



TO: Economic Development Authority, Board of Commissioners

FROM: Executive Director Flaherty

DATE: February 9, 2026

SUBJECT: Annual Meeting Report

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### **Outline**

In addition to the specific agenda items for consideration, staff have developed an outline of discussion topics for the EDA Board. The topics included in this memorandum are for discussion only and staff are not seeking any action from the Board. If the Board desires, directions can be provided to staff for future meetings.

### **Economic Development Revolving – Fund 255**

This fund was established to provide for economic development subsidies and loans to be provided to business entities in the City through the Economic Development Authority. At year-end 2025, this fund has a cash balance of \$430,779. The fund balance components include Restricted of \$129,300 and Unassigned of \$301,479. As part of year-end audit preparations, additional funds will be added to the unassigned balance when interest revenues are allocated.

#### ***Statewide Affordable Housing Aid***

The Restricted Fund Balance in the Economic Development Revolving Fund is derived from Statewide Affordable Housing Aid received in 2023 through 2025 in total amount of \$129,300. The City is expected to receive an additional \$26,362 of aid in 2026.

Funds from this aid program must be spent on a qualifying project by December 31 of the fourth year after the aid was received. This would require the City to spend at least \$52,757 on qualifying projects by December 31, 2027.

Otsego, and other cities in Wright County who received this aid have had ongoing conversations with Wright County on development of programs that would meet the criteria for use of the funds. City staff will review the options, attached with this memo, that have been discussed by the Wright County Board to determine if they are in alignment with the EDA Board.

### **TIF Districts**

There are currently three active TIF Districts within the City. A short summary of each district is outlined as follows:

#### ***District No. 1 – Great River Centre***

This district was created in 2016 and assisted in creating industrial development within Great River Centre. The project included construction of a 54,000+ square foot manufacturing facility, site improvements, and public infrastructure improvements. A note was issued to the developer and is repaid with tax increments from the development. This district will be active through taxes payable 2026 with the last note payment scheduled for February 1, 2027.

**District No. 3 – Riverview Landing**

This district was created in 2017 and assisted in creating a senior housing facility project in Waterfront East. The project included construction of a 142-unit facility that provides senior housing, assisted living, and memory care units. The project is required to provide 20% of the units to be occupied or available for occupancy by people whose income does not exceed 50% of the County median income. A note was issued to the developer and is repaid with tax increments from the development. This district will be active through taxes payable 2045 with the last note payment scheduled for February 1, 2046.

**District No. 4 – Riverbend North**

This district was created in 2019 and assisted in redevelopment within Riverbend North. The project included decommissioning of a private wastewater treatment facility and construction multi-family housing units, mini-storage facilities, and creation of two additional lots for commercial development. A note was issued to the developer and is repaid with tax increments from the development. This district will be active through taxes payable 2045 with the last note payment scheduled for February 1, 2046.

**City Owned Property**

The City currently owns three parcels of land for future resale and development. One property (5.82 acres) is located within Great River Centre and is guided by the Comprehensive Plan for industrial development. The other two properties (1.14 acres and 0.90 acres) are located within Waterfront East and are guided by the Comprehensive Plan for commercial development. The City has had listing agreements with Commercial Realty Solutions (CRS) since 2019.

**Attachments**

- *Statewide Affordable Housing Aid Memo from Wright County*



# MEMO

To: Wright County Tier I Cities

From: Clay Wilfahrt, Assistant County Administrator

Date: December 1, 2025

Re: Statewide Affordable Housing Aid

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Wright County and Tier I Cities within Wright County received State Affordable Housing Aid (SAHA) in annual increments since 2023 and will continue to receive annual aid through the end of 2026. The County will receive a total of \$605,309, and the Cities will receive a collective \$703,127 over the course of the program. According to State Statute, the money needs to be expended by

1. "December 31 in the third year following the year after the aid was received," or
2. "Committed to a qualifying project by December 31 in the third year following the year after the aid was received; and expended by December 31 in the fourth year following the year after the aid was received."

[The State Statute guiding the funding](#) outlines eligible expenditures of the fund. City and County staff spent some time analyzing how other Cities and Counties spent SAHA funding. Here is a summary of how other Cities and Counties utilized SAHA funds:

- **Single Family housing rehab** – Some Counties, like Sherburne, implemented single family housing rehabilitation loans. These programs allow homeowners who meet income requirements to apply for loans to rehabilitate their homes. The program helps homeowners improve the condition of their homes while also boosting property values. Once the dollars are recouped through the loans, the money can be repurposed.
- **Transitional Housing Programs** – At a recent conference, Wright County Community Action (WCCA) approached the County and indicated that it has needs that could be funded with SAHA dollars. WCCA sees the biggest need in its transitional housing program. Through the transitional housing plan, WCCA works with clients to develop housing independence plans, provide support services and case management, and offer a declining rent subsidy. By giving SAHA money to a non-profit such as WCCA, the funds would be considered expended and no longer subject to the time restrictions in the statute.
- **Contract with hotels for temporary emergency housing** – Some Counties contracted with local hotels for temporary emergency housing. Counties enter into agreements with the hotels to outline terms of placement, cost, etc. to provide housing for those in immediate need.
- **Emergency Housing Assistance through the County** – Wright County offers emergency housing aid for people who need financial assistance to avoid losing their current housing arrangement.



The County receives a limited amount of money from other sources to provide this service, but often depletes those dollars quickly. SAHA money could be utilized for this purpose.

- **Development Assistance** – SAHA funding can be used as an incentive in development of affordable housing. Some communities have used these dollars to help fund affordable housing projects. The County could utilize the funds to try to attract development to the County in the form of direct assistance to specific development projects.
- **Permanent emergency housing assistance** – Communities like St. Cloud have used large portions of their SAHA funding to construct permanent emergency housing structures.