

**City of Sandstone
EDA Meeting Minutes
October 23, 2019**

CALL TO ORDER: 6:00 p.m.

ROLL CALL: Kester, Spartz, Anderson, Palmer, Riley
Members absent: Gaede, LaBounty
Staff present: Executive Director George, Recording Secretary Nelson
Others present: Alanea White with the Pine County Courier

PLEDGE OF ALLEGIANCE:
Council, guests and staff recite pledge of allegiance.

APPROVE AGENDA
Motion Riley, second Palmer to approve the agenda as presented. Motion carried 5-0.

APPROVE MINUTES
Motion Palmer, second Anderson to approve the minutes of the September 25, 2019 Regular EDA Meeting. Motion carried 5-0.

PUBLIC HEARINGS / PRESENTATIONS: None

NEW BUSINESS:
The Rock: Declaratory Judgment Action
At the September meeting, the EDA decided to pursue legal options regarding the encroachment of the building onto the adjoining property owned by Manoucher Rostamkhani. The City Attorney recommends the EDA file a Complaint in District Court that includes two counts: (1) implied grant of easement and (2) mortgage reformation. The Attorney thinks a judgment from the Court could be issued within six months to a year. In the meantime, staff will work with the MN Historical Society on any required assessments of the historic building in preparation for the redevelopment project. Additionally, staff will apply for a demolition loan from DEED for the eventual demolition of the addition that faces Court Ave.

Executive Director George stated that there are basically four steps to the MN Historical Society grant process. Each step can take 9 months to a year, meaning it could be four years before the EDA would be ready to apply for a construction grant. Construction grants have no maximum; however, they are highly competitive. Palmer asked if Minnesota Housing Partners (MHP) will provide matching funds towards these grants. George stated that any funds received from grants can be applied to the EDA's commitment in the contract with MHP.

George further explained that one of the attorneys being consulted on the encroachment issue believes that the EDA can go forward with redeveloping at this time, as long as all the work is done on the portions of the buildings that are on the EDA's property. She stated that the next step towards redevelopment will be issuing a Request for Proposals for a developer.

Motion Kester, second Spartz to authorize Kennedy & Graven to file declaratory judgment and reformation actions in District Court against Manoucher Rostamkhani. Motion carried 5-0.

Former Milk Drying/Creamery Site – 45.0032.000
George reported that this property is on the County's tax-forfeit list and is being offered for sale for \$13,900. She

has been talking with an individual who is interested in purchasing the property from the County. The potential buyer has demonstrated that they are serious about the purchase and have invested in a survey of the parcel. The person would like to remain anonymous at this point. The potential buyer proposes to use the property for one of the stated permitted uses in the Zoning Ordinance.

Due to the past use of the property, it has been recommended that a Phase 1 environmental study be conducted on the site, to include soil borings. In checking with City Engineer Greg Anderson, this could cost as much as \$10,000. Another contractor has been asked for an estimate of the cost as well. The County has suggested that the EDA acquire the parcel for \$1 and then the EDA could have this testing done and sell the property to the buyer for \$13,900 to cover the cost of the environmental study. The potential buyer is asking if the EDA is willing to do this.

EDA members stated they were not in favor of spending more money on this parcel, considering the over \$200,000 they spent in demolishing the building. They would prefer to sell the property for \$3,900 and let the buyer conduct the environmental tests that may be required.

Motion Anderson, second Riley to acquire the former Milk Drying/Creamery Site 45.0032.000 for \$1.00 and then sell it to the interested party for \$3,900, with the understanding that the buyer will conduct any required environmental work. Motion carried 5-0.

CONTINUING BUSINESS:

Various Updates

- Business Retention & Expansion Visits – The EDA has enlisted the services of Karl Schuettler with the Northspan Group to conduct BR&E visits with select business owners. The following businesses have been selected to participate:
 - Sandstone 61 Motel *done*
 - Lampert Lumber *done*
 - Anderson Recycling *done*
 - Mike Johnson Construction/MPJ Rental
 - Cheri's Flower Basket *done*
 - Sandstone Health Care Center *done*
 - Amy's Restaurant *done*
 - Browns Beans & Greens *done*
 - One more – possibly Mike Maitrejean - Minnesota T's, Greenhouse Quarry, NAPA Auto Parts, Kettle River Graphics, or Methven Funeral Home
 - Arlen Krantz Ford *done*
 - Franklin's Ben Franklin *done*
 - Midwest Country Music Theater - *declined*
 - Ace Hardware *done*
 - Quality Home & Sports
 - Arrowhead Transit *done*
 - Transmissions Plus - *declined*
 - Hardwater Sports
- Update from Schuettler / The Northspan Group: They are compiling data from the BR&E visits, scheduling more visits, and corresponding with business owners regarding questions that have surfaced during the interviews. They also completed the rail use survey to businesses that could potentially benefit from use of the rail spur and are compiling results.

Schuettler attended a presentation on electric vehicle charging stations and their economic development potential. It takes time to charge the vehicles. If charging stations are located in downtowns, near restaurants or coffee shops, etc., people can visit these establishments while they wait for their cars to charge. If one was located in Sandstone, it could pull people off the freeway and into our downtown district. In the next couple of months. George added that Minnesota Power just rolled out a program to donate EV charging stations in some of the communities they serve. Applications are due November 1st. Applicants must be commercial businesses. She has distributed the information to area businesses.

- Shovel Ready Status of the Business Park: The site visit took place October 11. The EDA should have a letter

stating that the Business Park is shovel ready in the next couple of weeks.

- ATV Training/Obstacle Course: Dovetail Partners visited the site on Tuesday, October 22, at 10:30 a.m. George was joined by Park Commissioners Chasson and Franklin. Press Releases about the feasibility study are out, and comments have been coming in. Three public input sessions will be planned to take place in Moose Lake, Sandstone, and Pine City in the near future.
- George attended the First Annual Women's Business Alliance conference in Milaca on October 10, which was very well attended. Afterwards, she spoke further with Kari Rihm, owner of Rihm Family Companies – a semi truck dealership, about the Sandstone Business Park. Her truck dealership company is looking for another site to add to their current portfolio of 22 locations. George also followed up with a letter and additional information about the Business Park.
- The State has updated the County Profile for Pine County. George provided copies to EDA members and noted some of the more interesting statistics provided.
- NLX Alliance – A contingent is traveling to Washington DC and will meet with legislators and Amtrak officials on October 29. A consultant is working with the House Transportation/Finance Committee Chair on getting before that group when they visit the area, as well as the Governor's Bonding Tour. Frank Loetterle from MN DOT is coming to Sandstone to provide an update on November 4th at 2:30 p.m.
- Essentia Health Sandstone – Critical Access Hospital Yearly Evaluation – Spartz and George attended the meeting on October 10. The campus is doing well, with an increase in occupational therapy visits (21.91%), speech therapy visits (42.26%), infusion services (41.67%), urgent care visits (8.31%), sleep lab (36.36%), ultrasound (31.71%), MRI (6.3%), and mammogram (7.55%). They experienced decreases in the following services: cardiac rehab (25.14%), physical therapy (23.14%), ambulance transports (4.67%) and patient days in the swing bed – skilled nursing care (50.34%).
- George reported that the excavation phase at the former creosote plant site at 202 Highway 23 is complete for this year. The MN Dept of Ag and their consultants are conducting their annual sampling of the monitoring wells, surface waters, and potable wells October 21st through October 25th. This includes collecting samples from wells at City properties.

ADJOURN

Motion Riley, second Spartz to adjourn at 6:46 p.m. Motion carried 5-0.

Phillip Kester, President

Kathy George, Executive Director