

City of Sandstone
EDA Meeting Minutes
October 25, 2017

CALL TO ORDER: 6:01 p.m.

ROLL CALL: Kester, Spartz, Franklin, Palmer, Warner (arrived at 7:00 p.m.)

Members absent: Devlin

Staff present: Administrator George and Recording Secretary Nelson

Others present: Randy Lasky & Karl Schuettler with Northspan Group, Inc. and Jodi Isaacson, Lorien Mueller & Angie Blazek with Great Lakes Management

APPROVE AGENDA

Motion Franklin, second Palmer to approve the agenda as presented. Motion carried 4-0.

APPROVE MINUTES

Motion Palmer, second Spartz to approve the October 18, 2017 meeting minutes. Motion carried 4-0.

PUBLIC HEARING: none

CONSENT AGENDA: none

CONTINUING BUSINESS: none

NEW BUSINESS:

Amend Bylaws

Due to the change in meeting dates/times, the bylaws need to be amended.

Motion Franklin, second Spartz to amend the bylaws to change the date and time of the EDA meetings and to change the appointment of the members. Motion carried 4-0.

Great Lakes Management

Angie Blazek gave the quarterly report regarding the Wild River Senior Apartments and Townhome properties. She also reviewed the 2018 proposed budget with the council. The idea of posting apartment vacancies on the property's website was discussed. Blazek covered occupancy rates, effective revenue, expenses, operating expenses and income. The planned deck staining that was approved for 2017 will take place in the spring of 2018. The unit that was being rented out at a discounted rate is now vacant but the renter did stay past her lease end date and Great Lakes Management is pursuing the balance owed. This will probably have to be written off as a bad debt as the former tenant has no means for paying. Replacing the carpet is scheduled and the painting will be done as soon as the crew is available.

Blazek inquired as to a regular date that she could come before the EDA to give the quarterly reports. It was decided that she would come on the first month of each quarter (January, April, July, and October).

The proposed 2018 budget was discussed. Great Lakes Management is proposing a five-dollar increase in rent upon each lease end. There are a few residents that are at a discounted rate that they acquired when they first moved in. These will be trued up to market rate when the apartment is turned over to a new tenant. One of the council members asked for a report on exactly how many units are being rented at a discounted rate and how

much under the market rate they are. It was mentioned that the five-dollar increase would be a higher percentage of the smaller apartment's rent versus a larger more expensive apartment. The proposed 2018 budget is slightly less in operating expenses than the 2017 budget. The reason for this is that Great Lakes Management has been working on truing up the utility costs.

The program "Payment in Lieu of Taxes" or PILOT which the City is now participating in is not to its benefit. The administrator said that the PILOT payment is set by statute and is usually lower than a privately owned property. Both the senior housing and the townhome PILOT payments are currently higher than if the properties were privately owned, paying property taxes. The EDA can choose to go off the program. The administrator will investigate the history of the property taxes and see if it has always been this way.

Salaries, employee benefits, professional fees, repairs and maintenance were discussed. Both properties are covering their operating expenses from the rent income. The proposed capital plan was discussed which covers the garage doors, concrete and furnace replacement. The townhomes have had a great deal of work done on them in 2017. The senior building needs work on the parking lot. The senior building will need parts replaced on the elevators in the near future. Both sites will need new property signs as well as LED upgrades on the interior lights. Anything that comes out of the capital funds will need approval from the council.

The council members went over the complaints and suggestions they have received from residents and visitors. The landscape needs work on the south side of the townhomes.

Motion Franklin, second Palmer to approve the quarterly report. Motion carried 4-0.

Motion Franklin, second Spartz to approve the proposed 2018 budget with the LED lighting project moved into 2018. Motion carried 4-0.

Northspan Group – Marketing Strategies

The City entered an agreement with The Northspan Group in 2014 to market the new Business Park. Work had been suspended midway through the process. In October 2016, the work plan was revised due to the developments that had occurred over the previous 2 years. Randy Lasky and Karl Schuettler talked to the Council regarding marketing strategies for the City of Sandstone. Lasky started by talking about the history of the Northspan Group and what projects they have been involved with in Sandstone. He talked about the contract the Northspan Group has had with the City. In the past, they have been on retainer – on call. The Council talked about the buildings that have been vacated due to the businesses moving out to the business park.

The Northspan Group would like to know what projects the Council would like to see as priorities. Some of the various businesses that the City might try to attract are 24-hour daycare facility, curling facility, restaurant, hotel, arcade, furniture store, manufacturing plants, expanding the Sandstone FCI, bio logging, craft instruction, dance club, youth activities, RV campground, barber shop, optometrist, roller rink and internet café. Those that the council specifically thought important were securing the Ford dealership, a 24-hour daycare, restaurant, hotel, Cabela's discount store and a medical supply.

One of the assets that Sandstone already has is the Midwest Music Theater which attracts visitors from around the country.

Lasky mentioned that when the council considers selling a piece of property in the new business park, they may want to consider adding stipulations into the contract that insure that the intended use is in the best interests of the City, and also setting time lines for development to occur. Having a business retention conversation with Nemadji would be a good idea.

OTHER: The Administrator updated the Council on the NLX plans. Derek James from Amtrak was at today's NLX meeting. They discussed the TIGER grant. Sandstone is still in the running as a maintenance depot.

ADJOURN

Motion Palmer, second Spartz to adjourn at 8:45 . Motion carried 5-0.

Phillip Kester, Chair

Kathy George, Executive Director