

City of Sandstone
EDA Meeting Minutes
January 6, 2020

CALL TO ORDER: 6:00 p.m.

ROLL CALL: Kester, Spartz, Anderson, Palmer, Gaede, LaBounty

Members absent: Riley

Staff present: Executive Director George

Others present: Tyrone Grandstrand and Warren Kramer with Minnesota Housing Partners, Alaena White with the Pine County Courier

PLEDGE OF ALLEGIANCE:

Members, guests and staff recite pledge of allegiance.

EDA WORK SESSION:

The purpose of the work session was to review the proposals received from developers for the redevelopment of The Rock (the historic high school building) and to prepare for the interview of the developers which is scheduled for Friday, January 10th. Members noted appreciation for the thorough proposal from LS Black Constructors and agreed that the proposals were more of an extended resume than an actual proposal for work to be done on the building.

Tyrone Grandstrand and Warren Kramer reviewed a memo they provided with suggested questions for the interview. During discussion, Members would like to expand a little more on what the developer's ideal ownership structure would be, how they would help to keep the Library space affordable, and how they would handle the management of the rental apartments.

Kramer also explained what a Developer Fee is, which is typically 12% - 15% of the overall development cost. It is a fee that is paid to the developer at the end of the project, pending completion and compliance on various components. Historic Tax Credits were also discussed, as they are set to sunset later this year. Kramer stated that if the EDA were awarded the tax credits this year, they would be locked in. However, he suggested contacting legislators and let them know how important these tax credits are.

Scoring points on the Super RFP through Minnesota Housing Finance Agency was discussed; specifically, how points are awarded for providing homeless units. It would be worthwhile to check with the Mora HRA, the agency that holds vouchers for Pine County, to see if any vouchers are available. Another community conducted an assessment to determine how they could get more points in the process. They found that transportation was an important component. The EDA could work with Arrowhead Transit to set up a schedule that would benefit the tenants of the building.

Members discussed how the interviews will be conducted on Friday. The following schedule was determined:

1:30 – 2:00 EDA Prep Time
2:00 – 3:30 LS Black Team
3:30 – 4:00 EDA discussion
4:00 – 5:30 CHDC Team
5:30 – 6:00 EDA discussion

Each team is invited to start out with a 10-15 minute presentation, followed by questions and dialogue. Grandstrand and Kramer plan to attend as well. The interviews will be videotaped because some EDA members are not able to attend the interviews. This will give them time to watch the tapes in preparation for the regular EDA meeting on January 22nd, when the EDA will make a determination regarding which developer they would like to move forward with.

ADJOURN

Motion Anderson, second Spartz to adjourn at 7:20 p.m. Motion carried 6-0.

Phillip Kester, President

Kathy George, Executive Director