

City of Sandstone
EDA Meeting Minutes
January 24, 2018

CALL TO ORDER: 6:00 p.m.

ROLL CALL: Kester, Spartz, Franklin, Devlin, Palmer and LaBounty

Members absent: Warner

Staff present: Administrator George and Recording Secretary Nelson

Others present: Lorien Mueller, Jodi Isaacson

APPROVE AGENDA

Motion LaBounty, second Palmer to approve the agenda. Motion carried 6-0.

APPROVE MINUTES

Motion Devlin, second Palmer to approve December 27, 2017 meeting minutes. Motion carried 6-0.

PUBLIC HEARING: None

NEW BUSINESS:

Great Lakes Management – Report on Wild River Properties

Lorien Mueller, Senior Director of Property Management, reviewed the reports with the EDA and answered questions from the Council.

Wild River Townhomes had a 94.92% YTD average occupancy in 2017, down from 97.5% in 2016

Wild River Senior housing had a 97.0% YTD average occupancy in 2017, up from 96.3% in 2016.

Currently, the occupancy rate is at 92% as of December in the town homes. The revenue total was over budget by \$33,000 as a result of less vacancies than was budgeted. The total operating expenses were under budget by \$76,000. All of the expense categories were under budget. Net operating income \$111,000 over budget. Great Lakes Management plans on truing up the budget as they move forward into 2018.

As far as marketing information – there were 56 inquiries in the last quarter. Typically, less moving is done toward the end of and beginning of the year. There is one 1-bedroom senior apartment that is vacant and ready to lease.

2017 Project Update

All town home garage doors were replaced

Sidewalks were replaced at senior housing and town homes

Some projects were put on hold for 2017 – such as deck staining – moved into 2018

2018 Plans

Review percentage versus dollar rent increases

Getting bids on LED lighting upgrades

Parking lot repair/replacement

During this winter's snowplowing activities, the city's snow sweeper equipment dented in a couple of the garage door panels at the Senior Apartment building. It will cost about \$600 to make repairs – not enough to make an insurance claim. The garage door still operates which is important as there is plumbing in the garage that needs to be kept warm.

The Administrator noted that the City will undergo a housing study. The consultant will likely contact Mueller for information. Great Lakes Management personnel will attend the April meeting to give the next quarterly report.

Motion Franklin, second Devlin to accept the Wild River Property Report. Motion carried 6-0.

CONTINUING BUSINESS:

EDA Business Breakfast

The Administrator asked the EDA to set a date for the Business Breakfast, and to choose an appropriate location. The City is welcome to use the training center at FCI; however, FCI would be unable to cater the breakfast. Grace Church or Community Worship Center are other possible venues. The EDA decided on Wednesday, April 4th at 7 a.m. All Sandstone business owners will be invited. If managers wanted to come, that would be appropriate. The Administrator will check with the Community Worship Center and Grace Church and bring the possibilities back to February meeting for discussion.

Various Updates

The following updates were provided:

- A draft marketing flyer for Sandstone as a NLX maintenance facility was produced and revised. The flyer will be used to generate local and regional support for locating the facility in Sandstone. The Administrator encouraged EDA members to examine the flyer and note anything they believe would make it better. Devlin noted that he would like to see more about the economic effects that the maintenance facility would have on the local economy. The EDA discussed the emphasis being on the maintenance facility and hoping that a stop would come with it. The stops between Duluth and the cities will be limited due to the speed that NLX is trying to achieve.
- The NLX Alliance has been waiting on the “Finding of no significant impact” ruling. It has now been approved and is waiting on a desk to be signed; however, it is being delayed by the government shutdown.
- The possibility of having private railcar storage in the business park was explored. At this point all the information points to the fact that these private rails like to connect to Amtrak. It would be something to pursue when the NLX has firmed up their plans.
- The Administrator may have the opportunity to meet with a gentleman from BNSF on Friday to further investigate possibilities for the business park.
- The EDA reviewed a 4-page marketing brochure about Sandstone created by the Northspan Group. Some updates are needed. There were questions about the demographics that are noted. The housing study that the City is planning will lend better data to include in the brochure.
- Staff are monitoring potential business leads through Community Venture Network. CoCoa Company is an organic compost producing company. They look for restaurants and food producers that have organic waste that can be turned into organic fertilizer. They want to expand and develop 14 additional sites in rural areas, each of which would generate approximately 17 jobs. The facility requirements that they are looking for include level 50-acre sites that are not in flood plains, within 15 minutes of a four-lane highway and with an adequate buffer. The Sandstone business park has several of the points noted - perhaps not the farming that would serve as customers for the compost. The company is conducting a

webinar on February 6th at 11:00 a.m. Should any of the EDA members like to attend, the Administrator will have it playing in her office.

- Mora is planning an International Economic Development Conference on February 8th, from 9 a.m. - 3 p.m. The Administrator is planning to attend. Congressman Nolan or someone from his office will be the keynote speaker. There is no cost but RSVPs are appreciated as lunch is included.

ADJOURN

Motion Franklin, second Spartz to adjourn at 6:42 p.m. Motion carried 6-0.

Phillip Kester, Chair

Kathy George, Executive Director