



CITY OF LE SUEUR  
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council  
FROM: Samantha DiMaggio, Community Development Director  
SUBJECT: Main Street Discussion  
DATE: For the City Council Meeting of Monday, June 24, 2019

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**PURPOSE/ACTION REQUESTED**

Main Street Discussion

**SUMMARY**

The Le Sueur Downtown Master Plan was adopted in December of 2017. Since that time, staff has completed the following:

- MNDOT agreed to allow the City of Le Sueur to open Main Street as a three-way stop. There was a potential developer interested in acquiring the mall if Main Street was re-established.
- In May, 2019, staff applied for Redevelopment Funds through the Department of Employment and Economic Development (DEED) for demolition of the west side. DEED had \$1,000,000 for all of Greater MN. Unfortunately the Le Sueur Project wasn't awarded, one two projects were funded, one in Mankato and one in Fergus Falls. The Developer who was interested in the Le Sueur project is no longer showing interest as another project of his was awarded in Mankato.
  - *Fergus Falls Port Authority - Dairy Site*: The Fergus Falls Port Authority is awarded \$851,510 in Demolition Loan funds to demolish a former dairy processing facility. This 29.14-acre site has potential for residential development. The Port Authority will issue a general obligation tax abatement bond to secure and repay the loan.
  - *Mankato - Bridge Plaza*: The city of Mankato is awarded \$170,850 in Redevelopment Grant funds for demolition, geotechnical soil correction, and infrastructure costs on this 1.94-acre site. The site will be redeveloped with a five-story, mixed-use building offering 25,969 square feet of commercial space and 14 apartments. It is anticipated the project will create 24 jobs, retain 108 jobs, and increase the tax base by \$144,566. Matching costs will be paid by tax increment financing.
- In April, 2019, the Bank and Mall Owners were asked the following:
  - Do you intend to retain or sell the mall?
  - If you intend to sell, what is the sales price would be?
  - Are you willing to consider a short sale?
  - Are you willing to work with the city on the re-opening of Main Street?

- Do you as the bank and owners want to re-development of the mall? If yes, how much are you willing to put into the rehabilitation?
- Are you willing to release the front portion of the mall in exchange for the \$400,000 owed the EDA?
- Do you know any developers who might be interested?
- Do you want the city's help in marketing the mall to potential developers?
- In May, 2019, the EDA agreed to extend Interest only payments at 3% for an additional 6 months.
- City Staff intend to meet with the stakeholders in the next few weeks to work through the potential options.

**PURPOSE/ACTION REQUESTED**

As this is a discussion, no formal action is requested.