

City of Sandstone
EDA Meeting Minutes
November 28, 2018

CALL TO ORDER: 6:00 p.m.

ROLL CALL: Kester, Spartz, Palmer, Devlin, LaBounty and Franklin
Members absent: None
Staff present: Administrator George and Recording Secretary Nelson
Others present: Matt Anderson

Pledge of Allegiance

APPROVE AGENDA

Motion Spartz, second Palmer to approve the agenda as presented. Motion carried 6-0.

APPROVE MINUTES

Motion Palmer, second LaBounty to approve September 26, 2018 meeting minutes. Motion carried 6-0.

PUBLIC HEARING: None

NEW BUSINESS:

EDA Vacancy

The EDA Board has a vacancy left by Brian Warner, whose term expires in December, 2018. Matt Anderson has expressed interest in serving on the EDA. If Anderson is appointed, the EDA will need to re-appoint him in January to a new 2-year term.

Motion Franklin, second Devlin to appoint Matt Anderson to the EDA. Motion carried 6-0.

Wild River Senior Apartments – Fixed Asset Capitalization Policy

Lorien Mueller was planning to attend the October EDA meeting and provide a quarterly update; however, the October meeting was canceled due to a lack of a quorum. She is unable to attend the November meeting, but asked that the EDA consider adopting a Fixed Asset Capitalization Policy that would be effective for the 2018 financial statements. The Administer recommended that the cost of the assets be changed from the proposed \$3,000 to \$3,500, which is in line with the City's current policy.

Motion Franklin, second LaBounty to approve the Fixed Asset Capitalization Policy for the Wild River properties, with the threshold set at \$3,500. Motion carried 6-0.

MN Dept. of Ag – Request for Access to Property

The MN Department of Agriculture continues their work to investigate the release of creosote and related chemicals in soil and groundwater from the Kettle River Company – Creosote Plant site. They have recently learned that the City owns parcel 45.0139.001 (the former Gordon Britton property – across from the Cemetery). They are asking that the City provide written authorization to access the property so that they can conduct investigation activities. The proposed Access Agreement would authorize MDA to perform work for a 5-year period, and may only be extended on written request from MDA. They would like to put wells in at the beginning of December.

Motion Palmer, second Spartz to approve the Access Agreement for the MN Dept. of Ag. to access parcel 45.0139.001 to test for creosote residue. Motion carried 6-0.

December Meeting Date

The December meeting date falls on December 26. The EDA discussed the necessity of a December meeting.

Motion Spartz, second Palmer that the December meeting be canceled unless business comes up that will require the EDA's attention. Motion carried 6-0.

CONTINUING BUSINESS:

Review Priorities

The EDA held a brainstorming session in October, 2017. The EDA reviewed notes from that session. A day care facility was discussed as well as the Sandstone Ford dealership. The lack of restaurants open in the evening during the Midwest Country Theater season is a problem. Having food trucks that would come in on the theater's schedule was considered. The owner of the Theater has approached the restaurants about possibly staying open later on the days the theater is having presentations. Redevelopment of The Rock was also deliberated. The EDA agreed that it needs to be a priority.

Various Updates

- Shovel Ready Status for the Business Park - The application has been submitted to DEED. They are asking for the following:
 - The Phase I ESA you provided is for a small area of the entire shovel ready site. Can you please provide a new Phase I for the entire 115 acres? Worth noting is that the provided Phase I does reveal that a LUST was identified at the Sandstone Municipal Airport, which is located on the site. I will be paying close attention to this LUST listing to ensure no contamination remains on the Property.
 - Title Commitment (2006 ALTA Commitment Form)
 - Proof of Ownership. Please provide a deed or purchase agreement.
 - The attached topographic map is missing a Property outline. Can you please add this?
 - DEED requires a Geotechnical Report covering the entire property. You did provide two documents with soil borings, however these had limited scope with borings not taken on every parcel.
 - In addition, the administrator has a few questions about the site photos that were provided.

Staff is following up on these items.

- Fiber – Staff is looking into options / costs to extend fiber throughout the Business Park. Right now, it stops at the hospital. One quote has been received, but we are pursuing others as well.

- Housing:
 - The City acquired 5 tax-forfeited properties from the County. The plan is to demolish the structures and sell the lots for in-fill development. The Fire Department may be interested in training burns at 2 of the locations. Asbestos testing has been done on all 5 properties and removal of asbestos is underway. A bid package was prepared to solicit demolition contractors. The council reviewed the bids received.

Cost on these properties so far include the following:

Property	Description	Amount
605 Park Ave.	Property Acquisition	14.73
	Asbestos Testing	625.00
	Abatement	3,193.50
		3,833.23
329 Minnesota St	Property Acquisition	14.74
	Asbestos Testing	600.00
	Abatement	3,172.00
	Tree Removal	3,786.74
1114 Birch Ave	Property Acquisition	14.74
	Asbestos Testing	600.00
	Abatement	3,172.00
		3,786.74
310 Park Ave (to be burned)	Property Acquisition	14.74
	Asbestos Testing	575.00
	Abatement	2,727.50
		3,317.24
313 Park Ave	Property Acquisition	14.74
	Asbestos Testing	575.00
	Abatement	7,517.30
	Dumpster	885.49
		8,992.53

The City advertised for bids to demolish the structures on three of these parcels: 605 Park, 329 Minnesota, and 313 Park. Bids were received as follows:

MPJ Enterprises, Sandstone MN	\$24,563.00
Jensen Backhoe, Hinckley MN	\$27,800.00
Roberts Excavating, Askov MN	\$28,680.00
A-1 Abatement, Carlton MN	\$32,664.00
David Gerard Excavating, Willow River, MN	\$45,543.00

The Administrator is proceeding with MPJ Enterprises. The structures are to be demolished and all contents and rubbish removed by January 15th. More time is allowed for foundation removal and dirt work.

- Jack Allen, AYM, has been asked to come in and sign the documents transferring the Rock property back to the City.
 - Our intern with the U of M CURA has been busy compiling the survey results from several communities that have redeveloped historic buildings. She is following up with phone interviews and plans to visit two sites in person. The goal is to have our report finished in early January. The intern, Kate Stower, plans to make a presentation to the EDA.
 - The Administrator submitted an application to Minnesota Housing Partners for Technical Assistance regarding The Rock project. The goals for assistance include helping us organize and plan the redevelopment project; identify stakeholders, partners, investors, funding sources, developers; apply for available funding; and mapping out the timeline for the project. It sounds like the request will be approved; however, the timing is not yet known.
 - The final request for reimbursement for expenses incurred on the Business Park infrastructure project, along with all of the required close-out reports/documents, has been submitted.
 - This goes hand-in-hand with working on the final figures that are to be specially assessed against the properties in the business park – this work continues, with good progress being made.
- Federal EDA Grant – Business Park Special Assessments
 - The final request for reimbursement for expenses incurred on the Business Park infrastructure project, along with all of the required close-out reports/documents, has been submitted.
 - This goes hand-in-hand with working on the final figures that are to be specially assessed against the properties in the business park – this work continues, with good progress being made.
- Industrial Park Rail Access Study – EDA Chair Kester, EDA Member Spartz and the Administrator met with Josh Cotter (SEH), Justin Pearson (BNSF) and Karl Schuettler (Northspan) on November 21st. Pearson and Schuettler attended via phone conference. BNSF is still in the process of conducting a “New Business Review” on our plans. They expect to complete this in January. Potential / likely development projects that would fit in the Industrial Park were discussed. BNSF has a “Certified Site Program”, similar to Shovel Ready, but rail focused. It would be beneficial for the City to go through that process and get on their list of Certified Sites. Pearson noted that there is a definite need in this area. The EDA was concerned about spending a great deal more money on making the industrial park “rail ready” when there is no guarantee that businesses will be interested in purchasing lots that will require rail.
 - Northern Lights Express (NLX) – EDA Chair Kester, EDA Member Spartz and the Administrator attended the November 28th meeting and updated the EDA. They are putting their strategies together now that the legislators and governor have been elected. Problems with legislative support for the project may boil down to the fact that the cities of Duluth, Minneapolis and St. Paul have not indicated that this project is a priority for their jurisdictions.

- Opportunity Zones – Proposed guidelines have been released by the US Department of Treasury. The guidelines are geared towards investors. The City’s role in the program is unclear at this point.
- Other – the 2018 Regional Profile developed by Luke Greiner, Regional Analyst for DEED, was provided.

ADJOURN

Motion Franklin, second Spartz to adjourn at 7:15 p.m. Motion carried 6-0.

Phillip Kester, Chair

Kathy George, Executive Director