

City of Sandstone
EDA Meeting Minutes
April 22, 2020

CALL TO ORDER: 6:08 p.m.

ROLL CALL: Spartz, Anderson, Palmer, Gaede, LaBounty, Riley
Members absent: Kester
Staff present: Administrator 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 LaBounty, second Riley to approve the agenda as presented. Motion carried 6-0.

APPROVE MINUTES

Motion Spartz, second Gaede to approve the minutes from the March 25, 2020 Regular EDA Meeting and the April 1, 2020 Special EDA Meeting. Motion carried 6-0.

NEW BUSINESS:

Rostamkhani Property

Administrator George reported that couple of issues have presented themselves during the closing process as the EDA is attempting to remedy the encroachment of The Rock building on the adjoining Rostamkhani property (45.5444.000), and also purchase the second Rostamkhani property (45.5445.000).

The seller has raised concerns about removing his personal property from the garage/shed due to the COVID-19 Stay-at-Home order. In discussion back and forth, it was agreed to allow the seller 7 days after lifting or modifying the Governor's Stay at Home order to remove his items. Escrow of \$1,500 will be held by the closing agent to cover any costs the EDA incurs in removing and disposing the items, should Rostamkhani fail to do so within the allotted time. The presented Escrow and Occupancy Agreement spell out the relevant terms. In the alternative, the EDA could decide to delay the closing on the purchase until Rostamkhani has removed his items. He is also requesting a closing date of May 4, 2020.

Motion Riley, second La Bounty to approve the Escrow and Occupancy Agreement regarding the purchase of the Rostamkhani property. Motion carried 6-0.

The Title Company is requiring a modification to the Legal Descriptions of the two parcels. The First Amendment to the Purchase Agreement addresses these changes and the new closing date. **Motion LaBounty, second Spartz to approve the First Amendment to Purchase Agreement addressing the change in the legal descriptions and the closing date for the purchase of the Rostamkhani property. Motion carried 6-0.**

The Attorney has prepared a Resolution Ratifying the EDA's Approval of the Settlement Agreement and Purchase Agreement with Manoucher Rostamkhani and Approving the First Amendment to the Purchase Agreement. **Motion Riley, second Gaede to approve the Resolution ratifying the EDA's Approval of the Settlement Agreement, Purchase Agreement, and First Amendment to the Purchase Agreement for the**

purchase of the Rostamkhani property. Motion carried 6-0.

EDA Loan Committee Report

The EDA Loan Committee met via Zoom video conferencing on Friday, April 17th, to review two applications for the COVID-19 Emergency Relief Loan:

Sandstone Area Golf Course, Rose Spencer, for \$20,000
Jan & Gary's Country Dining, Gary Koland, for \$20,000

LaBounty explained the loan applications and reported that the Loan Committee recommends approval of each of the applications.

Motion Gaede, second Riley to approve the EDA Loan Committee's recommendation to provide COVID-19 Emergency Relief Loans to Sandstone Area Golf Course and Jan & Gary's Country Dining for \$20,000 each. Motion carried 6-0.

Small Business Development Center

Administrator George explained that Tom Willett is the Small Business Development Center (SBDC) consultant who represents Isanti, Mille Lacs & Pine Counties. She had previously invited him to speak at the EDA Business Breakfast; but, unfortunately, the event was cancelled due to COVID-19.

The EDA enlisted the services of The Northspan Group to conduct Business Retention & Expansion interviews with 15 of our local business owners. Their report was submitted to the EDA in December, 2019. George noted that many of the businesses are in various stages of development – just starting out, established and thriving, struggling, and up for sale. She stated that Willett has a wide array of experience in business and in helping businesses succeed – whether it's by creating business plans, marketing tips, efficiency ideas, succession planning, and other areas. Currently, if a business is looking for help, they could contact Willett and he will set up an initial consultation, typically in Cambridge. A certain level of service is provided at no cost to the business owner. Depending on the need, there may be some fees.

George reported that she has started a conversation with Willett and Greg Bergman, Regional Director for North Central MN, to see if it would be feasible for the EDA to “host” Willett in Sandstone for one day a week, or a couple days a month as a resource for area businesses to more easily access. Both Willett and Bergman are open to the concept.

George suggested that the EDA could set up office space for him, preferably not at City Hall, so that business owners feel comfortable meeting with him. There may be some expense to that. Also, the EDA could contribute to Willett's fees and/or salary through the SBDC.

There was a question regarding how his help would be marketed to area businesses. George stated that Willett would likely have to go door-to-door, introducing himself and starting the conversation/relationships. Another question was regarding whether his help would be just for businesses in the City of Sandstone or could neighboring businesses participate. George believes that if other local businesses can share in the assistance, that would be great. The consensus of the EDA was to proceed by creating a Task Force to work with George and Willett on the details, coming back to the EDA for final approval. Anderson, Gaede and LaBounty agreed to serve on the Task Force.

Electric Vehicle (EV) Charging Station

The City has been contacted by Paul Helstrom, Customer Programs Representative for Minnesota Power. They are

looking for host sites for EV Charging Stations. These are a nice amenity for communities to provide so that people with electric vehicles can stop in town and charge up their vehicles, preferably while they shop or dine in town. Originally, Minnesota Power was looking for businesses who were interested in hosting sites. Arlen Kranz Ford was interested; however, they don't have the appropriate space.

Helstrom reached out to the City because they would really like to see a site in Sandstone (half way between Minneapolis and Duluth, just off the Interstate). Minnesota Power will provide the charger and \$1,500 towards the installation. A quote has been received from Drilling Electric for installation in the amount of \$2,383. This would leave \$883 for the EDA to cover, if interested.

The suggested location is in the parking lot across the street from the History and Art Center, adjacent to Train Park. There was discussion regarding on-going costs, how the electricity is paid for, how long it takes to charge a car and how people from out of town would know about the station. The council discussed wanting to know if the City of Hinckley is charging for the electricity and how much this would cost the City on average. LaBounty looked online and discovered that Kwik Trip does not charge customers, but Tobies in Hinckley does charge. From what could be discovered, it takes about one-half hour to charge a car for 100 miles.

The consensus was that the EDA members would like additional information about putting a charging station in town including how many charging stations there are in Pine county, how much the electricity would cost the City, what other cities are doing, if it is feasible to rent City space to another business who is interested in hosting the charging station, and what it would take if the City wanted to charge drivers for the electricity.

CLOSED MEETING: Review Confidential Appraisal Data and Determine Asking Price for Real Property to be sold by the EDA.

In accordance with Minnesota Statutes 13D.05, subdivision 3(c), the EDA is allowed to close the meeting to review and discuss confidential appraisal data and determine the asking price for property the EDA is interested in selling. Last year, the EDA had determined that it was willing to sell excess property. The Planning Commission reviewed these parcels in November, 2019, and determined that there is no concern with the sale of these properties as it relates to the City's Comprehensive Plan.

The following properties will be discussed:

- Parcel 45.0039.001
- Parcel 45.0040.000
- Parcel 45.0101.013
- Parcel 45.0101.014
- Parcel 45.5639.000
- Parcel 45.5638.000

Motion Gaede, second Spartz to close the meeting at 6:52 p.m. to review confidential or protected nonpublic appraisal data and to determine the asking price for real property to be sold by the EDA. Motion carried 6-0.

Motion Spartz, second Riley to reopen the meeting to the public at 7:15 p.m. Motion carried 6-0.

It was determined to offer 45.0040.000, 45.0101.013, 45.0101.014 for sale on a sealed bid process. It was further determined to work with a local realtor to market and sell 45.5639.000 and 45.5638.000.

At the time when offers are made, the EDA will meet again in closed session to consider the offers and determine any counter-offers, if appropriate. When a price for a particular lot is agreeable to both the buyer and

the EDA, a public hearing will be held, at which time the terms and conditions of the sale would be available to the public.

CONTINUING BUSINESS:

Various Updates

- The Rock Redevelopment
 - The master “to-do/wish list” has now been compiled by The Northspan Group and a Zoom meeting took place on April 8th. Attendees included Karl Schuettler & Elissa Hansen of The Northspan Group, Heidi Rathmann & Sally Rabban of CHDC, Tyrone Grandstand of MHP, Pete Spartz & Val Palmer of The Rock subcommittee, Steve Palmer of the Planning Commission, and City Administrator Kathy George. Discussion revolved around next steps regarding the Community Development Initiative Plan that is needed to support The Rock redevelopment project. The goal is to complete the community feedback portion by the end of June. The application deadline for funding The Rock Redevelopment Project has been extended to mid-July.
 - George is looking into applying for the Strengthening Communities Grant offered by MHP to help with pre-development expenses.

- COVID-19
 - George has been trying to keep up on all of the various programs being offered to help businesses during the COVID-19 shut down. Webinars attended via Zoom include:
 - March 25: SBA Webinar – Economic Injury Disaster Loans (EIDL)
 - March 31: UofM Webinar – Economic Decision Tools
 - April 3: MHP Webinar – Federal & State Responses to COVID-19 & Housing Stability
 - April 7: EDAM Webinar – COVID-19 Stimulus and Community Response
 - April 9: ECRDC Webinar
 - April 14: EDAM Webinar – The Economic Considerations of COVID-19

- Department of Agriculture
 - Representatives will be installing some additional monitoring wells regarding the creosote clean-up efforts. One location at 910 Old Military Road and the other is in the City right-of-way located at the intersection of Minnesota Street and Old Military Road.

ADJOURN

Motion Riley, second Spartz to adjourn at 7:22 p.m. Motion carried 6-0.

Val Palmer, Vice President

Kathy George, Executive Director