for Government use; and

WHEREAS, in working with the Government, the City’s proposal has undergone additional refinements as discussed in the City’s letter of intent dated November 15, 2022 and updated on May 31, 2023 (“Letter of intent”); and

WHEREAS, the Government has determined that use of the Carrells Facility and Wabasha Sand and Gravel Facility, as identified in the City’s proposal and Letter of intent is consistent with the Federal standard as explained in the Government’s decision memorandum for this MOA, dated June 12, 2023; and

WHEREAS, the Government and the City have agreed upon a user fee, which may be adjusted in subsequent years, for the placement of such dredged or excavated material at the Carrells Facility and Wabasha Sand and Gravel Facility.

NOW, THEREFORE, the Government and the City agree as follows:

ARTICLE I – DEFINITIONS

A. The term “Facilities” shall mean the Carrells Facility and Wabasha Sand and Gravel Facility provided by the City for the placement of dredged or excavated material as identified in Exhibit A to this MOA.

B. The term “Island Transfer Sites” shall mean the Government owned Reads Landing, Crats Island, Teepeeota Point, and Grand Encampment temporary island dredged material placement sites as identified in Exhibit A to this MOA.

C. The term “Wabasha Gravel Pit” shall mean the Government owned dredged material placement site as identified in Exhibit A to this MOA.

D. The term “user fee” shall mean the amount to be paid per cubic yard (“CY”) of dredged or excavated material placed at the Facilities. The user fee shall be sufficient to repay funds contributed by the City plus a reasonable return on investment as approved by the Government in cooperation with the City with respect to the costs of the Facilities.

E. The term “fiscal year” shall mean one fiscal year of the Government. The Government fiscal year begins on October 1 and ends on September 30.

ARTICLE II – GENERAL PROVISIONS

A. Subject to the requirements of this Article, the City may allow material dredged or excavated by the Government and located at the Wabasha Gravel Pit and Island Transfer Sites to be placed in the Facilities when sufficient capacity is available as determined by the City. The Government's use of the Facilities shall be on an as needed basis. Nothing in this MOA, however, is to be interpreted as requiring the City to accept or reserve space in the Facilities for placement of dredged or excavated material by the Government. The City may allow both private entities and other Federal and non-Federal interests to use the Facilities for placement of suitable dredged or excavated material provided that the user fee per cubic yard charged to the Government shall not be higher than the lowest user fee per cubic yard charged to any other user of the Facilities for comparable placement service.

B. The Government, on or before June 1 of each year, shall notify the City of the estimated cubic yardage of dredged or excavated material that the Government desires to place at the Facilities during the upcoming fiscal year from the Wabasha Gravel Pit and Island Transfer Sites. The estimated average annual volume is projected to be one-hundred and twenty thousand (120,000) cubic yards from the Island Transfer Sites and one-hundred and thirty-five thousand (135,000) cubic yards from the Wabasha Gravel Pit. Within sixty (60) days of such notice, the City shall provide the Government a written statement indicating availability of space to accommodate all or a portion of the estimated volume of dredged or excavated material along with the estimated user fees for the upcoming fiscal year. The Government has the right to monitor the placement of dredged or excavated material in the Facilities and to ensure the accurate determination of the amount of material placed in the Facilities.

C. At the beginning of each fiscal year by October 5, until depletion of available capacity in the Facilities, the City shall provide to the Government in writing the estimated current capacity of the Facilities; the estimated number of years that the Facilities will provide capacity; and the user fees paid by non-Federal users of the Facilities, if any.

D. Before any dredged or excavated material is accepted by the City for placement in the Facilities each fiscal year, the Government shall provide the City written notification of the maximum amount of material that the Government allows to be placed during the fiscal year, along with the maximum total amount of the user fees for which payment may be made for material placed during that fiscal year. The Government shall be responsible for payment of the applicable user fee, up to the maximum total amount allowed, for each cubic yard of dredged or excavated material placed in the Facilities from the Wabasha Gravel Pit or Island Transfer Sites during the fiscal year. Payment will be due to the City within 30 days upon Government verification of the amount of dredged or excavated material periodically placed in the Facilities in accordance with Article II.F. If at any time the Government determines that an overpayment has occurred, the City shall return the overpaid amount within sixty (60) calendar days from receipt of written notice from the Government. Nothing in this MOA, however, is to be interpreted as requiring the Government to place or authorize placement of dredged or excavated material in the Facilities.

E. The total user fee to be paid by the Government for dredged or excavated material placement, as agreed to by the City, is \$24.80/CY for material contained at the Island Transfer Sites that will be initially placed at the Carrells Facility and moved to the Wabasha Sand and

Gravel Facility for final placement, and \$13.70/CY for material contained at the Wabasha Gravel Pit that will be placed at the Wabasha Sand and Gravel Facility. The user fees will be adjusted annually in an amount agreed to by the parties to account for variations between actual placement amounts in the Facilities, during the prior fiscal year, and the estimated average annual volume amounts listed in Article II.B.; inflation; and any other relevant change in circumstances that the parties so deem material to the determination of user fees. Negotiations on adjusting the user fees will be initiated no later than the month of August. Both parties agree to make a good faith effort to set the adjusted user fees prior to the start of the next fiscal year. In no event shall the adjusted user fees be negotiated in an amount expected to exceed the Federal standard for Government dredged or excavated material placement.

F. The actual amount of cubic yards of dredged or excavated material placed in the Facilities and eligible for payment shall be determined from Government approved measurements at the Wabasha Gravel Pit and Island Transfer Sites. These measurements may occur periodically as dredged or excavated material is being removed for placement in the Facilities during the fiscal year.

G. The Government shall test the dredged or excavated material placed at the Wabasha Gravel Pit and Island Transfer Sites for contamination in manner consistent with applicable federal and state law, regulations, guidance, and best practices on an adequate basis and forward the test results to the City along with the written notice required by Article II.D. If the City expects to disapprove the placement of any dredged or excavated material in the Facilities for reasons of contamination, such determination shall be addressed under Article II.K. To the knowledge of the parties, the character of the dredged or excavated material placed at the Island Transfer Sites and Wabasha Gravel Pit over the past five to ten years is consistent with the most recent sample reports completed by the Government, which was provided to the City on August 26, 2021.

H. After placement of dredged or excavated material in the Facilities, the Government shall relinquish all rights, title, and interest in the material.

I. This MOA shall not be construed as authorizing the Government to assume any of the responsibilities placed on the City or another non-Federal entity.

J. Other than permission on a limited basis to access the Facilities for dredged or excavated material placement purposes, nothing contained herein, however, shall convey to the Government any interest in real property owned or controlled by the City.

K. The parties shall meet when necessary to discuss the use of the Facilities and other such matters as may be necessary such as developing an operation or coordination plan. If any disputes arise the parties shall work in good faith to attempt to resolve them at the lowest level necessary between City staff and its contractors and the Government's project management office and operations staff. If the parties cannot resolve such disputes at the staff level, disputes may be escalated for attempted resolution between the District Engineer and the Mayor and as otherwise provided for in Article III.

L. As between the Government and the City, the City shall be considered the owner and operator of the Facilities for purposes of Comprehensive Environmental Response, Compensation, and Liability Act (hereinafter “CERCLA”) (42 U.S.C. 9601-9675) liability or liability arising from other applicable laws and regulations pertaining to hazardous, toxic, and radioactive wastes (hereinafter “HTRW”). This does not restrict the City’s right to pursue any non-Federal potential responsible party regarding any applicable liability. To the maximum extent practicable, the Government and the City shall perform their responsibilities under this MOA in a manner that will not cause liability to arise under CERCLA or other applicable law for HTRW.

M. In implementing this MOA, the City shall comply, or ensure the compliance of its agents and contractors, with all conditions and requirements of applicable Federal, State and local laws, regulations and permits including but not limited to: Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000D) and Department of Defense Directive 5500.11 issued pursuant thereto; Army Regulation 600-7, entitled “Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army”; all applicable Federal labor standards requirements including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). The Government reserves the right to withhold payment under Article II.D. for noncompliance.

N. Performance by the Government of any promise, covenant, or obligation in this MOA, and the Government’s liability under this MOA, is subject to and dependent on the availability of sufficient funds appropriated and allocated for that purpose. The Government will use its best efforts to prioritize appropriated funds made available for channel maintenance in order to comply with the terms of this MOA. In the event that sufficient funds are not available to liquidate a liability or undertake an obligation arising under this MOA, the Government’s duties with respect to that liability or obligation shall be deferred until such time as sufficient funds are lawfully made available (appropriated and allocated) for that purpose.

O. Unless otherwise notified, this MOA shall expire 10 years after its effective date. Any revision of this MOA must be made by written mutual amendment approved and executed by both parties. Either party may terminate this MOA upon thirty days written notice.

ARTICLE III – DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this MOA, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation in accordance with Article II.K. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. The Government shall pay 50 percent and the City shall pay 50 percent of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this MOA.

ARTICLE IV – HOLD AND SAVE

The City shall hold and save the Government free from all damages arising from the implementation of this MOA, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE V - MAINTENANCE OF RECORDS AND AUDITS

A. The parties shall develop procedures for the maintenance by the City of books, records, documents, or other evidence pertaining to costs and expenses for a minimum of three years of the accounting for which such books, records, documents, or other evidence were required. The City shall assure that such materials are reasonably available for examination, audit, or reproduction by the Government.

B. The Government may conduct, or arrange for the conduct of, audits. Government audits shall be conducted in accordance with applicable Government cost principles and regulations. The Government's cost of audits shall be included in any user fee payment for use of the Carrells Facility or Wabasha Sand and Gravel Facility, as applicable.

C. To the extent permitted under applicable Federal laws and regulations, the Government shall allow the City to inspect books, records, documents, or other evidence pertaining to costs and expenses maintained by the Government, or at the City's request, provide to the City or independent auditors any such information necessary to enable an audit of the City's activities under this MOA. The cost of any non-Federal audits performed in accordance with this paragraph shall be included in any user fee payment for use of the Carrells Facility or Wabasha Sand and Gravel Facility, as applicable.

ARTICLE VI – RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this MOA, the Government and the City each act in an independent capacity, and neither is to be considered the officer, agent, contractor or employee of the other. Neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights a party may have to seek relief or redress against that contractor.

ARTICLE VII – NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this MOA shall be deemed to have been duly given if in writing and delivered personally or mailed by registered or certified mail, with return receipt, as follows:

If to the City:

Mayor
P.O. Box 268
Wabasha, MN 55981

If to the Government:

District Engineer
U.S. Army Corps of Engineers, St. Paul District
332 Minnesota Street, Suite E1500
St. Paul, MN 55101

B. A party may change the recipient or address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

ARTICLE VIII – CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party. The parties acknowledge that this MOA and other communications between the parties associated with the MOA, including information viewed as confidential by one or all parties, may be subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et. seq., and the Freedom of Information Act, 5 U.S.C. § 552.

ARTICLE IX – THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this MOA is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not a party to this MOA.

ARTICLE X – OFFICIALS NOT TO BENEFIT

No member of or delegate to the Congress, or any resident commissioner, shall be admitted to any share or part of this MOA, or to any benefit that may arise therefrom.

IN WITNESS WHEREOF, the parties hereto have executed this MOA, which shall become effective upon the date it is signed by the District Engineer.

DEPARTMENT OF THE ARMY

THE CITY OF WABASHA, MINNESOTA

BY: _____
Eric R. Swenson
COL, Corps of Engineers
District Engineer

BY: _____
Emily Durand
Mayor

DATE: _____

DATE: _____

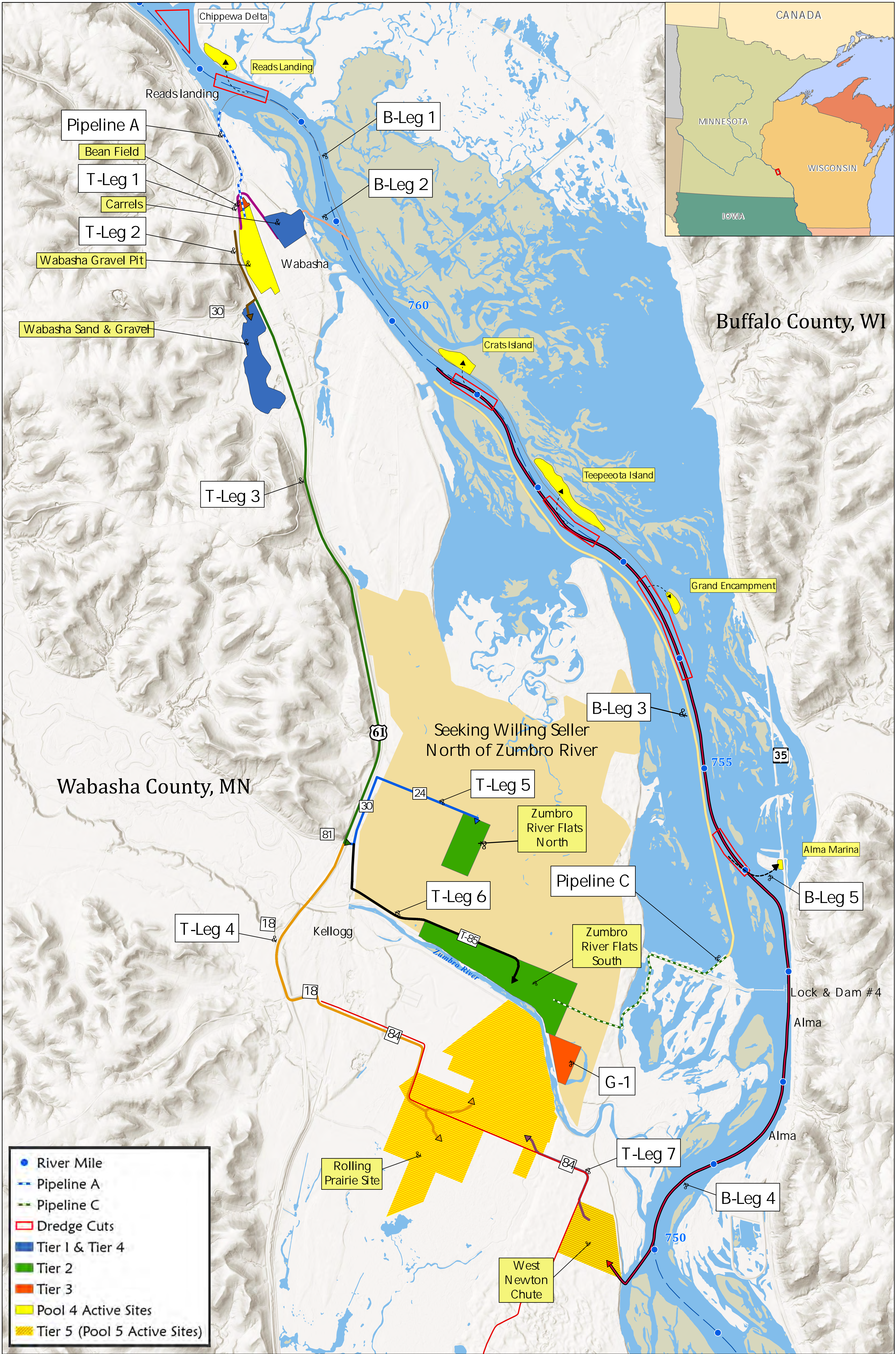
EXHIBIT A

CERTIFICATE OF AUTHORITY

I, _____ do hereby certify that I am the principal legal officer of the City of Wabasha, Minnesota, that the City of Wabasha, Minnesota is a legally constituted public body with full authority and legal capability to perform the terms of the MOA between the Department of the Army and the City of Wabasha, Minnesota in connection with the Calculation of User Fees for Use of Dredged Material Placement Facilities in Wabasha, Minnesota, and that the persons who have executed this MOA on behalf of the City of Wabasha, Minnesota have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this
_____ day of _____.

BY: _____



Lower Pool 4 DMMP: Recommended Plan Sites and Transportation Routes

Port Authority

5. 2.

Meeting Date: 06/20/2023

ITEM TITLE: Discussion on Three Rivers 2024 Application- identifying sites

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

One of the housing strategies identified in the plan was for future multi-family housing. Leah Hall with Three Rivers is wrapping up new apartments in Lake City and is interested in Wabasha for a 2024 application. This year however, she would need to identify a site for 30-40 units of apartments, preferable 3 acres, could potentially do less. Is not able to build in the flood plain. Ideally under public ownership or where the owner is willing to donate the land.

1. Is there interest in working with Leah to pro-actively identify parcels and facilitate a possible development?
 2. Is there any land that meets her criteria that CEDA staff, Port members, could follow up with the owners on ?
-

Port Authority

5. 3.

Meeting Date: 06/20/2023

ITEM TITLE: 2023 Mid-Year Work Plan Update

DEPARTMENT: Administration

PURPOSE:

Provide Port Authority board with more detailed version of workplan progress as discussed at May meeting.

ITEM SUMMARY:

Port Authority staff provided the board with an update on the progress of the 2023 workplan, and solicited feedback on proposed focuses for the rest of the year. The Port board also asked for a more detailed estimated breakdown of how many hours are expected to be spent on each workplan goal. An updated version of the workplan document with those numbers is attached.

Port Authority staff expects to spend most of their time for the remainder of the year on three things:

- Working with and supporting downtown businesses as the street reconstruction project begins (specifically with communication efforts as the project progresses), and building relationships with existing businesses to learn about them, assess their needs, and provide eligible assistance when able (business visits)
- Housing study wrap-up (creation of promotional documents, planning of the Housing Summit in August, seeking out developers and promoting available properties for development, etc.)
- Re-capitalizing the Revolving Loan Fund

Attachments

2023 Workplan JUNE UPDATE



2023 Port Authority Work Plan (5 Days/Month Contract, ~480 hrs/year)

Goal 1 - Business Retention, Expansion & Attraction (~200 hours - Ben):

- Explore federal and state funding opportunities to link to Wabasha priorities
- Re-capitalize the revolving loan fund
- Deploy \$180,000 in HVAC assistance grants
- Capitalize and operationalize development of Barge Terminal. Participate in Port Association meetings and obtain funding for the Barge Terminal
- Deploy Blandin Leadership Grants to grow leaders in Wabasha
- Seek out buyers, developers or renters for vacant properties and storefronts around Wabasha. Identify properties available for interested businesses.
- Build relationships with local businesses, assess their needs, and provide eligible assistance
- Work with downtown businesses and assist them during downtown street project
- Support Wabasha Chamber to organize events that involve, highlight and encourage collaboration between local businesses/entrepreneurs.

Goal 2 - Housing & Development (~120 hours - Cathy & Ben):

- Complete Housing Study and compile information/marketing materials to present to developers
- Seek out single-family and multi-family market-rate and affordable housing developers, and work with them to identify development opportunities.
- Explore feasibility of listing city-owned land for development (ex.: Main Street Properties).
- Establish feasible funding strategy for redevelopment of River Crossings (Hwy 60 reroute)

Goal 3 - Support efforts to expand tourism in Wabasha (~80 hours - Ben):

- Partner with the City of Kellogg to connect Wabasha and Kellog in a dedicated trail. Complete feasibility study in 2023.
- Meet with local agricultural businesses and ag tourism businesses.
- Fulfill grant obligations of federal earmark for National Eagle Center.

Goal 4 - Continue Support for Childcare (~80 hours - Ben):

- Organize tour of in-home provider childcare grant recipients and continue technical assistance efforts as needed
- Support efforts to continue filling childcare needs in the community.

RED ITEMS: Primarily a city item/project and/or little to no involvement by the Port Director

GREEN ITEMS: Port Director plans to spend the majority of the remainder of the year on these tasks

TIMELINE

June-August: Business visits, provide support for downtown businesses during street project, housing study summit/housing study wrap-up, childcare tour

September-November: USDA Revolving Loan Fund Re-Capitalization Application, begin thinking about and drafting 2024 workplan (and updating 2022-2025 Strategic Plan Document)

December: 2024 workpan and Port budget finalized

****Side project tasks: grant research, Port website edits*

Port Authority

5. 4.

Meeting Date: 06/20/2023

ITEM TITLE: Housing Study Update

DEPARTMENT: Administration

PURPOSE:

Update the Port Authority board new housing study items.

ITEM SUMMARY:

The final housing study was presented to the Port Authority Board and City Council during a joint meeting in May. The final draft of the study has since been updated and presented to City and Port staff and uploaded to the City's website.

The W.A.T.C.H Committee will be attending their final Minnesota Housing Partnership retreat in July. Port Authority staff confirmed a date for the Housing Summit to be held at Coffee Mill Golf Course on August 16 from 9 a.m.-Noon. Port board members are invited to attend and will be receiving an invitation in the near future.

Does Port want any edits to the invite?

Based on the study, what other facts do you think fresh eyes need to be convinced to build in Wabasha?

Report: July 12th and 13th we will bring with us our summary document, our concert paper with the voices of Wabasha added as an addendum, our adopted strategies, and the housing study.

Attachments

FINAL Wabasha Housing Study

Developers Invite

Housing Summary Concept Paper



Wabasha Housing Study

June 2023

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I. Introduction

The City of Wabasha is an attractive community in Wabasha County at the south end of Lake Pepin and midway between the cities of Redwing and Winona. Its greatest period of population growth was in the late 19th Century. By 1900 its population was around 2,500, which is similar to its current population.

Wabasha is a riverfront community with a walkable, pedestrian friendly main street. It is an employment hub and a medical and shopping destination for surrounding areas. It offers a mix of housing types but has seen only modest housing growth despite the fact that many of the workers in area businesses commute to Wabasha for work every day. Other needs include maintenance-free housing options for seniors, housing options that span the economic range from deeply affordable homes to starter homes to executive homes, and additional rental housing.

The Wabasha Housing Study was initiated in light of this general context to better understand Wabasha's housing inventory and market conditions, and to identify strategies for expanding housing options material that follows is organized in these sections.

- Demographics
- Housing Inventory
- Housing Development Market
- Estimating Housing Demand
- Housing Strategies

The first four sections of the report are the analytical elements of the study. Each section concludes with key findings and observations. They build a foundation for the fifth section of the report, which offers strategies for providing and preserving housing in Wabasha in ways that leverage opportunities and address community needs.

II. Demographics

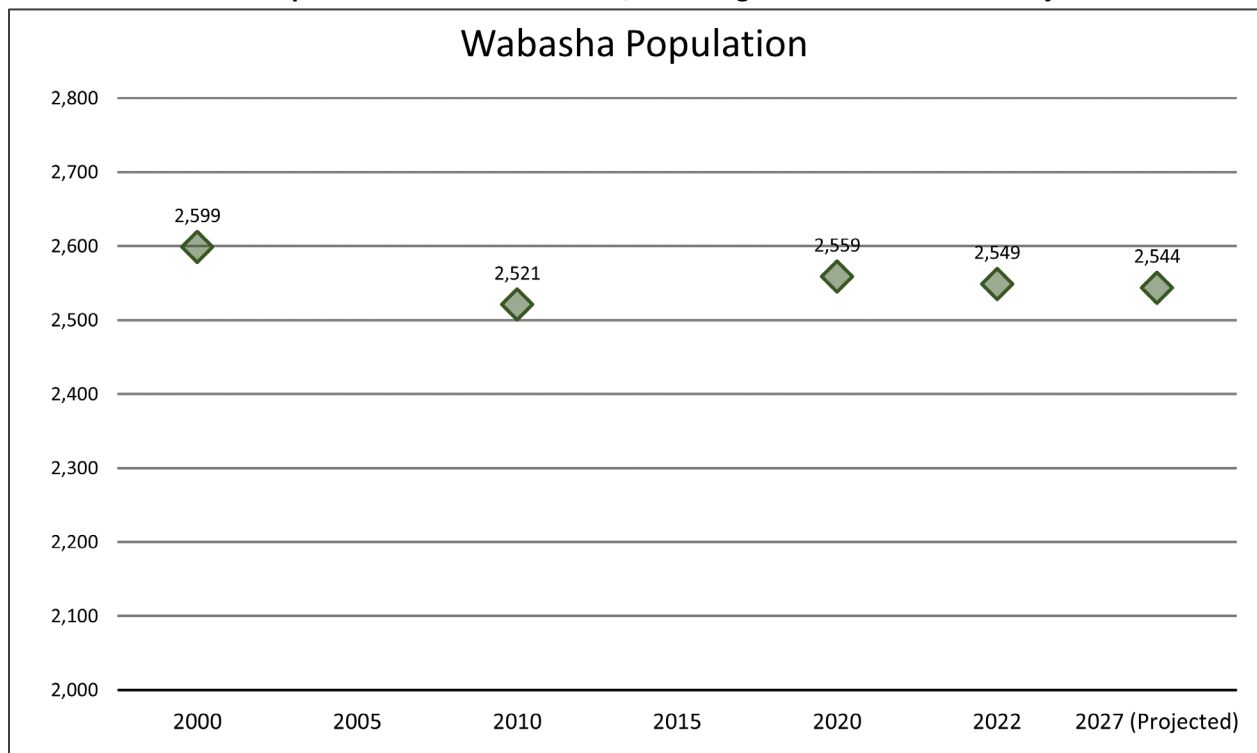
Understanding the demographics of Wabasha's population is important for understanding its needs and proposing effective housing strategies. These demographics are closely correlated with the types of housing that are common in the community—including a mix of single family homes, apartments and condominiums, and mobile homes.

Many of the charts in this section compare Wabasha's population with three nearby cities—Lake City, Plainview, and Zumbrota—as well as to the broader geographies of Wabasha County and the state of Minnesota.

Population Growth

Wabasha's population has held relatively constant over the last two decades, and ESRI's Business Analyst projects that pattern to continue in the near future.

Exhibit 1. Wabasha Population from 2000 to 2027, Including Estimated 2022 and Projected 2027



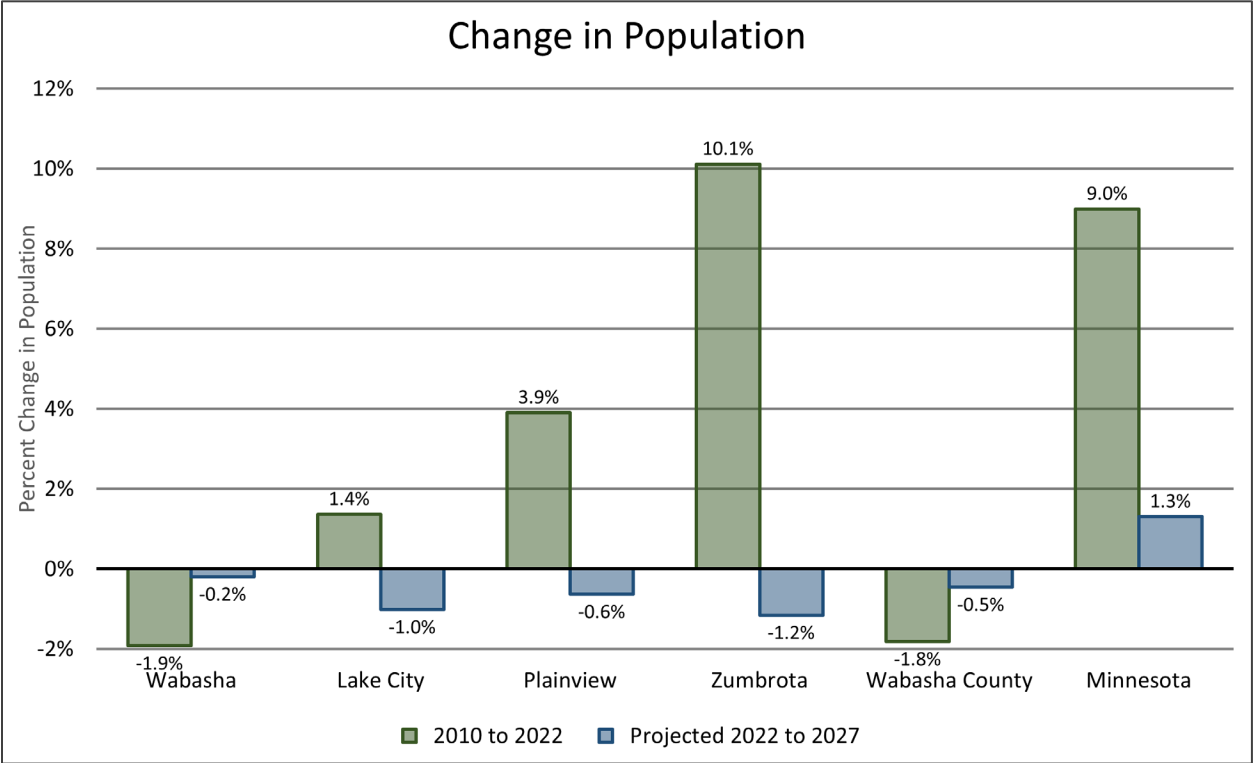
Source: US Census Bureau, ESRI Business Analyst

Of course, Wabasha's actual population trajectory can be influenced by strategies that increase the housing that is available.

Wabasha's growth in the past decade has lagged a bit in comparison to nearby Plainview and Zumbrota, but none of the comparison cities are projected to grow significantly over the next five years.

From 2010 to 2020 Wabasha's population grew at a similar rate to the comparison cities. (See Exhibit 2.) Like Wabasha, the growth rate of the comparison cities is forecasted to flatten out to some degree in the near future. Modest growth is also projected for the state of Minnesota overall.

Exhibit 2. Population Growth, Wabasha and Comparison Geographies, 2010 to Projected 2027

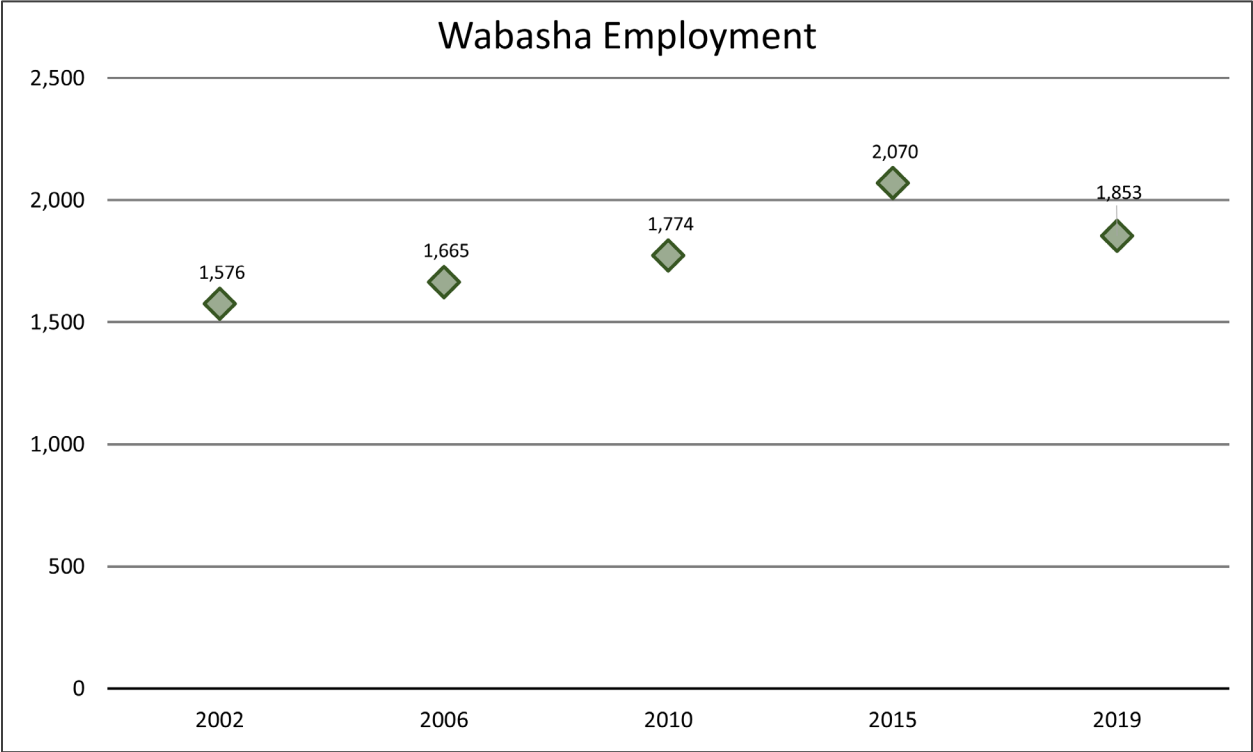


Source: US Census Bureau, ESRI Business Analyst

Employment

Employment growth can be a driver of housing demand. Wabasha is a jobs-rich community within Wabasha County. There are almost three jobs in Wabasha for every 4 persons living in Wabasha. Its employment has increased by around 17% between 2002 and 2019.

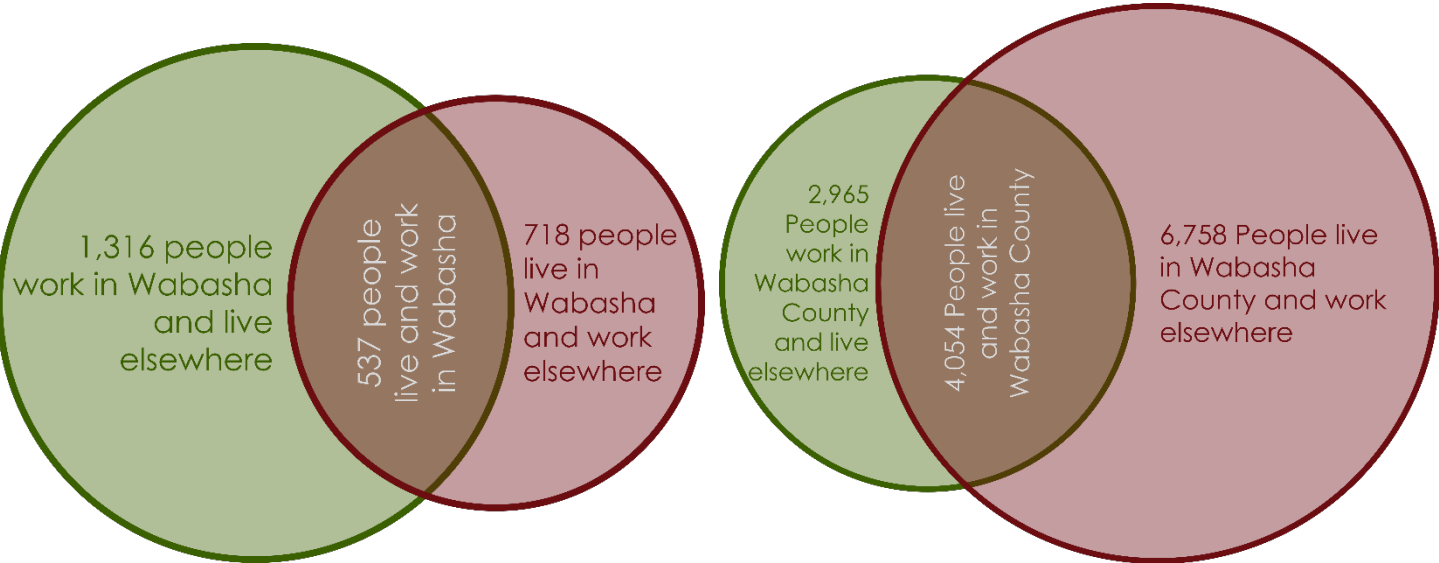
Exhibit 3. Total Employment in Wabasha, 2002 to 2019



Source: OnTheMap, US Census Bureau

Exhibit 4 shows that almost twice as many workers commute into Wabasha for work than there are Wabasha residents who leave Wabasha for work. Around 44% of all of the jobs in Wabasha County are located in the City of Wabasha.

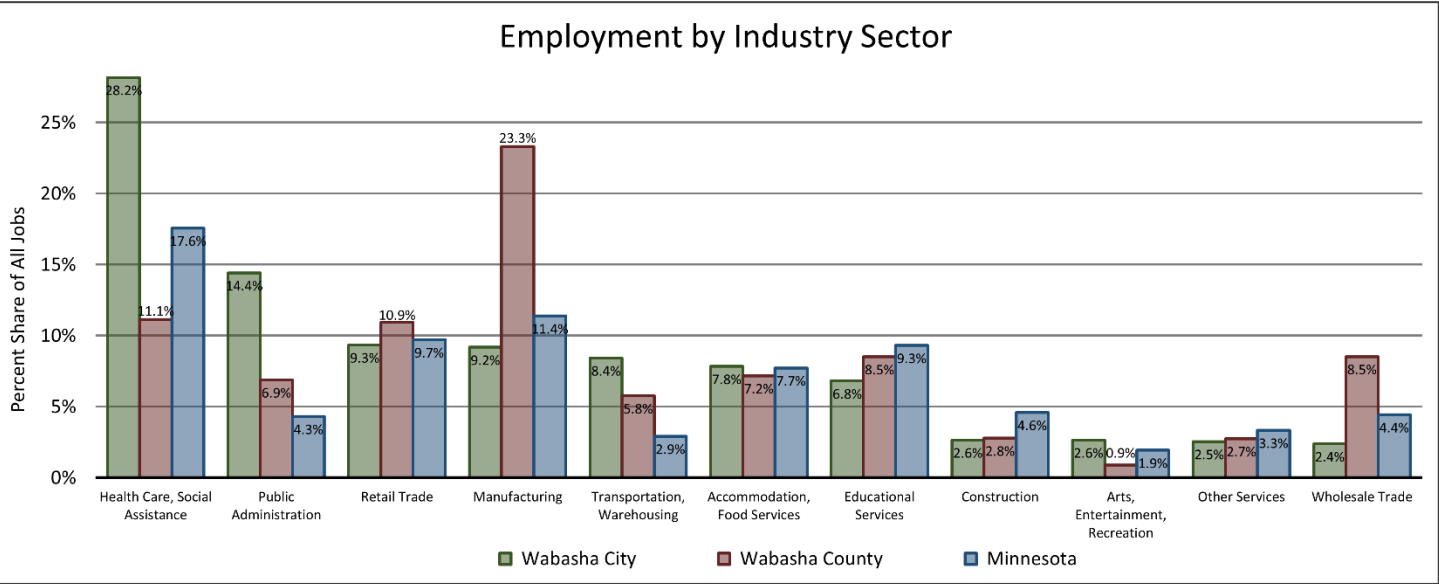
Exhibit 4. Employment Inflow and Outflow, City of Wabasha and Wabasha County, 2019



Source: OnTheMap, US Census Bureau

Wabasha's job base is anchored by the health care and public administration sectors, as can be observed in Exhibit 5. Manufacturing is the leading employment sector in Wabasha County as a whole.

Exhibit 5. Top Ten Industry Sectors, by Share of All Jobs, 2019

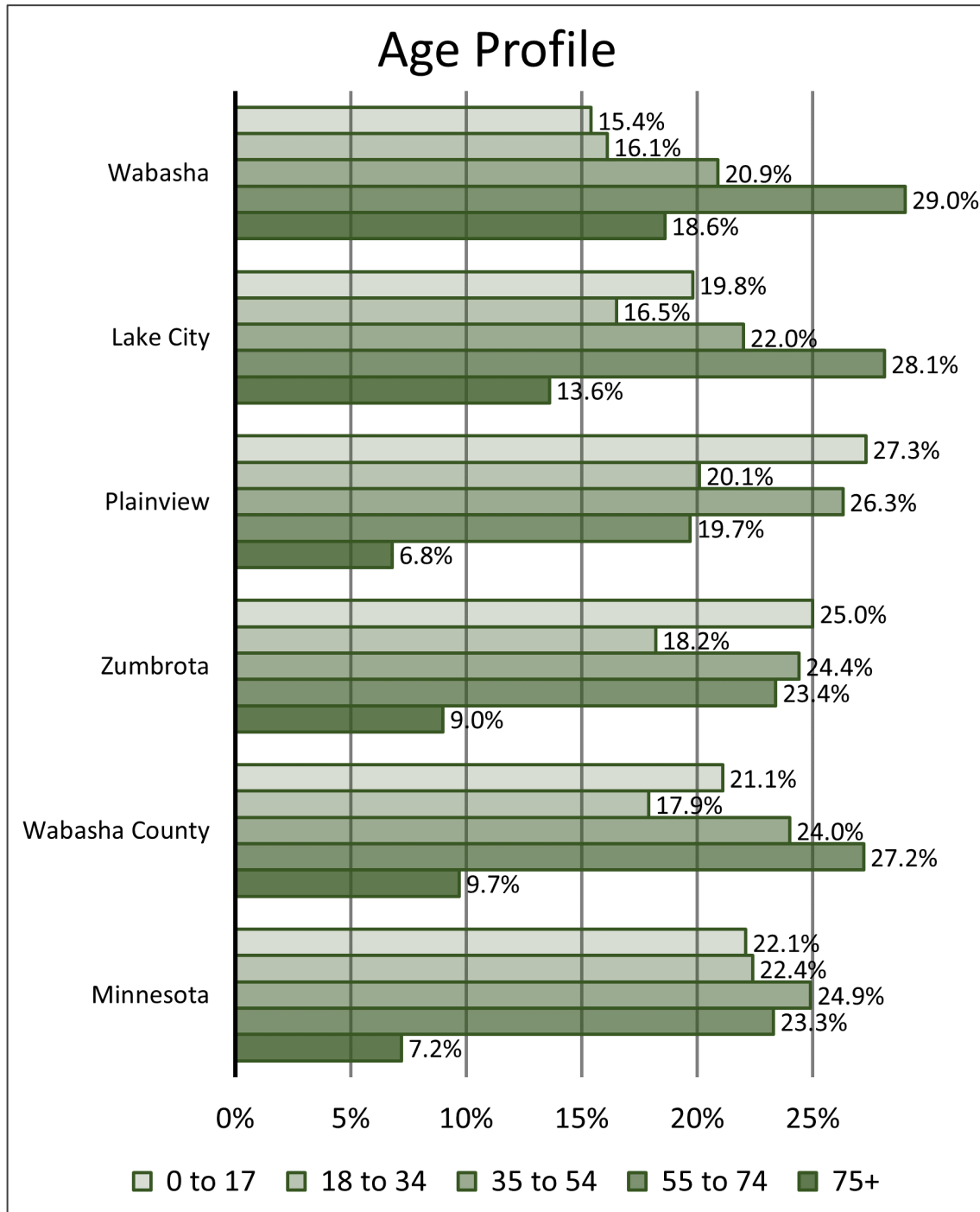


Source: OnTheMap, US Census Bureau

Age

Wabasha's age profile skews older than average for Minnesota cities. Nearly half the population is 55 years old or older. It has correspondingly fewer children and young adults.

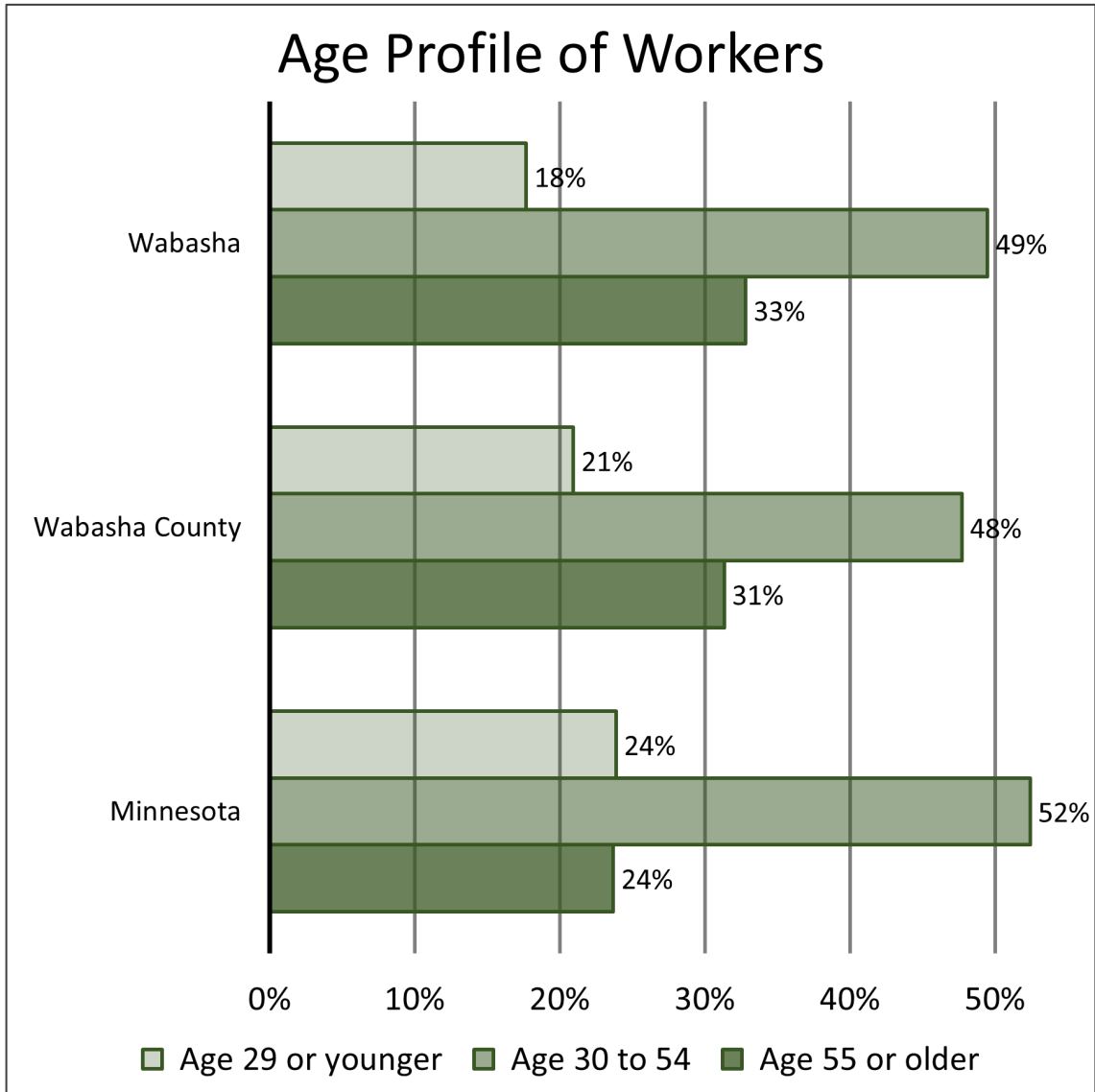
Exhibit 6. Age Profile, Wabasha and Comparison Geographies



Source: ESRI Business Analyst, based on U.S. Census Bureau, 2016-2020 American Community Survey

Note that the age profile of those who work in Wabasha is fairly similar to that of Wabasha County as a whole. (See Exhibit 4.) That suggests that building housing that is attractive to Wabasha's workforce would bring in a younger, more family oriented demographic, making the City's demographic profile more similar to that of other cities in the area, and the State of Minnesota as a whole.

Exhibit 7. Age Profile of Workers, Wabasha and Comparison Geographies

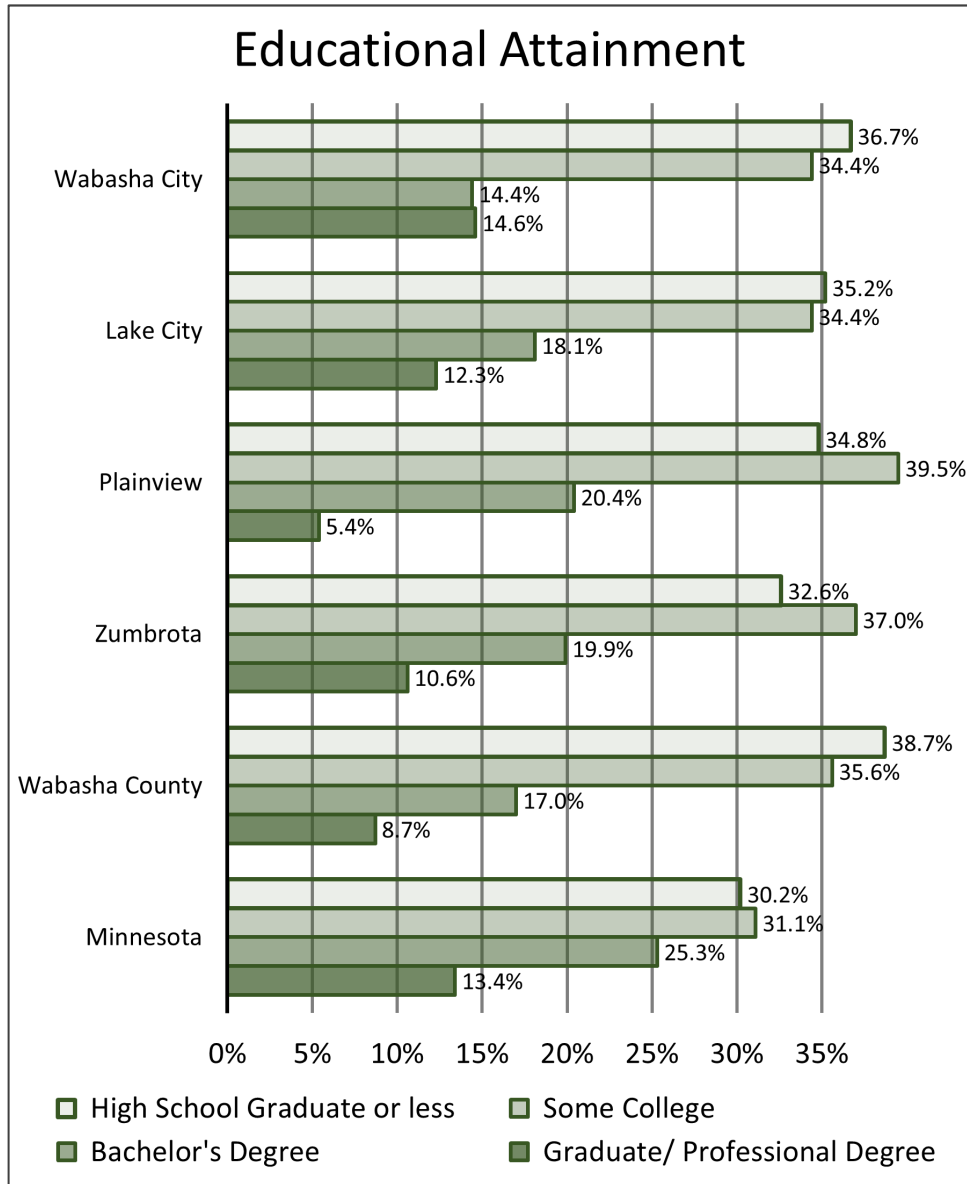


Source: OnTheMap, US Census Bureau

Educational Attainment

More Wabasha residents than average have advanced degrees, likely due to the City's health care employment. The City also has higher than average numbers of people who have not pursued additional education beyond high school.

Exhibit 8. Educational Attainment, Wabasha and Comparison Geographies

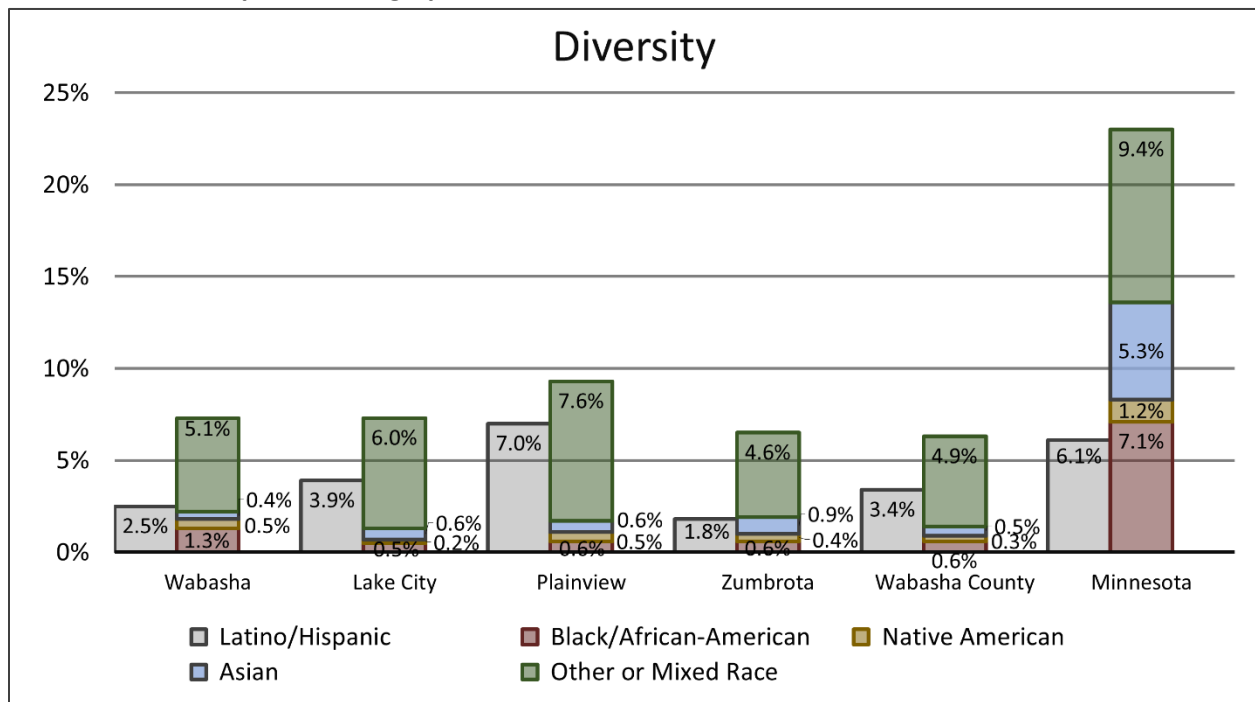


Source: ESRI Business Analyst, based on U.S. Census Bureau, 2016-2020 American Community Survey

Race and Hispanic Origin

Wabasha is quite similar to other nearby cities with respect to diversity. It has relatively low numbers of non-white residents, and low numbers of Latinos as well.

**Exhibit 9. Nonwhite and Hispanic/Latino Share of Population
Wabasha and Comparison Geographies**

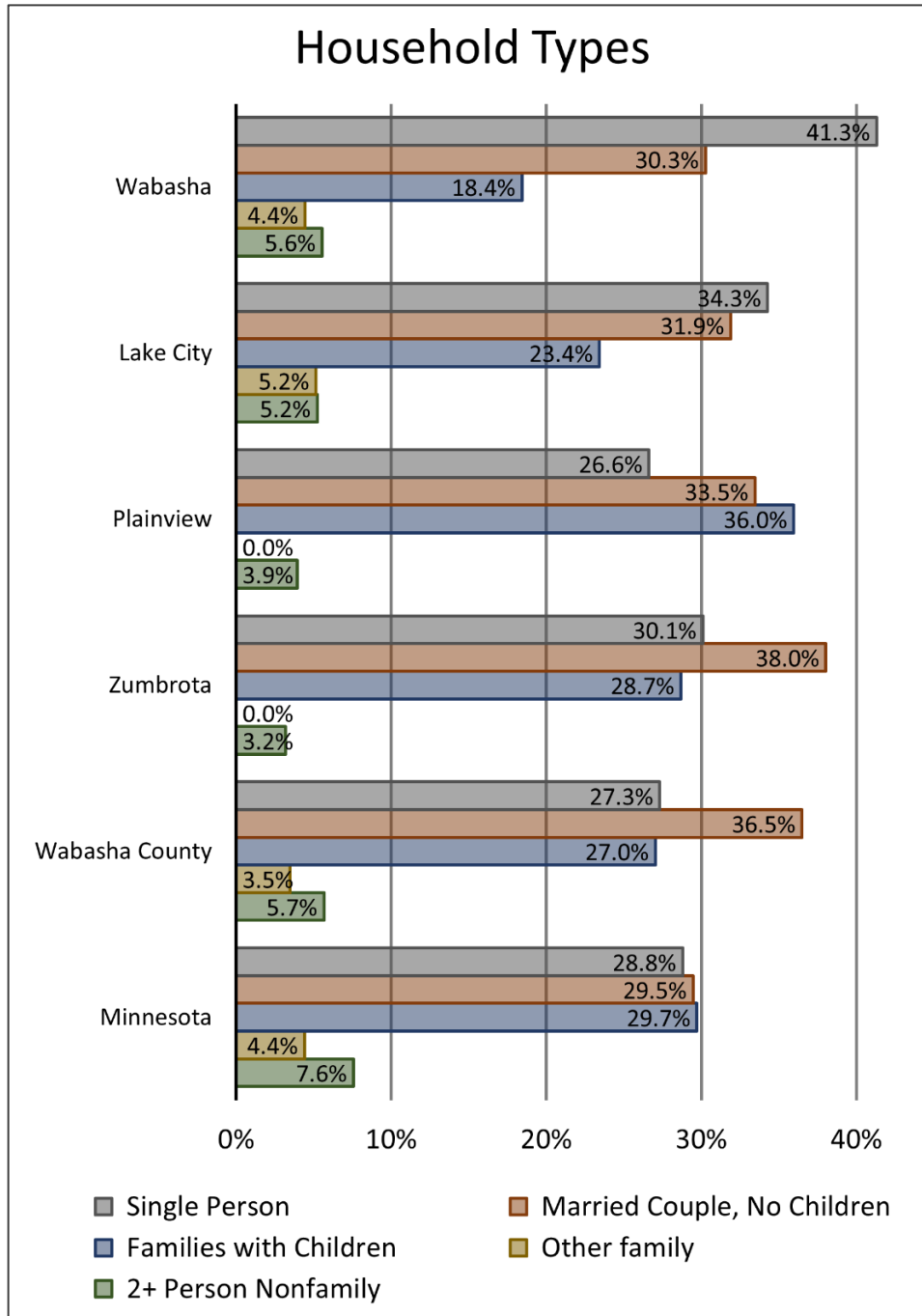


Source: ESRI Business Analyst, based on U.S. Census Bureau, 2016-2020 American Community Survey

Household Types

Wabasha has a higher than average proportion of single person households, and lower than average proportion of families with children. These observations are consistent with its older than average age profile.

Exhibit 10. Household Types, Wabasha and Comparison Geographies

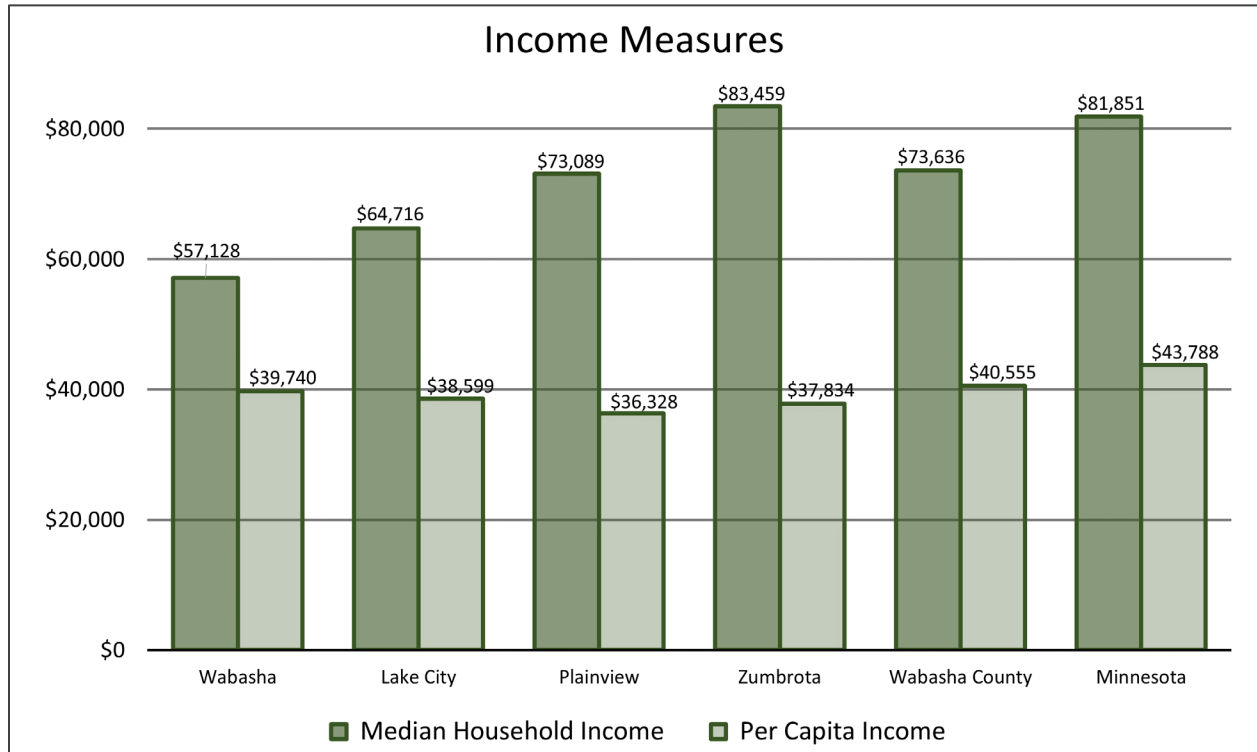


Source: ESRI Business Analyst, based on U.S. Census Bureau, 2016-2020 American Community Survey

Household Income

Household income levels in Wabasha are lower than the comparison geographies, although per capita incomes are similar. This observation aligns with the prevalence of smaller households in Wabasha.

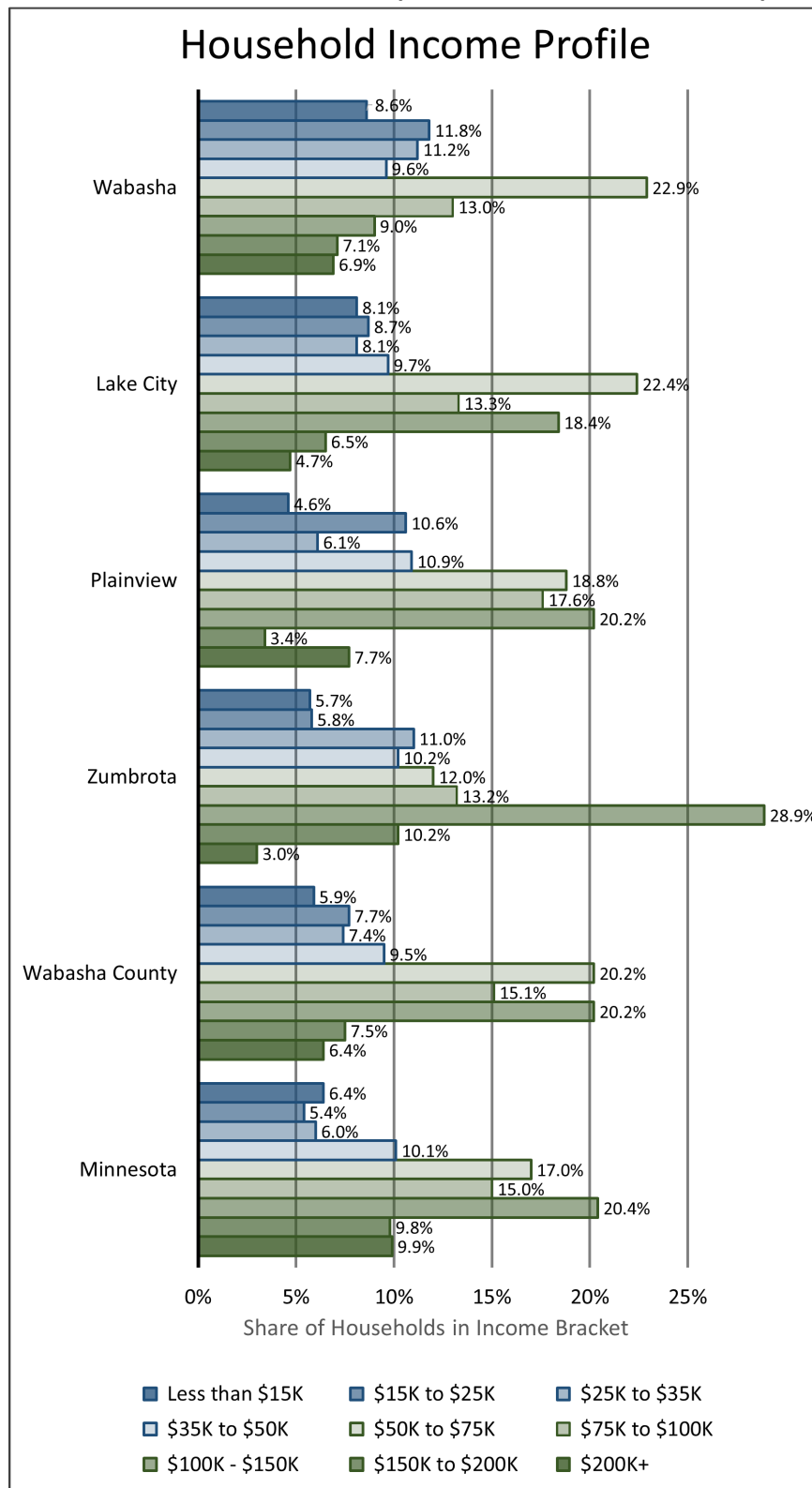
Exhibit 11. Household and Per Capita Income, Wabasha and Comparison Geographies



Source: ESRI Business Analyst, based on U.S. Census Bureau, 2016-2020 American Community Survey

Exhibit 12 provides a more detailed view of household incomes in Wabasha and comparison cities. Compared to the other geographies, a greater share of Wabasha's households are in the lowest income brackets. Over 30% of Wabasha's households earn under \$35,000 per year.

Exhibit 12. Household and Per Capita Income, Wabasha and Comparison Geographies



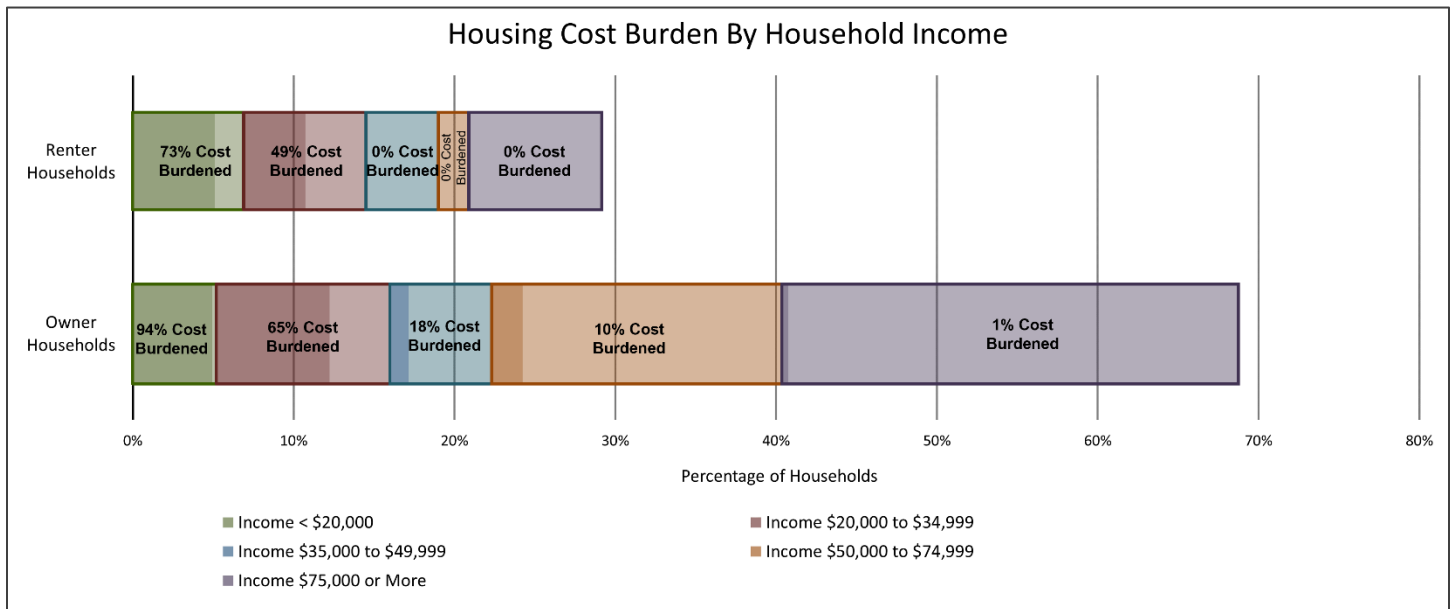
Source: ESRI Business Analyst, based on U.S. Census Bureau, 2016-2020 American Community Survey

Housing Cost Burden

“Housing cost burden” relates to the share of household income that is spent on housing costs. Households are considered to be housing cost burdened if their housing expenses require more than 30% of their household income. Housing cost burdens are a concern because housing is a priority expense, and all other household expenses need to be paid for with the resources that remain after housing related expenses are paid.

Exhibit 13 is a graphic that provides information about all owner and rental households in Wabasha at different levels of household income. Within each income bracket the label in the chart shows the proportion of those households that are housing cost burdened. It's clear from the chart that many Wabasha households are housing cost burdened—that is, they pay more than 30% of their income on housing costs—particularly among households who earn \$35,000 in annual income or less. On the other hand, even in the lowest income categories, there are households that are not housing cost burdened. And most households who earn greater than \$35,000 per year are not housing cost burdened.

Exhibit 13. Percentage of Wabasha Households that are Housing Cost Burdened, by Rental vs Ownership, and Household Income Category



Source: U.S. Census Bureau, 2016-2020 American Community Survey

Demographics – Key Findings

Wabasha's population has been fairly stable in recent years, and is forecasted to remain stable. Employment in Wabasha has been growing and there are currently more jobs in Wabasha than working age residents. That makes Wabasha's economy and business employment a potential driver of housing growth. And those who work in Wabasha are a target market for existing and new housing.

From a demographic perspective, Wabasha has the following characteristics.

- **Wabasha has an older population.** About 47% of its population is 55 and up. Only around 15% are children.
- **Wabasha has lots of small households.** Around 41% of households are single person households, and another 30% are married couples without children.
- **Wabasha's population has mixed educational achievements.** Wabasha has more than its share of people with advanced degrees, and more than the usual share of people who didn't pursue additional education beyond high school.
- **Wabasha is not very diverse.** Only around 7% consider themselves non-White, and 2.5 % Latino or Hispanic.
- **Household incomes are lower than average.** The median household income in Wabasha is about \$57,000 per year in the most recent census reporting. Over 30% of households earn less than \$35,000 per year.
- **Wabasha has its share of cost burdened households.** Most households earning less than \$35,000 per year are housing cost burdened.

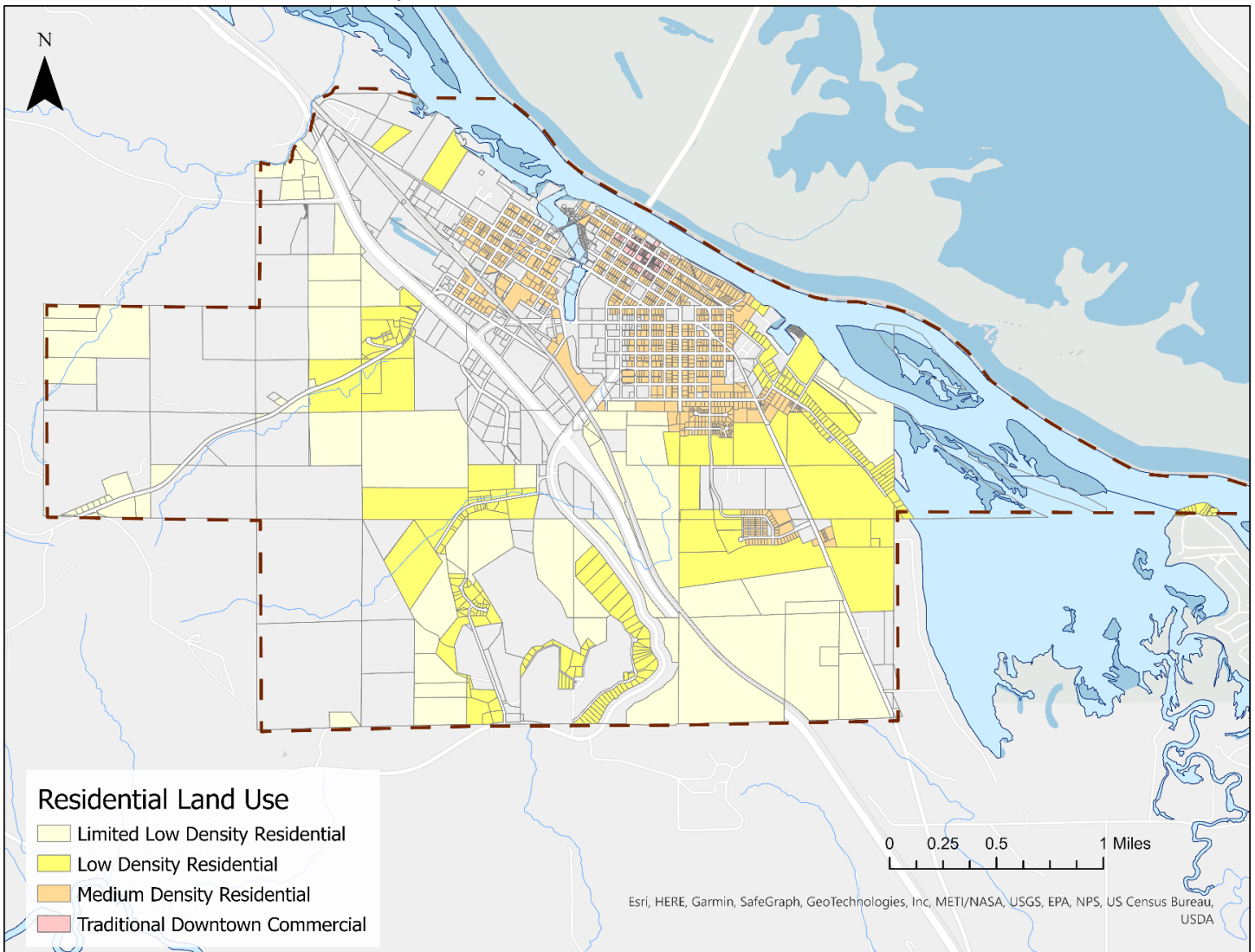
An opportunity that stands out in this analysis is fostering the production of housing that is attractive to those who work in Wabasha but don't live in the City. By doing that, Wabasha's community would on the average become younger, both because of the ages of the workers themselves and the addition of more families with children. Average household sizes and average income would also increase.

III. Housing Inventory

Housing Types

The exhibit below is a parcel-based map of Wabasha's housing stock, based on City Assessor records. Single family homes are the predominant residential development type in the Limited Low Density, Low Density, and Medium Density residential districts.

Exhibit 14. Wabasha Residential Properties

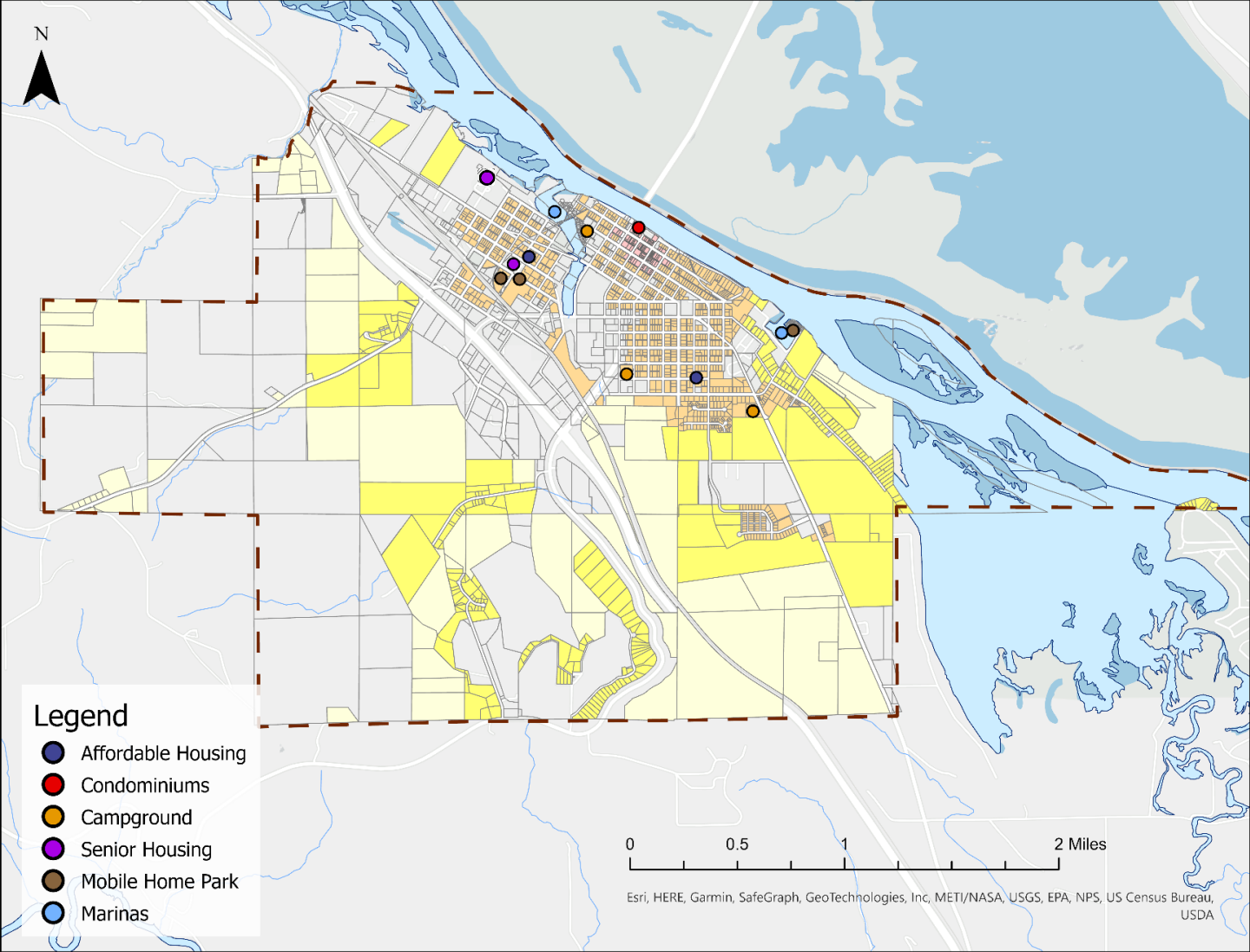


Source: Wabasha City Assessor Records

In addition to single family homes a range of other housing types are available in Wabasha. These include apartments, condominiums, townhomes, and mobile home parks.

Wabasha is unusual in that there are people who make their primary residences in Wabasha's campgrounds and marinas during the warm months of the year. Exhibit 15 show the location of these housing types.

Exhibit 15. Wabasha Housing Types

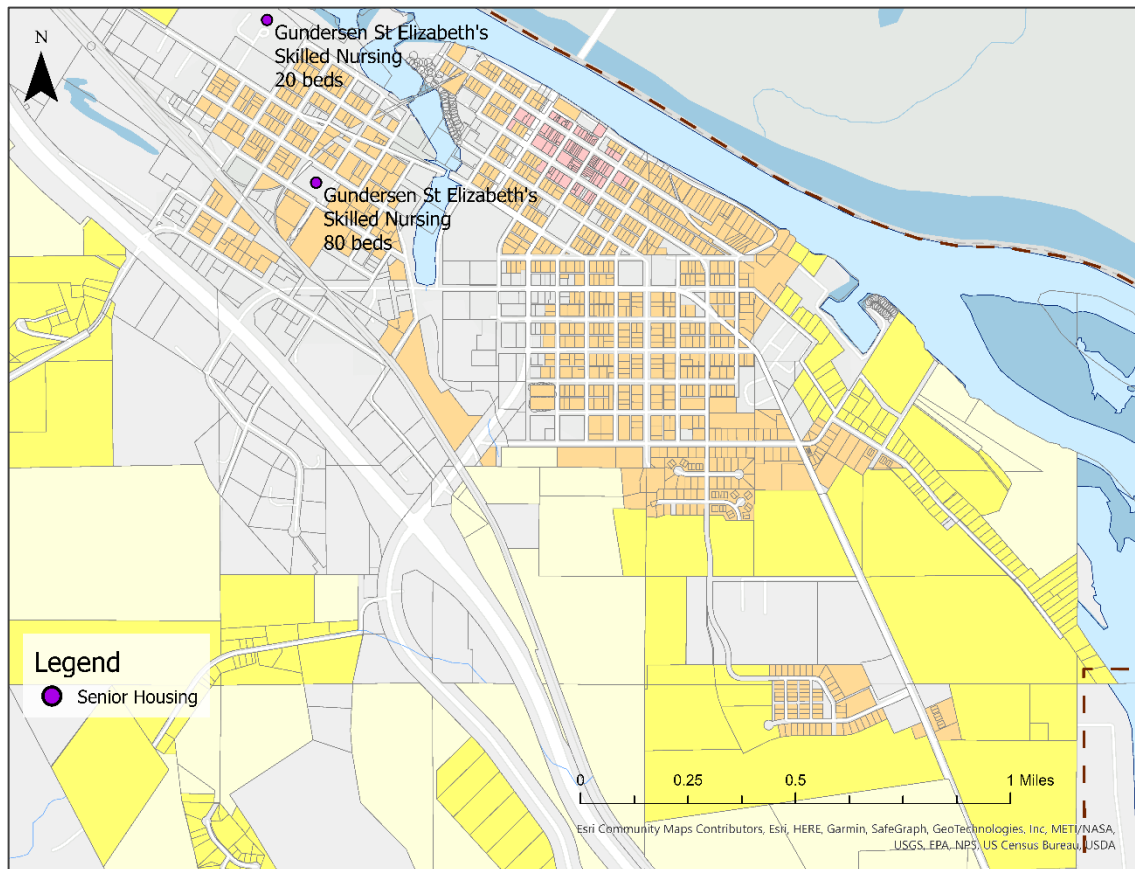


Source: City of Wabasha, Stantec

Senior Housing

Wabasha currently has 100 skilled nursing beds in two facilities—Gundersen St. Elizabeth's Care Center on Shields (80 beds) and Gundersen St. Elizabeth's Care Center on Grant (20 beds). Gundersen St. Elizabeth is evaluating a long range strategy to consolidate to one skilled nursing facility on the hospital campus.

Exhibit 16. Age-Restricted Senior Housing Developments



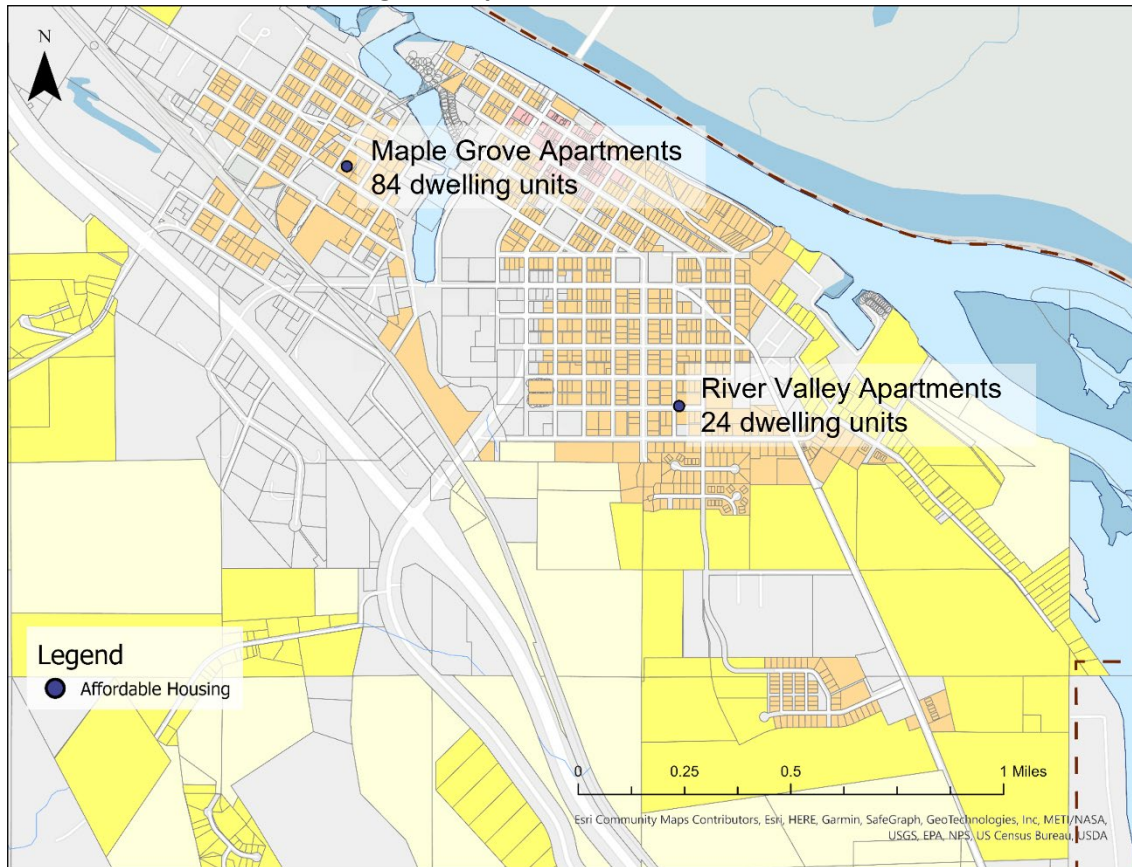
Source: City of Wabasha, Stantec

Gundersen St. Elizabeth also offers thirty-six assisted living apartments.

Affordable Housing

Two rent and income restricted affordable apartment buildings are present in Wabasha, both owned and managed by Southeastern Minnesota Multi-County Housing and Redevelopment Authority (SEMMCHRA). They are located in the Exhibit 17 map.

Exhibit 17. Affordable Housing Developments



Source: City of Wabasha, Stantec

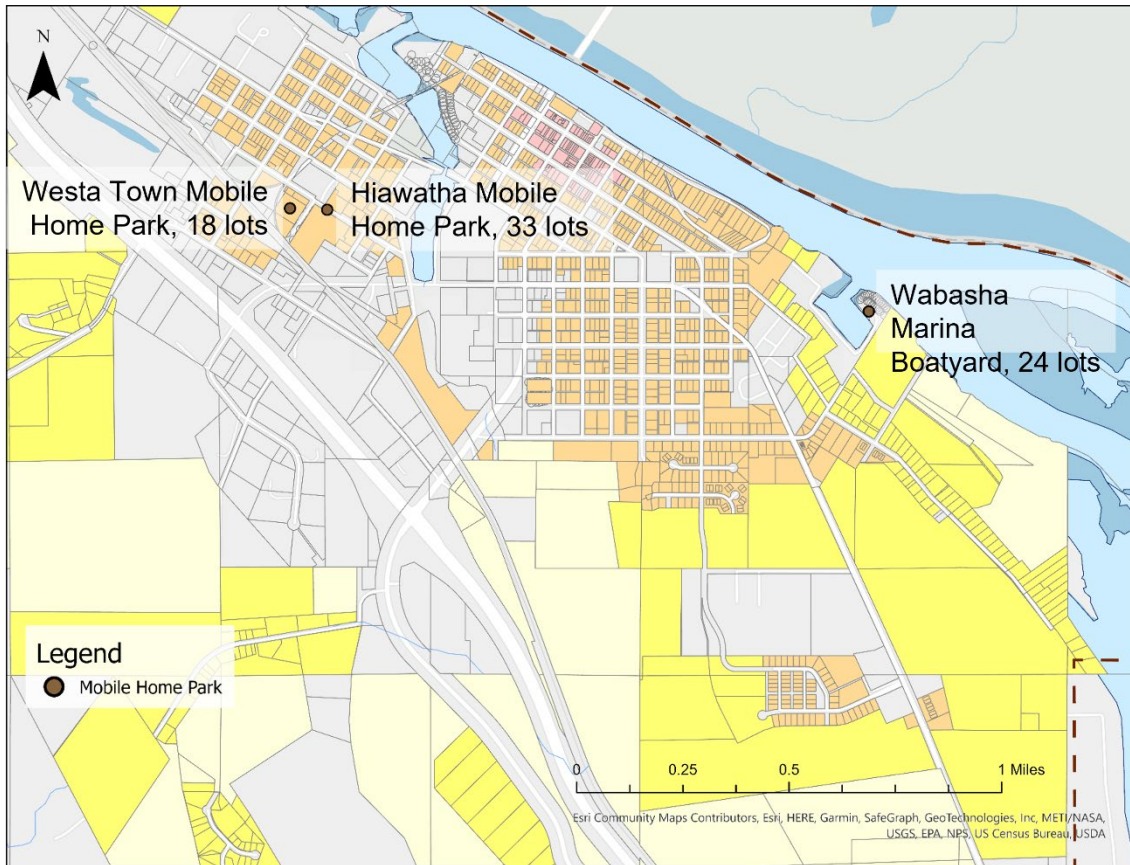
These apartments are affordable options for individuals and households who qualify. Tenant rents are based on the income of the tenant.

Naturally occurring affordable housing. Although not rent restricted by any regulatory mechanism, other market rate apartments in Wabasha offer affordable rental rates. They are considered naturally occurring affordable housing (NOAH) because they are affordable just by their nature of being older, more modest rental housing stock. Some of the single family homes in Wabasha are also rented at affordable rates.

Mobile homes parks. Mobile home parks provide an affordable home ownership opportunity. The owner of a manufactured home situates their manufactured home on a lot in the mobile home park, and pays rent to the mobile home park owner for the right to occupy the lot and connect to the utilities.

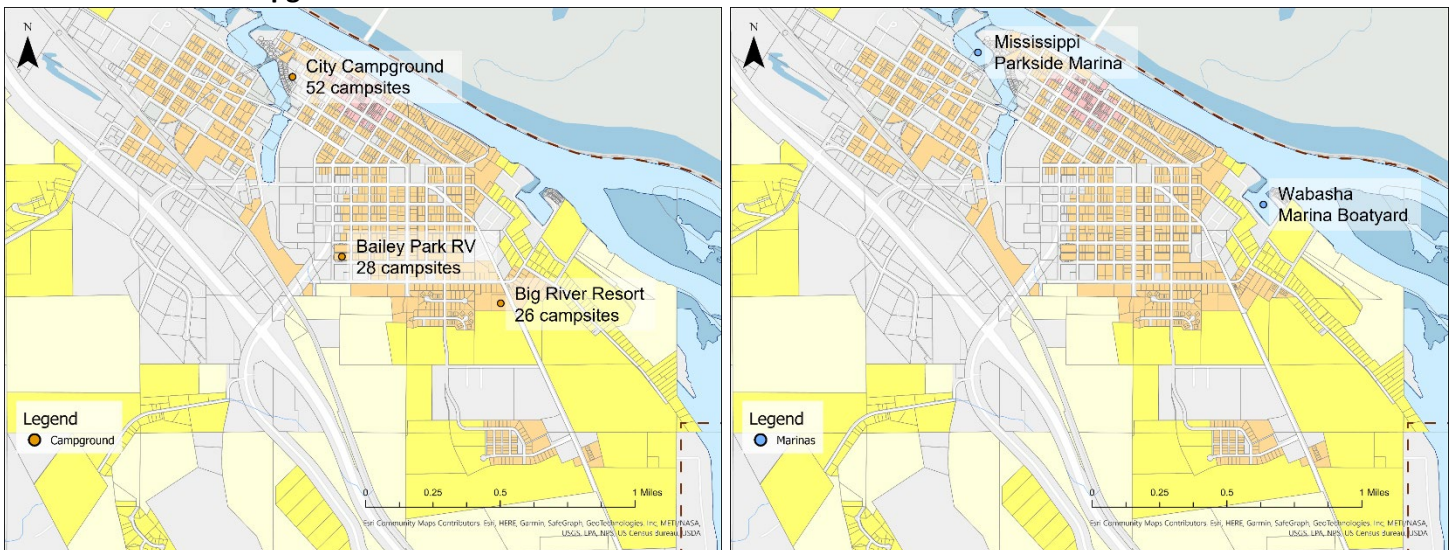
There are three existing mobile home parks in Wabasha, as illustrated in Exhibit 18. In recent years, many mobile home parks have been subject to dramatic increases in rent, sometimes after a change in ownership, causing hardship to residents.

Exhibit 18. Mobile Home Parks



Source: City of Wabasha, Stantec

Exhibit 19 & 20. Campgrounds & Marinas



Source: City of Wabasha, Stantec

Campgrounds and marinas. Wabasha is unique in having quite a few campgrounds and marinas within its city limits. These are settings that provide camping and river recreation for

individuals and families who return to a traditional home after they visit. In other instances though, people have simplified their living quarters to a camper, RV or boat, and may reside in campgrounds and marinas full-time. In those instances these facilities can be thought of as representing another setting for affordable living.

One of the City's three campgrounds is owned by the City of Wabasha.

Housing Inventory – Key Findings

Wabasha has a diverse housing inventory encompassing apartment complexes, condominiums, townhomes, single family homes, and manufactured homes.

People are living affordably in the two SEMMCHRA-owned apartment buildings. Older homes and apartments in Wabasha offer naturally occurring affordable housing in both rental and ownership formats. And some are living affordably in the mobile home parks, and in some cases in campers, RVs and boats.

Gundersen St. Elizabeth operates a skilled nursing facility for seniors, but other senior-specific options are absent.

This is a wide set of existing housing options in some respects, which undoubtedly meets the needs of many in the community. However, some housing formats that would meet important needs are missing, particularly in new development.

Housing formats that seem to be undersupplied include:

- Independent and assisted living senior apartments
- Senior supportive one-level homes and townhomes
- New construction market rate apartments
- New construction rent-restricted apartments
- New construction “missing middle” housing formats such as townhomes, twinhomes, and small apartment buildings

IV. Housing Development Market

Locational Context

Wabasha is a distinctive community with its Mississippi riverfront setting and well preserved walkable downtown storefront district. It provides the only Mississippi River crossing for 30 miles in either direction. It hosts the National Eagle Center. It is a health care and shopping destination for surrounding Wabasha County communities, and a place of employment for workers. These locational characteristics are durable and will anchor its value for residents and the developer community into the future.

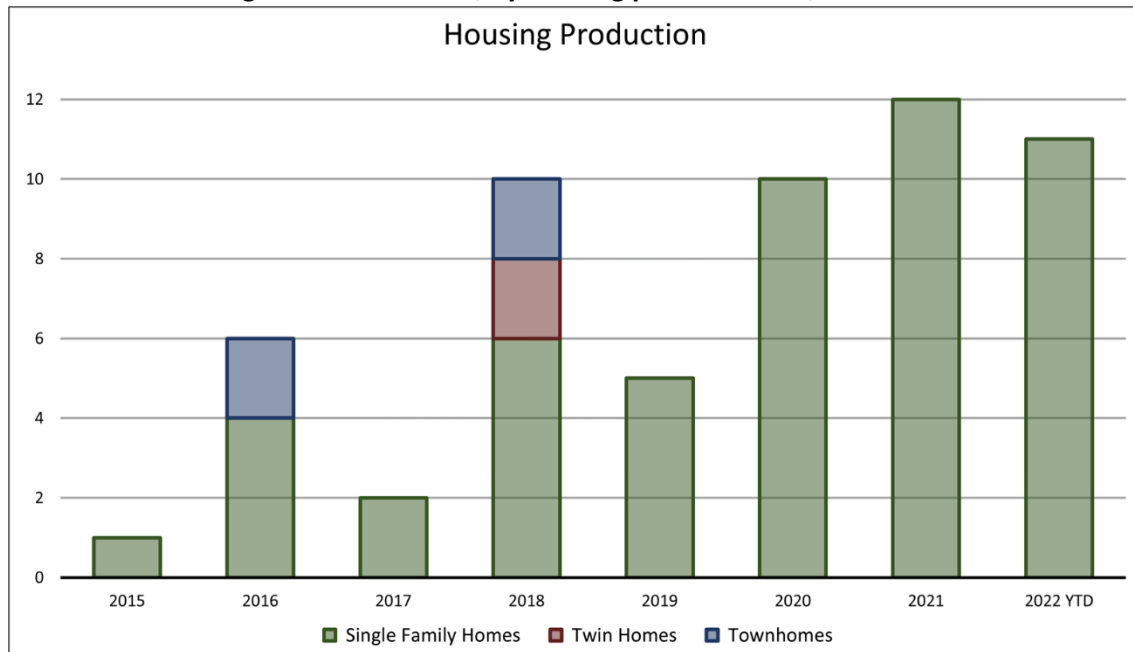
Exhibit 21. Market Context Map



Housing Development Trends

The most direct indicator of demand for new housing development under existing market conditions is the development that has been occurring. As illustrated in Exhibit 22, the new housing development that has occurred in Wabasha since 2015 has been primarily in the form of single family homes. The pace of home building is modest but increasing over the period.

Exhibit 22. Housing Units in Wabasha, by building permits issued, 2015 to 2022



Source: City of Wabasha

The competitive context for homes in Wabasha includes unsewered locations in Greenfield Township to the south of Wabasha. A concentration of such homes is located on a peninsula into the Mississippi River a few miles to the southeast of Wabasha. The total number of housing units granted building permits in Greenfield Township from 2018 to the present is 49, a number that includes 41 single family homes and eight manufactured homes.

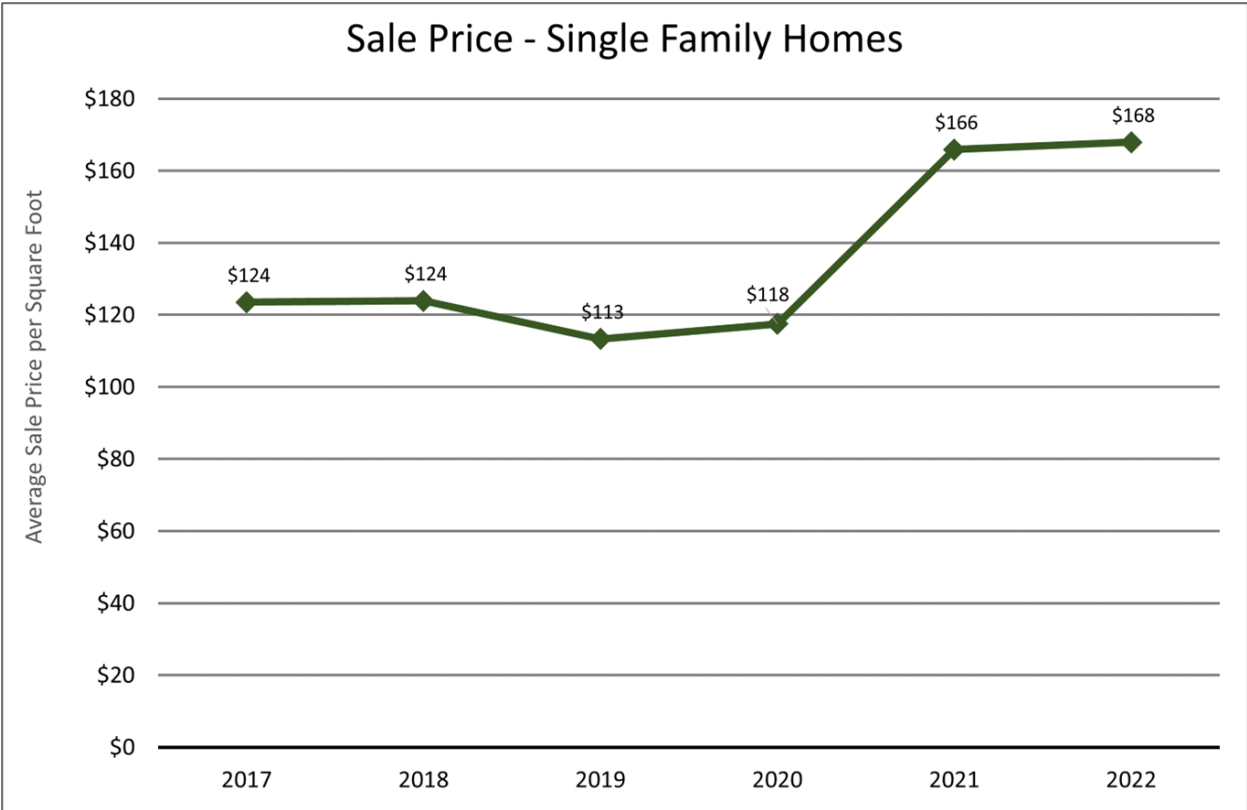
Aside from Medford Senior Care, which is a one story building that offers assisted living and memory care for seniors, all of the other developments are two to four storied in townhome or apartment formats. The two story developments are townhome style buildings, with garage parking integrated into the building. The three story buildings offer apartment flats, with parking available in surface parking lots and garage buildings. Town Center Apartments, the four story development in Zumbrota, is the only apartment development that provides some structured parking, located on the ground floor of the building.

Single Family Home Values

Home values have been rising in recent years both nationally and in Minnesota. The data in Wabasha shows that holds true in Wabasha as well. Using data from Redfin, the average home sale price in 2017 was \$124 per square foot, and in 2022 it was \$168, an increase of 38%. (See Exhibit 22 below.)

Rising home values have a range of impacts. Owners of homes gain equity as home values rise. However, rising sale prices also make it more difficult to purchase a home, particularly for first time buyers.

Exhibit 24. Average Single Family Home Sale Price in Wabasha, 2017 to 2022



Source: Redfin

Research Interviews

The housing market context in Wabasha was explored in additional detail through research interviews with five individuals. The interviews focused on the strengths and weaknesses of Wabasha as a location for housing development, the prospective tenant base or purchasers of new homes, the financial viability of different housing types and formats, and the role the public sector plays or could play in fostering housing development.

The following individuals were interviewed.

- Tony Bigelow, Bigelow Homes
- Corey Gerads, Alliance Building Corporation
- Pat Heydon, Two Rivers Habitat for Humanity
- Buffy Beranek, SEMMCHRA
- Leah Hall, Three Rivers Community Action

The perspectives and experience of these individuals contributed to an understanding of the market for new development in Wabasha, and potential strategies for fostering housing growth. Additional relevant information about the greater Minnesota housing context came from a set of 2022 interviews for the Wabasha Housing Study.

The following are key findings that came from the market analysis and research interviews.

Housing Development Market – Key Findings

Demand for housing in Wabasha is evident in the construction and sale of new homes, the rate of which has been increasing. It is evident in the tight market for existing homes. Very few are on the market, they sell very quickly, and the sale price has been rapidly rising. Many report looking for a home in Wabasha and not being able to find one. Both price and availability are limiting factors for purchasing a home in Wabasha.

Rental housing is also in demand in Wabasha. It is needed by both younger and older cohorts, and to attract the workers that Wabasha needs in its schools and commercial businesses, but existing options are limited. Rental housing for empty nesters and seniors often serves a need because it is lower maintenance than owning a home. And a move out of a home into an apartment frees up a home that can go on the market for others.

The following are development dynamics associated with different types of housing development.

Affordable housing. The existing affordable housing developments meet an important need in Wabasha, but the need for such housing far exceeds what is currently available.

Tax credits are the primary engine for new production of workforce housing in the United States, but it can be difficult to build this housing in smaller communities in Greater Minnesota because they often don't score well against the criteria that has established for awarding tax credits. Wabasha is fortunate in that a northern section of Wabasha is a high scoring location under current scoring criteria. Given that, it could make a strong case for funding to support a housing development that could be affordably rented by moderate income households in the local workforce.

Senior housing. Wabasha's skilled nursing facility is much needed, and Gundersen St. Elizabeth is exploring the development of another. Attracting market rate age restricted senior housing is challenging in smaller communities because of the rental rates that need to be charged to justify construction costs, and the fact that you are limiting demand for apartments when they are restricted to seniors. However, the needs of seniors can often be met in a general occupancy apartment development by making it senior friendly, without restricting the market to seniors only. Apartment developments of this kind can have the effect of giving long-time, elderly homeowners a lower maintenance option, and by doing so it can free up a single family home for a younger household.

Apartment development. A modest amount of apartment development has been occurring in small cities in the region. Developers are cautious because new construction rent levels are quite a bit higher than the rent levels in existing apartment buildings. But they have found there is a sufficient tenant market in many smaller communities to support new apartment developments.

In addition to researching the depth of the tenant market in a community, developers will also need a close financial partnership with a local community to make a development work. Local government actions that may be needed to attract multifamily development include:

- **Financial contribution.** Apartment development in greater Minnesota will generally face a financial shortfall. Tax increment financing and/or other financial support will be necessary to attract multifamily development.
- **Regulatory flexibility.** Zoning or subdivision regulations can add cost to development. For example, parking requirements are often higher than what tenants need.
- **Community engagement.** Communities can be skeptical about multifamily development. City leadership that sees the value of the development can play a role in championing the development through a proactive community engagement process.

Subdivision development. New homes are being built and sold in Wabasha. Some of these homes are specifically restricted to lower or moderate income households. The supply of land available for subdivision development seems to have increased recently, but it's not clear that the pace of new home construction will increase.

New home construction and sales has become more challenging recently because the cost of construction has risen due to increasing cost of materials, labor and interest rates. Prices of new homes have risen as a result, reaching a level that fewer buyers can afford.

Increasing the rate of new home construction will depend on reducing the cost and risk of such development. Municipalities that play a greater and more proactive role in the development of the streets and utilities that support subdivision development will reduce both the risk and cost of subdivision development for the builder, and support a greater rate of development.

V. Estimating Housing Demand

What is housing demand? Housing demand cannot be observed directly, and it cannot be conveyed by a single metric¹.

- **Demand for housing varies by the cost of housing.** If you can produce new three-bedroom homes for \$200,000, there will be greater demand for those homes than if the same homes cost \$250,000. In other words, there isn't a single number that signifies the level of demand for a type of housing. It will depend on the home price or rent that is charged.
- **Demand for housing varies for different housing products.** Most people would be willing to pay more for new homes or apartments or homes than similar housing built decades ago. Large "executive homes" appeal a one submarket of high income buyers, while twin homes or patio homes appeal to other demographics. Housing for seniors is appealing to some older households, and it may include features and services that make it practically essential for some. Ownership housing appeals to some, while rental housing is of interest to others. Each of these housing types has an overlapping but distinct submarket and demand characteristics.
- **Housing demand is not silo-ed.** Some people who rent their housing would buy at the right price, or if they could get a mortgage. Some who own would move to a rental situation that required less attention to home and yard upkeep.

In classical economic terms, the demand for housing is on a curve that shows diminished demand as the cost of housing increases. Multiple price curves can be derived for different housing products. And the relative availability of one housing product impacts the demand for other housing products.

The developer perspective. Since a community that desires additional housing development has to attract the interest of developers or builders, the developer perspective is as important as the "demand" expressed or demonstrated by home buyers and renters. Housing developers and builders will build housing if they feel the demand for their product is high enough to repay construction costs plus a reasonable return. Additionally they take into consideration the level of risk and uncertainty associated with the project. If it's a housing type that hasn't been built in the area, the project is more risky. If gaining approval for the project looks involved and uncertain, the project is more risky.

Many projects that are viable in theory based on demand are not pursued in favor of projects that are less risky.

Understanding and addressing developer perceptions of risk is as important for fostering new housing production than providing housing demand estimates.

¹ Some housing studies give the impression that housing demand can be simplified to a single metric which can be estimated with a fair degree of precision.

Demand indicators. With this context in mind, the rest of this section observes and discusses a set of housing demand indicators. They can be thought of as multiple lenses through which we can consider housing demand.

Estimated Latent Demand Based on Wabasha's Workforce

As discussed above, Wabasha is oversupplied with jobs relative to its population. There are an estimated 1,306 people who commute to Wabasha to work, and 718 people who live in Wabasha and leave the City for their jobs. If all those who work in Wabasha could find the housing they want at a price they can afford, it is reasonable to believe that many would move to Wabasha to be closer to their work. And because of Wabasha's livability and quality of life, there are undoubtedly others who would consider living in Wabasha if the right housing was available.

Roughly 600 housing units would be required to balance the the employment inflow/outflow dynamic in Wabasha. That can be thought of as one estimate of latent demand that would pertain at a certain level of housing availability and cost.²³

The overall latent demand estimate can be used as a basis for considering how the demand might be distributed among different housing types. Table 2 is an analysis of the demand for rental vs ownership housing.

Table 2. Latent Demand for Ownership Vs Rental Housing

	Owner	Renter	Vacant	Non-Vacant	Total
1. Existing Housing Units (Estimated 2022)	872	301	169	1,173	1,342
2. New Housing Units (based on existing ratio of ownership to rental housing)	424	146	30	570	600
3. Total Housing Units Demanded, based on shift to 70%:30% preference	1,220	523	199	1,743	1,942
4. New Housing Units Demanded, based on shift to 70%:30% preference	348	222	30	570	1,942

Source: ESRI Business Analyst, based on U.S. Census Bureau, 2016-2020 American Community Survey

² As discussed above, this estimate of latent demand is a point on a demand curve. The more new housing that is available and the lower its asking rents or sale prices, the greater the demand would be for that housing.

³ An alternative method of deriving an estimate of latent demand is to outline a trade area from which Wabasha might attract homeowners and renters, and make a set of assumptions that results in an estimate of the number of households from that area which could be attracted to live in Wabasha. We didn't utilize that methodology because it relies on more subjective assumptions that this straightforward method without any clear advantages.

Note in Line 1 of the table that roughly 74% of all of the occupied housing units in Wabasha are owner occupied. Line 2 shows that if those preferences hold true today, the latent demand estimate of 600 housing units would break out to a latent demand of roughly 450 units of owner occupied housing and 150 units of rental housing.

Generational shifts have, however, increased demand for rental housing. Consider that the two dominant age brackets are the baby boomers who are generally retired or nearing retirement, and young adults between 20 and 35. These are life stages that are often moving to rental situations. We also see formerly owner occupied single family homes shifting to rental homes.

The demand for new housing is very sensitive to shifts in preferences. Line 3 shows a scenario where the preferences for ownership housing in Wabasha decreased slightly from 74% of housing units to 70%. Line 4 shows how that would need to be addressed in the distribution of new housing stock, if all of the shift in demand occurred via new housing. In that scenario, around 370 owner occupied housing units are demanded, and around 230 rental housing units are demanded.

Given the sensitivity of new housing demand to slight shifts in preference, the precise distribution of demand for ownership and rental housing is best observed by taking measures to increase the production of both.

Gap Analysis

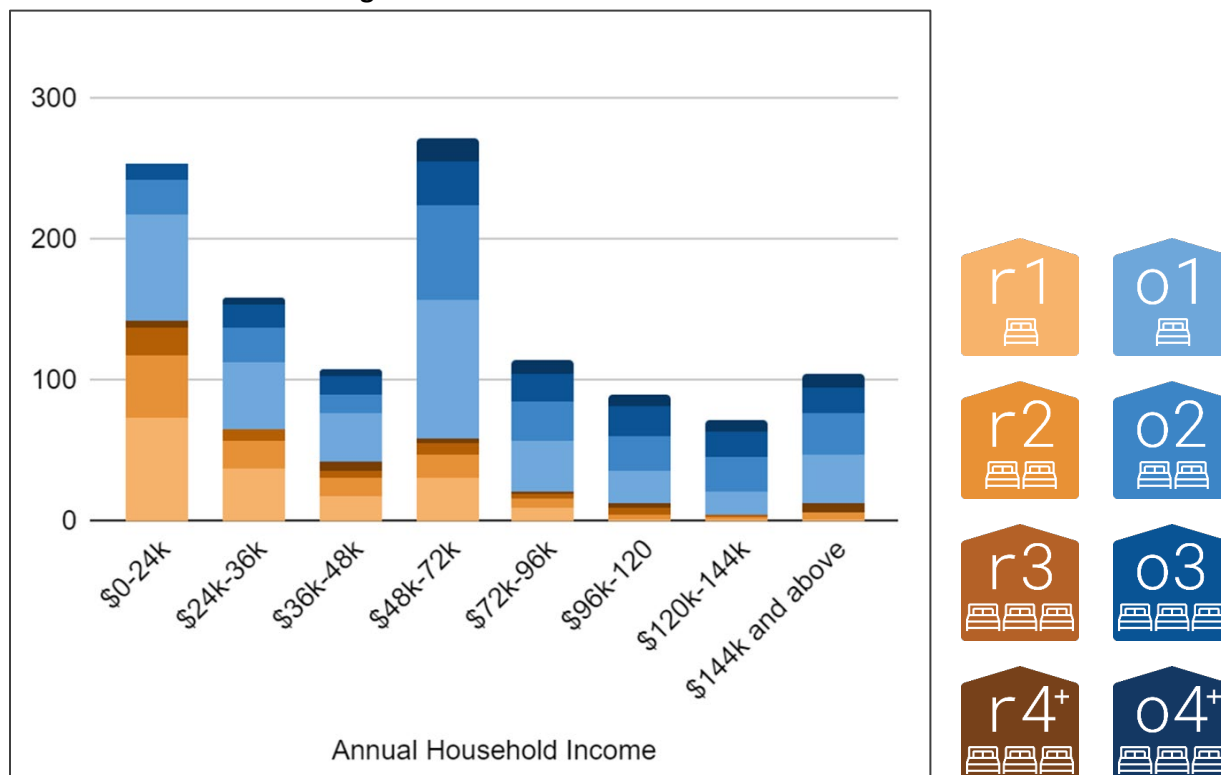
Another approach to analyzing housing demand is to look at the mismatch between the housing that is needed and the housing that is available. We've built a detailed methodology for doing that. It housing demand based on household composition and income, and housing supply based on the bedroom count and cost of existing housing units, and compares the two. Additional details:

- **Housing demand.** The demand analysis is based on a database that we purchase from Replica that builds a synthetic description of every household in Wabasha in such a way that it aligns with all of the census data for the community. We use detailed information about household composition and household income for each household to estimate the number of bedrooms that household needs and what it can afford to pay for rent or mortgage payments.
- **Housing supply.** The supply analysis makes use of all existing information about the City's housing stock from sources such as Costar, online rental housing listings, City parcel data, etc. It extrapolates from there to assign a likely bedroom count and housing cost to every residential parcel in the City.
- **Housing gap.** The gap analysis compares the array of housing that is needed, by bedroom count and cost to the array of housing units that are present, by bedroom count and cost. Housing units are undersupplied when there is more demand than

supply—as is common for more affordable housing products—and oversupplied when there is more supply than demand.

Housing demand. Using this methodology, Exhibit 25 shows the demand for housing of different sizes by rental and ownership households at different income levels.

Exhibit 25. Wabasha Housing Demand

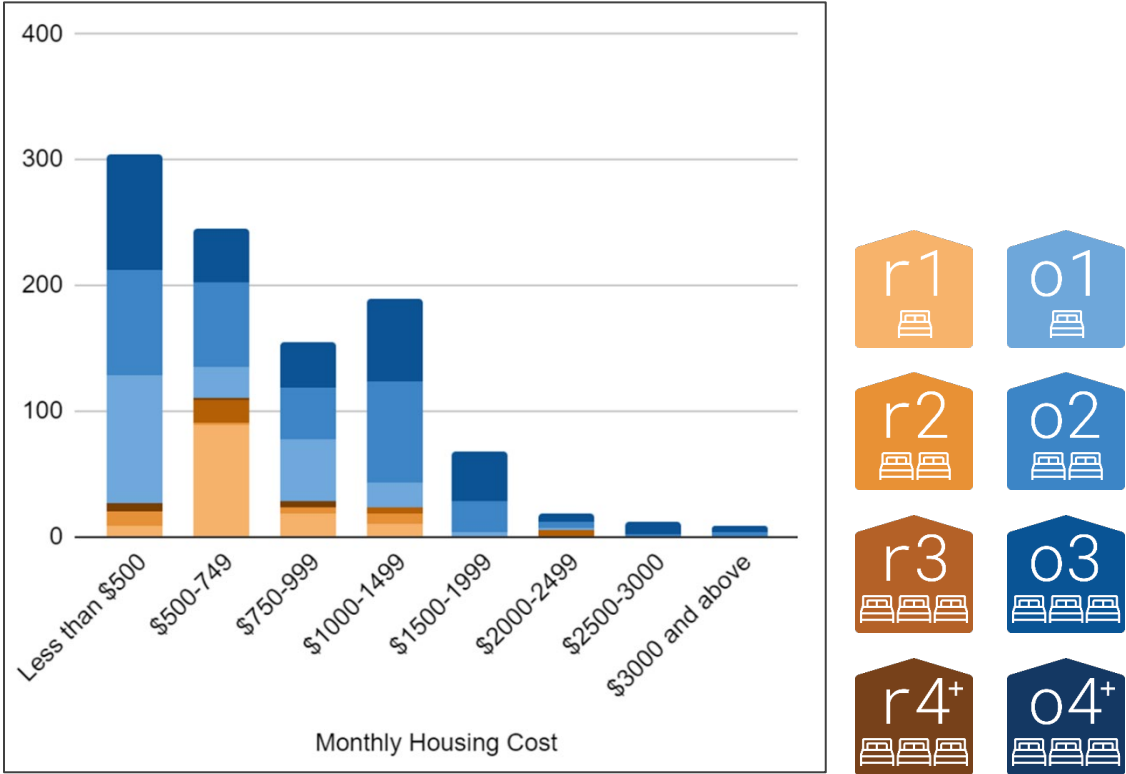


Source: Replica

Unit types are coded by ownership vs rental, and number of bedrooms. “r3” for example refers to 3-bedroom rental units. Overall demand for housing is highest for households earning \$48,000 to \$72,000, and households earning less than \$24,000. The greatest demand for rental housing is from households in the lowest income bracket. The greatest demand for ownership housing is from households in the \$48,000 to \$72,000 income bracket. There is greater demand for 1-bedroom housing units than any other type, in both ownership and rental housing formats, but note that in this methodology a 1-bedroom unit is sufficient to accommodate both single person households and married couples. Obviously many couples may prefer and seek out a two bedroom housing unit.

Housing supply. Exhibit 26 shows the supply of housing of different sizes by rental and ownership form across the housing cost spectrum. In this case the cost information is provided on a monthly basis.

Exhibit 26. Wabasha Housing Supply

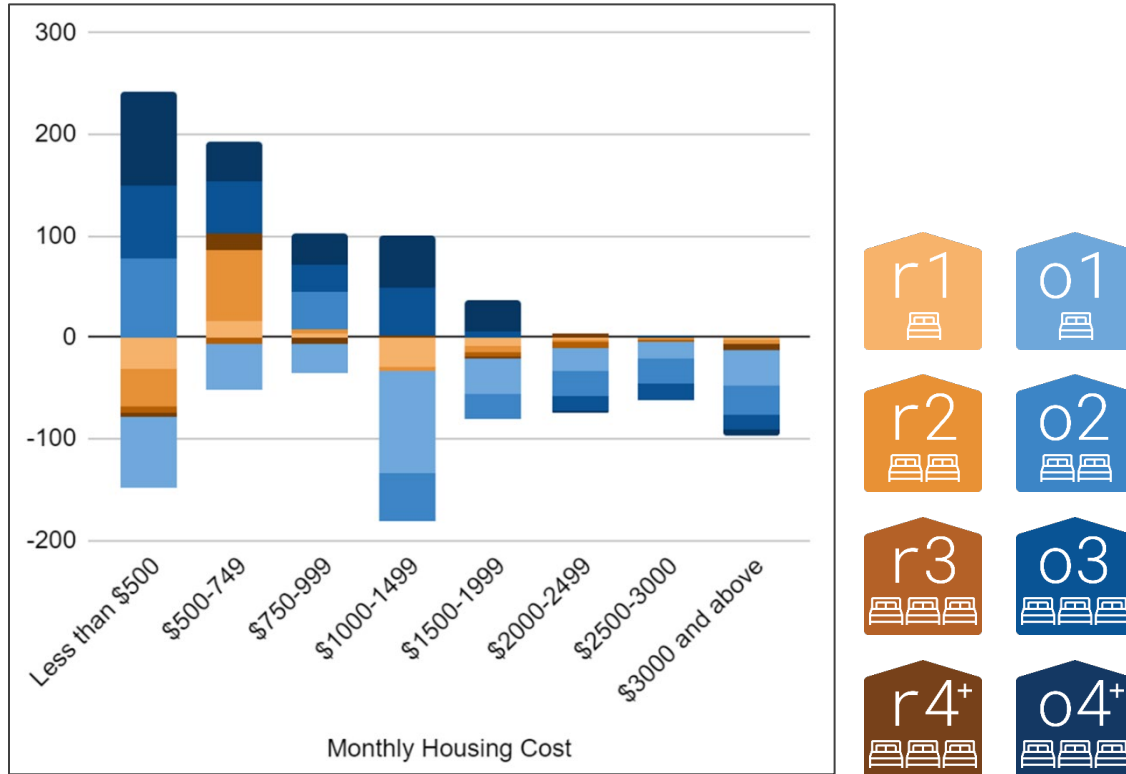


Source: US Census Bureau, American Community Survey, PUMS

Note that the housing supply is heavily weighted toward ownership types of housing, and much of it is priced at affordable rates.

Housing gap. Exhibit 27 shows the alignment and misalignment between the housing that is demanded, in accordance with household composition and income, and that which is available.

Exhibit 27. Wabasha Housing Gap (negative) and Surplus (positive)



Source: Replica, US Census Bureau, American Community Survey, PUMS

The diagram in Exhibit 27 requires some interpretation. Some of the apparent deficits are not a cause of concern. For example:

- At the lowest cost levels the exhibit shows a shortage of one bedroom ownership units. (See light blue band at the bottom of the bar on the left of the chart.) But the darker blue bands on the bar indicate that there is an overall surplus of ownership housing units in the same cost bracket. That means some ownership households (such as single person households) that could get along with one bedroom will need to occupy a two bedroom home in the same cost bracket.
- Similarly, the deficit in high priced ownership housing (See blue bands in the bar at the right end of the chart) may indicate there is a lack of high end housing to purchase. However, if a household of means wanted that type of housing, they can usually pay the going rate to have a home built to their needs. So the deficit of high end homes may simply mean that many high earning households are content to own a home that costs less than what they could afford.

The deficit in rental housing (orange to brown bands) in the mid to higher cost categories may be a positive indicator for new apartment development, where the new construction rents are

higher than prevailing rents in Wabasha. Although again, some of these rental households may be perfectly content to rent an apartment or home in a lower cost bracket than what they can afford.

The most concerning deficit highlighted in the exhibit is the need for rental housing units at the lowest cost level. Those are no offsetting considerations in that instance. The households that need rental housing in that cost bracket are simply paying more than they can afford. Most of them are probably paying rents that are in the next category--\$500 to \$749 per month—since there is a surplus of rental units in that cost bracket.

One of the underlying assumptions in this analysis is that the surpluses and deficits arise from an ideal allocation of the existing housing. In the real world, households will often live in housing that is less expensive than what they could afford, and that increases the scarcity of affordable units beyond what is observed in this analysis. The primary challenge that is observed in this analysis is the 75 households in the lowest earning category that are confronted with an insufficient supply of housing units that are affordable to them. The housing cost burden analysis above indicates that around 24% of all Wabasha households, the great majority of whom earn \$35,000 or less, are actually paying more than 30% of their household income. That amounts to around 300 households total.

Based on these findings, we can estimate that around 300 additional housing units would be needed in the lowest two rent brackets to meet the needs of Wabasha's existing population.

Housing Demand – Key Findings

Housing demand can't be reduced to a single metric. All things being equal housing that costs less will generate more demand than housing that costs more. And there are different submarkets and demand profiles for different types of housing.

With those caveats, by balancing Wabasha's employment inflow and outflow we derived a plausible level of latent demand for housing growth. If it can be priced suitably, we estimate that 600 additional housing could be absorbed in Wabasha in the next ten years.

That housing growth should include both ownership and rental housing formats in order to meet community needs.

To achieve this production will require addressing barriers to development. In some instances it will also require public financial support.

The analysis of the alignment between the housing needs of Wabasha's residential community, and its housing stock yields the following findings.

- The existing housing stock are of ample size to accommodate Wabasha's existing population, because of the predominance of one and two person households in Wabasha's household mix.

- The greatest deficit shown by the analysis is the lack of rental housing that is affordable to households in the lowest income bracket.

VI. Housing Strategies

The strengths and challenges of Wabasha's housing context, and the housing related needs of Wabasha's residents, are framed in the previous sections of this housing study. In this section, we review Wabasha's goals and policies, and present a set of strategies that can further these goals. They advance the preservation or production of housing in ways that are needed but are unlikely to be accomplished through the mechanisms of the housing market alone.

Wabasha's Housing Goals

The *City of Wabasha 2016-2035 Comprehensive Plan* includes two housing-related goals and five objectives, as follows.

Goal 1. A range of housing options to meet the needs of Wabasha's population at all stages of the life cycle.

- Encourage the preservation and enhancement of existing housing stock to provide for the needs of current and future residents.
- Promote development and redevelopment of housing for all income levels, special needs and senior housing.
- Encourage mixed use development that includes housing, employment, shopping and recreational opportunities in a compact pedestrian setting.

Goal 2. High quality residential neighborhoods with well-maintained housing stock

- Encourage strong homeowner maintenance and improvement activities.
- Ensure that all our neighborhoods are safe and attractive and served by municipal services.

These goals and objectives underscore the City's priority of diversifying housing choices and addressing housing affordability challenges.

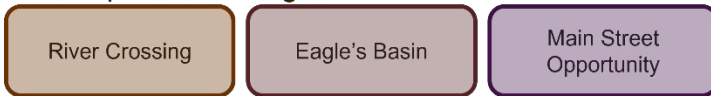
Menu of Housing Strategies

Fourteen housing strategies are presented here. Six focus on production of new housing. Three relate to attracting development to specific publicly owned sites. One focuses on the preservation of existing housing or housing affordability. Three are about building resources for housing-related investments. One is a household strategy rather than a home strategy, supporting low income households in their pursuit of housing that meets their needs.

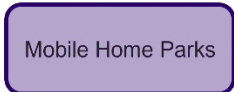
Production Strategies



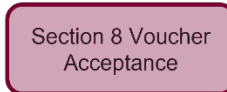
Site-Specific Strategies



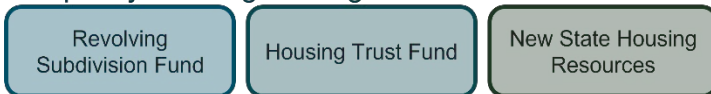
Preservation Strategies



Household Strategies



Capacity Building Strategies



The strategies are presented individually in the following pages, which provide:

- Relevant context related to the strategy
- The public objective being advanced by the strategy
- A brief description of the actions or alternatives that will be required to advance the strategy
- The resources required to advance the strategy

In most cases, additional research and focused attention will be required to fine-tune the strategy based on Wabasha's specific context and resource availability.

Production Strategy 1 – Market Rate Multifamily Housing Development

Context. Multifamily housing development supports a rural community in several ways. It can retain young adult singles and couples in Wabasha that might otherwise move out of the community. It can provide housing for the local businesses who are trying to attract workers. It can offer seniors a housing option when they're ready to spend less time on home and yard upkeep—and where that occurs it can free up a single family home for resale.

New multifamily housing development is challenging in rural communities because the prevailing rents are low, and, without public support, new construction rents are higher than what most will be willing to pay. Despite this, some rural communities similar to Wabasha are finding it feasible and worthwhile to partner with developers on new multifamily development.

Objective. Foster the production of one or more new multifamily housing projects in Wabasha in appropriate locations.

Strategy. Invite interest from a developer with a track record of building in rural communities. Partner with the developer in goal setting, site identification, financial support, and community engagement.

Resource Requirement. Public financial support will be needed in the form of tax increment financing or tax abatement.

Case studies

- Sleepy Eye Apartments in Sleepy Eye. Developer: Alliance Building Corporation.
- Town Center Apartments in Zumbrota. Developer: Keller Bartman.



Production Strategy 2 – Rent Restricted Workforce Housing

Context. Rents in new apartment developments will be set at levels that are out of reach for most rental households in Wabasha. A workforce housing project can provide additional multifamily housing that meets the cost criteria of another set of households.

Producing new workforce housing requires leveraging layers of external funding. Most often federal Low Income Housing Tax Credits are the foundational and most important source of funding. Local financial support will also be needed to make the project viable.

Tax credits are in high demand. They are awarded competitively based on how projects score against criteria established by the Minnesota Housing Finance Agency. The scoring includes some important criteria related to the location of the project, such as the availability of other affordable housing, the housing cost burden of nearby residents, proximity to jobs, public transportation, and walkability. The location score is often times a critical determinant in whether the project is able to secure a tax credit award. Wabasha has a high scoring location in the north part of the City, which is unusual for a rural city.

Tax credit workforce housing supports families earning 50% to 60% of the area median income (AMI). At the 60% AMI level, the household income of a tenant household is around \$43,000 per year. Rent levels for a nearby workforce housing development are \$715 for a 2-bedroom unit and \$830 for a 3-bedroom unit.

Three Rivers Community Action builds tax credit workforce housing in Wabasha County, and they are open to pursuing a project with the City of Wabasha.

Objective. Foster the production of one or more tax credit funded, workforce housing project in Wabasha.

Strategy. Collaborate with Three Rivers in seeking a suitable site, identifying financial resources, and building community support for an affordable housing development.

Other measures that would support an affordable housing project include:

- A proactive review of the City's zoning requirements related to multifamily housing to remove or modify requirements that are expensive and unnecessary.
- Visible and sustained leadership and advocacy by the City's elected officials



Resource Requirements. Staff time in collaborating with Three Rivers, site selection, funding. Tax increment financing and additional financial support will be required.

Case Studies. Eagle Ridge Apartments, Harvest Ridge Apartments, and the Three Rivers project under construction in Lake City are all Three Rivers projects.

Production Strategy 3 – Subdivision Strategies

Context. New homes support City growth, and they serve as move-up housing so existing homes can be sold. New home development has occurred in Wabasha in recent years, some of which are being sold subject to buyer income restrictions.

Subdivision development is challenged by increasing construction and financing costs, as well as multiple risk factors. A major risk factor is the up front cost of installing the street and utility infrastructure for the subdivision without knowing how quickly the future homes will sell. Municipalities can mitigate those costs and risks through different subdivision approaches.

Objective. Increase the pace of new home construction to grow Wabasha and provide a mix of housing formats.

Strategy. Consider models for fronting the development costs of public streets and infrastructure, and having those paid back through future homeowner assessments. That reduces developer risk, and makes it more attractive for a builder to pursue subdivision development. Complementary steps can be considered, including delaying or reducing development fees, reducing overall development cost, and/or expediting development processes, which reduces cost and risk.

Resource Requirement. Public financial support is required to install infrastructure, but it can be recouped later. The most important “cost” of the strategy is the risk of housing market downturn, which can slow down anticipated repayment of the public investment.

One approach to mitigating the risk of funding infrastructure is to fund it from a capital fund as opposed rather than a bond. In that instance if repayment is slow there’s no risk of defaulting on a bond or need to raise property tax rates.

Case studies

- Maple Grove, Chaska. The city builds the roads and utility infrastructure. The cost is billed to developer when land is platted, or to the homeowner who pays it over an assessment period (e.g. ten years).
- Sleepy Eye. In a previous subdivision, the city developed the land, built the infrastructure, and sold lots to owners who hired their own homebuilders.



Production Strategy 4 – Accessory Dwelling Units

Context. Accessory dwelling units (ADUs) are dwelling units that are subordinate to and under the ownership of an owner occupied home. They are a way of introducing an additional rental option that capitalizes on existing utility infrastructure, and with an adjacent owner occupant responsible for rental management. It typically results in high quality rental management and good responsiveness to issues that arise.

Objective. Increase housing options by allowing for the addition of accessory dwelling units in some or all of Wabasha's residential zoning districts.

Strategy. Allowing for ADUs involves initial research to support decisions about where the units should be allowed, and what parameters should be put on the new units. Reviewing the practices and lessons learned from communities that have adopted ADU ordinances will be

valuable. Once those decisions are made, write and adopt the appropriate zoning code amendment.

Resource requirements. No financial resources are required. Staff or consultant time will be required to explore best practices and tee up options for consideration.

Case Studies. Quite a few cities in the Twin Cities metropolitan area have made ADU supportive amendments to their zoning codes, so there is a wide range of models for shaping that policy in different ways. Family Housing Fund has published an inventory of [ADU policies](#) in the Twin Cities.



Image Source: Bright Designlab.

Production Strategy 5 – Tiny Homes

Context. Tiny homes are a housing format that can dramatically reduce the cost of home ownership. A tiny home with footprint of 16 feet by 20 feet can be constructed for as little as \$100K.

Yard Homes MN is a Minnesota based company that has pioneered a couple of tiny home models. They have a factory in which they build the home structure. The homes are insulated so that they are highly energy efficient in our Minnesota client. Yard Homes can provide and install the structures, or they can provide the components for a local company to install.

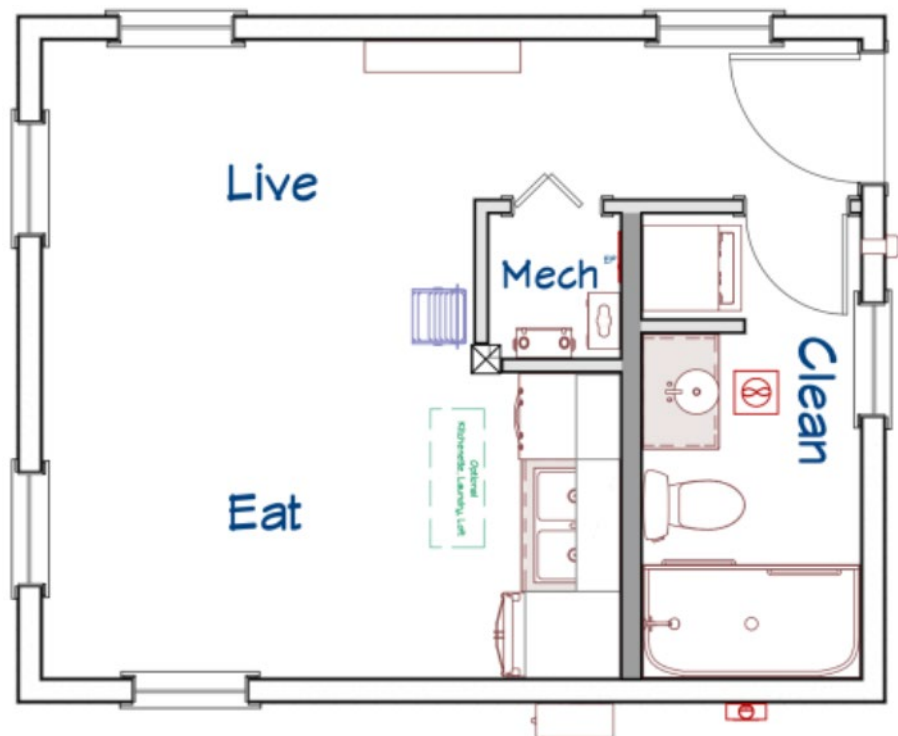
Objective. Support households of modest means with an ownership home format that is similar in size to a manufactured home in a mobile home park but more durable and energy efficient.

Strategy. Tiny homes could be accommodated in multiple ways. They could be replacement units in mobile home parks. They could provide a cluster of homes on traditional sized lots. They could be the future of a repurposed campground. Or they could be situated on a new tiny home subdivision, with appropriately sized lots.

Resource requirements.

Resources required will vary according to the selected strategy. Staff or consultant time will be required to explore best practices and support decisionsteep up options for consideration. Financial support may not be required for some strategies.

Case Studies. Goodhue County is exploring a collaboration with YardHomes.



Production Strategy 6 – Zoning Code Revisions

Context. Zoning Code requirements can decrease developer interest and the pace of housing production if they are overly prescriptive or unnecessarily add cost to housing development. The Wabasha Zoning Code includes some provisions that could be reconsidered to reduce barriers to development. Those include:

- Loosen setback requirements, and allow porches in front setbacks
- Reduce parking requirements in residential zoning districts
- Raise density caps in some of the residential zoning districts
- Allow missing middle housing (townhomes, twin homes, small apartment buildings, accessory dwelling units) in more residential zoning districts

Objective. Remove hindrances to housing development to increase the pace and variety of housing development.

Strategy. Review and modify unnecessary zoning code provisions that may dampen housing production.

Resource requirements. No financial resources required.

WABASHA, MINNESOTA
CODE OF ORDINANCES

Contains 2023 S-2 Supplement, current through Ordinance 01-2023, passed 1-3-2023

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Site Specific Strategy 1 – River Crossing

Context. River Crossing is a large, publicly owned site in an attractive, well-connected location near downtown Wabasha. A compelling vision has been created for the site. City staff and stakeholders have put a focus on attracting development to the site through assembling marketing materials and getting the word out about the opportunity.

The City is also actively pursuing funding that could be used to prepare the site for development by building the street and utility infrastructure.

Developers are drawn to locations where public ownership and community support are present.



Objective. Foster the development of the River Crossing site with a mix of multifamily housing and commercial development.

Strategy. Pursue state or federal grants for the public infrastructure.

Utilize the WATCH Committee's Concept Paper and targeted networking to attract compatible development partners for the first phase and subsequent phases of the development project.

Work collaboratively with the developer to advance the project.

Resource Requirements. Requires time in developing a working relationship with a compatible development partner. Will require public financial support to make the project economically viable.

Site Specific Strategy 2 – Eagles Basin

Context. Eagles Basin is a successful single family housing project executed by SEMMCHRA. A site remains available for a multifamily workforce housing component of the development, which would complement the new homes.

Developers are drawn to locations where public ownership and community support are present.

The project will need to meet affordability goals, but making apartments affordable to low and moderate income households without housing tax credits can be a challenge.



Objective. Attract a multifamily workforce development project to Eagles Basin.

Strategy. Be proactive in working with SEMMCHRA to identify gap financing resources that would be potentially available to a developer that is interested in pursuing this project.

Utilize the WATCH Committee's Concept Paper and targeted networking to attract a compatible development partner for the project.

Work collaboratively with the developer and SEMMCHRA staff to advance the project.

Resource Requirements. Requires time in developing a working relationship with a compatible development partner. Will require public financial support to make the project economically viable.

Site Specific Strategy 3 – Main Street Opportunity

Context. There is a set of lots along Main Street East that are publicly owned and in an attractive location near downtown Wabasha. The site isn't ready for new development. The current platted lots are too narrow for development. Floodwater issues are present and need to be investigated. Some fill is required to elevate the site above the flood plain.

If viable for infill development, single family homes, twinhomes or townhomes may be appropriate for this location.

Developers are drawn to locations where public ownership and community support are present



Objective. Attract a development project to this Main Street location.

Strategy. Do the proactive due diligence and site preparation that makes this property buildable including a) investigating the floodplain issues, b) replatting the property to narrow the right of way and expand the parcel, and c) fill the site above the flood plain.

Utilize the WATCH Committee's Concept Paper and targeted networking to attract a compatible development partner for the development site.

Resource Requirements. Requires time in developing a working relationship with a compatible development partner. After site preparation, the project may or may not require public financial support to make the project economically viable.

Preservation Strategy 1 – Mobile Home Parks

Context. Mobile home parks play an important role in a community's housing mix because they provide a location for the most affordable type of owner-occupied housing. Nationally such properties are being lost to redevelopment or unaffordable rent increases.

Owners of manufactured homes can also face hurdles relative to maintaining conditions. Their relatively low value and semi-permanent condition make lenders hesitant to extend home improvement financing or home equity lines of credit, which may be needed to finance more significant maintenance or renovation projects. So homes can fall into disrepair.

Preservation of affordability of manufactured home parks is being done nationally and locally. The model is similar to apartment preservation projects. The property is acquired, any necessary upgrades are made to the street and utility infrastructure, and the property is sold into a cooperative owned by the owners of the manufactured homes. The national leader in facilitating cooperative conversion of manufactured home parks is ROC (Resident-Owned Communities) USA.

Wabasha has three manufactured home parks—Westa Town Mobile Home Park, Hiawatha Mobile Home Park, and the mobile home park in the Wabasha Marina Boatyard.

Objective. Increase the long-term stability of mobile home park resident households through a range of strategies.

Strategy. There is a menu of strategies that can be employed to address challenges and preserve the affordability of manufactured home parks.

- Through city ordinance, mobile home parks can be brought explicitly into the City's rental licensing program so that the mobile home park operator and property owners can be held accountable for site conditions.
- The City can adopt a tenant notification ordinance so that there is advanced notice to mobile home owners if there is going to be a change in ownership, and there is an opportunity to assemble a competing purchase offer if desired.
- Small scale home loan programs or matching grants can be extended to owners of manufactured homes.
- Steps can be taken to explore a cooperative conversion of one or more local mobile home parks—through learning from other examples, building relationships with local owners and residents of mobile home parks, and connecting with ROC.

Resource Requirement. Staff or consultant time for research and relationship building, program development. Financial resources would be required if cooperative conversion is pursued.

Case Study. Zumbro Ridge Estates, in Rochester, created a Resident-Owned Cooperative from a preexisting mobile park with the support of an organization called ROC (Resident-Owned Communities) USA.

Capacity Building Strategy 1 – Revolving Subdivision Fund

Context. Cities can be proactive in setting the stage for subdivisions by building the required road and utility infrastructure. Doing that increases the rate of housing development because it reduces costs and risks for builders. It increases the diversity of housing because it gives the City more leverage in pursuing its desired development mix.

If the infrastructure is funded through traditional bond financing, the bonds are paid back via an additional levy in the first years of the new homeowners' property tax payments. But that entails some public sector risk, because if new home development stalls out, the City needs to draw from other resources to make the bond payments. This risk can be reduced by paying for the infrastructure out of a capital fund. The capital fund needs to be raised once, and then it is replenished as lots are sold and homes are built.

Objective. Reduce the risk of proactively providing subdivision infrastructure by raising and utilizing a subdivision capital fund.

Strategy. Determine and institute the mechanism for capitalizing revolving fund, exploring resources such as TIF pooling or other value capture models, or a temporary levy.



Case study. Sleepy Eye. The City bought/developed land and infrastructure, sold lots to owners who hired their own homebuilders.

Capacity Building Strategy 2 – Housing Trust Fund

Context. Wabasha can utilize tax increment financing or tax abatement to advance many of the strategies in this housing study. Where applicable, these are preferred methods of funding housing related activities, since the funds are derived from the property itself, and for that reason they don't require a reduction in funding for other City priorities.

Some of Wabasha's housing strategies will require another source of funds, and those strategies can be advanced more effectively with the creation of a local housing capital fund (often referred to as a Housing Trust Fund) targeted to priority goals. Funds could be used for:

- Creation or preservation of additional affordable housing units
- Land assembly for housing projects
- Increasing community development staffing

Objective. Increase capacity for furthering the City's housing goals through building a housing related capital fund.

Strategy. Study models for creating an affordable housing capital fund, such as:

- Dedicate excess tax increment financing from The Exchange Apartments
- Value capture models
- Deploy resources from Wabasha's Municipal Development Fund.

Case study. Bloomington's Housing Development Fund and Housing Trust Fund

Capacity Building Strategy 3 – New State Housing Resources

Context. The statutory and funding environment for housing is changing rapidly in Minnesota. In this session the legislature is considering a bill to support the production of housing, including some provisions targeted to rural areas.

The bill includes:

- Support for Greater Minnesota cities for infrastructure development. (This is in the form of a 50/50 match for infrastructure provision—i.e. roads and utility infrastructure.)
- A housing cost reduction program to reimburse cities for fee waivers and reductions provided to developers.
- Creation of the naturally occurring affordable housing program to acquire and repair existing properties.
- Policy to address corporate investor purchasing.
- A pilot program for infrastructure grants

One summary of the legislation under consideration is at: <https://www.lmc.org/news-publications/news/all/comprehensive-housing-spectrum-act/>.

The next legislative session is likely to have additional housing related initiatives and resources.

Objective. Take advantage of new legislation and funding to advance Wabasha's housing goals.

Strategy. Follow housing legislation closely, and maintain the flexibility to respond quickly to new opportunities.

Housing Strategies – Implementation

The preceding strategies are suitable and achievable for the City of Wabasha. Each of them would advance City goals related to housing choice, preservation and/or affordability.

Effective implementation of this strategic agenda will require the ongoing focused attention of City staff and leadership. The strategies will need to be prioritized for initial and subsequent action. Many of the strategies will require additional research relative to best practices in order to make decisions about how they should be implemented locally. Some require building relationships with other organizations or local property owners. Some require deploying resources, which may derive from the new development itself (such as when tax increment financing is utilized) or from other sources. Given limitations on staff availability, some ongoing external support may be needed to maintain focus and momentum, take the actions required to advance specific strategies, and tee up concrete actions for City Council consideration.

The long term strategic agenda will benefit from a regular schedule of review and goal setting—because not everything can be undertaken in any given year, and strategies that are being implemented can be tuned up with periodic review. An annual review cycle is recommended for:

- Reviewing City-wide indicators of housing availability and affordability
- Reporting progress and outcomes for City housing strategies underway
- Making adjustments to ongoing housing initiatives as warranted
- Establishing the housing agenda to be initiated or advanced in the coming year
- Setting goals relative to specific strategies, such as establishing targets for affordable housing production and/or preservation

Wabasha is an asset rich community with a wide variety of existing housing choices and talented staff and leadership. It has shown creativity and initiative in the development of its existing housing programs. For all of these reasons it is well positioned to take further steps in addressing the housing needs of its residents by advancing this strategic agenda.



Developers, Builders, Realtors, & Area Landowners

Wabasha Housing Study Projects a Need for 600 Housing Units

Join Us Wednesday August 16, 2023, for Wabasha's First Housing Forum
Meeting location: Coffee Mill Golf Course, 180 Coffee Mill Dr, Wabasha, MN

9:00 am - Noon, with optional site tour

Free to Invites, you may register a Companion.

Includes: Morning Coffee, and Lunch Buffet, Cash Bar Available

RSVP HERE

Option to include site tour include in your rsvp

Request additional information: cathy.enersoncedausa.com

Learn about the Wabasha 2023 Housing Study and the newly adopted City of Wabasha
Housing Strategies to build a Variety of Housing

Learn about Three (3) City Sites Available to Develop Housing, and One (1) HRA Multi-
family Site for Development

Meet with who to collaborate within Wabasha.

Learn how other projects in other rural communities have gotten off the ground?

Meeting Contributors include, City of Wabasha, CEDA, Gunderson Hospital, Habitat for
Humanity,

Sponsored City of Wabasha and Southern Minnesota Initiative Foundation



WABASHA 2023 HOUSING STUDY

Summary Document

Demographic Information

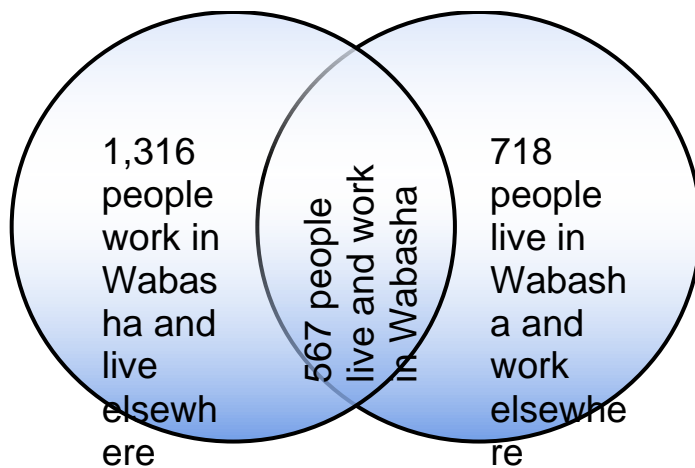
Population (2020 Census)

- 2,559 - currently projected to remain stable through end of decade

Employment (OnTheMap, US Census Bureau)

- 1,853 - steady growth since 2002
- The City is the County Seat, Gundersen Hospital employs over 400 health care workers

Employment Demographics



*New housing developments could capture some of the 1,316 workers who commute to Wabasha, spur population growth (*KEY DATA POINT*)



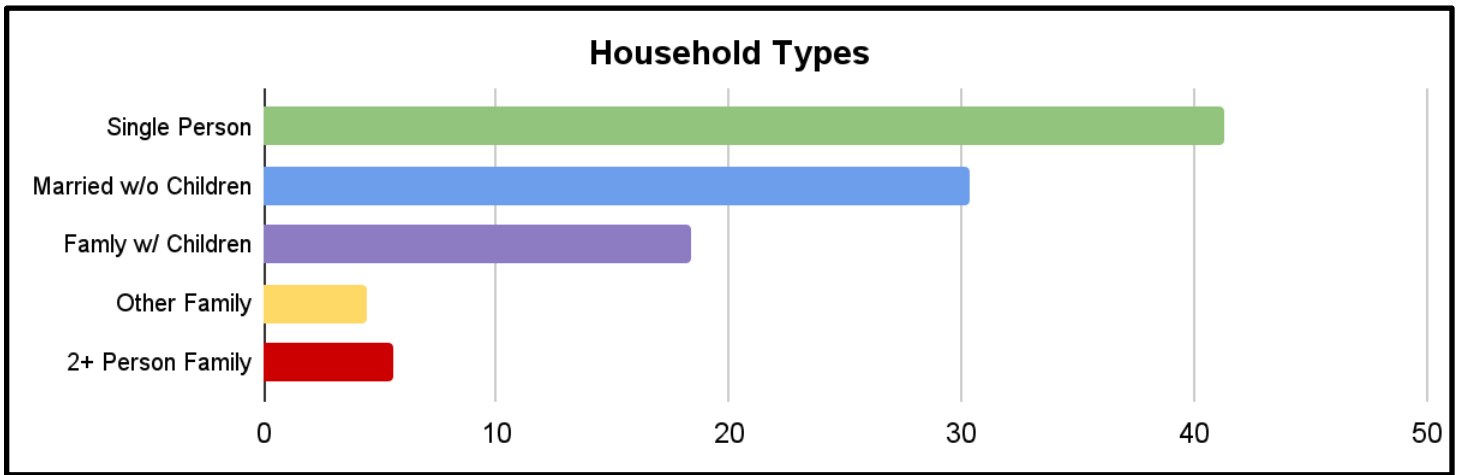
- Nearly twice as many workers commute to Wabasha for work compared to those who live in Wabasha and work elsewhere
- Almost 3 jobs for every 4 people
- Employment increased by nearly 17% from 2002 to 2019
- Job base anchored by health care and public administration sectors

Miscellaneous Demographics

- Nearly 70% of workers are 54 or younger
- About half of total Wabasha population is 54 or younger (very similar to County)

- Average household income about \$54k (almost 60% earn 50k or more - US Census Bureau)

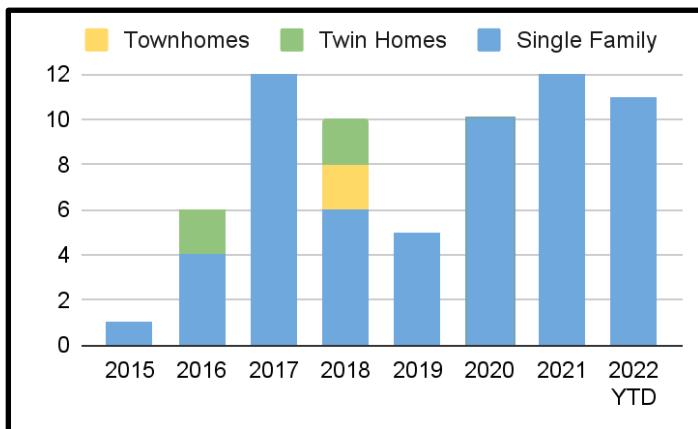
Housing Information



Undersupplied Housing Formats

- Independent and assisted living senior apartments
- Senior supportive one-level homes and townhomes
- New Construction market rate apartments
- New construction rent-restricted apartments
- New smaller format multifamily housing like townhomes, twin homes, and small apartment buildings

Housing Production Trends



- Demand for housing in Wabasha evident in construction and sale of new single family homes
- Single family homes have dominated development market
- No new apartment buildings in last decade, but apartment development happening in locations similar to Wabasha in population size
- Rental housing also a demand in Wabasha (affordable housing as well, but to a lesser extent)

Housing Demand (Based on Employment Inflow/Outflow in Venn Diagram)

- Roughly 600 new housing units would be required to balance employment inflow/outflow dynamic in Wabasha (based on latent demand that pertains at a certain level of housing availability and cost)

	Owner	Renter	Vacant	Non-Vacant	Total
Existing Housing Units (Estimated 2022)	872	301	169	1,173	1,342

New Housing Units (based on own/rent ratio)	424	146	30	570	600
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Port Authority

6. 1.

Meeting Date: 06/20/2023

ITEM TITLE: Director's Staff Reports

DEPARTMENT: Administration

PURPOSE:

Update Port board with items Port Staff has worked on since last meeting.

ITEM SUMMARY:

Week of May 26:

- Began outlining SMIF Grant Application to present to VFW meeting
- Touched base with Mike Scholling, set up meeting to discuss housing study and property development ideas
- Continued work on housing documents for Housing Summit in August
- Attended SMIF REV Community Webinar

Week of June 2:

- Met with Mike Scholing to discuss properties, opportunities
- Began drafting SMIF Small Town grant
- Followed up with childcare providers about tour of homes, hope to schedule date when back in office

Week of June 9:

- Off, vacation
-

Port Authority

7. 1.

Meeting Date: 06/20/2023

ITEM TITLE: SEMLM Summer Meeting Invitation

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

The Southeastern Minnesota League of Municipalities (SEMLM) summer meeting will be hosted by the City of Wabasha. The meeting will be held at Coffee Mill Golf Course on Thursday, June 29. Feel free to register if you're interested in attending. The SEMLM website link, meeting registration link, and meeting agenda can be found below. Please let me know if you have any questions.

SEMLM Website: [SEMLM](#)

Meeting Registration: [SEMLM Summer 2023 Event in Wabasha at Coffee Mill Golf Club Tickets, Thu, Jun 29, 2023 at 5:00 PM | Eventbrite](#)

SEMLM Summer Meeting Agenda:

5?:00pm - Social Time with Cash Bar at Coffee Mill Club House

6?:00pm - Dinner - Broasted Chicken, Garlic Mashed Potatoes, Veg.

7?:00pm - Meeting and Presentations: 2023 Legislative changes that impact SE MN Cities

M?NDOT (Confirmed!):

- Small Cities Assistance Account
- N?ew Larger Cities Assistance Account
- O?ther Transportation News for Cities

SE M?N Transit Study and Regional Transit Project

Regional TMO Project Group

- 2023 State Appropriation to fund study of SE MN transit needs, goals, options
 - Current transit providers involved
 - C?ity input needed
 - B?usinesses, Higher Ed, Health Care Providers, Others Involved
 - G?etting started!
-