

**City of Sandstone**  
**EDA Meeting Minutes**  
**May 27, 2020**

**CALL TO ORDER:** 6:00 p.m.

**ROLL CALL:** Spartz, Anderson, Palmer, Gaede, LaBounty, Riley, Rahier

Members absent: None

Staff present: Executive Director George, Recording Secretary Nelson

Others present: Alanea White with the Pine County Courier, Heidi Rathmann with CHDC, Mike Fischer with LHB, Greg Bergman with the Small Business Development Center

**PLEDGE OF ALLEGIANCE:**

EDA Members, guests and staff recite pledge of allegiance.

**APPROVE AGENDA**

**Motion LaBounty, second Riley to approve the agenda with the addition of appointing the EDA President. Motion carried 7-0.**

**APPROVE MINUTES**

**Motion Riley, second Spartz to approve the minutes of the April 22, 2020 Regular EDA Meeting and the May 13, 2020 Special EDA Meeting. Motion carried 7-0.**

**NEW BUSINESS:**

Community Garden

A contingent of Everyone's Table Board Members and community members would like to organize a community garden. They reached out to Executive Director George for possible locations in the City that could be used. They considered several possibilities, and really like the newly-acquired property by The Rock; specifically, the field that borders 7th Street and Commercial Avenue. This area is flat, mostly fenced already, has good exposure to the sun, and is located in town close to neighborhoods and apartment buildings. They are in the very early stages of discussions and would like to write for some grants for assistance. The University of MN Extension office is one possibility for funding. The group would like to know how the EDA feels about the idea. The gardens wouldn't likely be planted until next year.

The question was raised as to what the grants and other financing would be used for and whether there would be a charge to rent the plots. There will be tools needed for working in the garden and some fencing that will be needed as well as water supply. Executive Director George is checking into how much it would cost to run the water to the area. The question was raised as to whether gardening space is a need for the community. The EDA members were not opposed to the idea of a community garden but the possibility of the developers of the Rock needing the spot they are looking at could pose a problem. EDA members would like the group to spend more time looking at potential sites and they would like to hear more about the details and plans.

CHDC/The Rock - Site Control

The application for funding to Minnesota Housing Finance Agency has been pushed back to July. However, site control documents are due by June 16. A draft Purchase Agreement was provided to EDA Members. The current configuration for the project shows the three stories of the historic school will be used for housing. The library will be developed as a stand-alone structure where the elementary addition is currently located. The gym/auditorium space would be used for the Old School Art Center and the Sandstone History and Art Center, with space for events as well.

Vice President Palmer voiced the concern that the development of The Rock is going in a direction that was not what the EDA and community was expecting, especially in regards to the library and arts center. Rathmann addressed these concerns. She explained that with the deadlines regarding the housing applications, the process hasn't been typical or comfortable for her as well. Due to funding arrangements, the housing portion of the building has to be completely

isolated from other property uses - both physically and ownership. The design challenges are more difficult in an historic building as well. The mechanical systems would be different between the housing and civic use portions of the building.

Fischer spoke to his role in the project. He reviewed the results of the original Library formation meetings that took place back in 2012. Good lighting, meeting rooms, parking, clear entrance, loading access and accessibility were all important. The old elementary building is basically a steel shell. It could meet all the requirements. He envisioned a campus concept for the apartments, the library, and the history/art spaces. There are concerns that if the concentration is on the housing, the library may not get built.

The EDA discussed the North Court apartments. The owner is trying to opt out of the HUD Section 8 program and is looking to sell the property. Rathmann explained that Minnesota Housing Finance Agency wants to preserve these buildings and Section 8 vouchers. With that in mind, CHDC has looked into acquiring the property. This might involve needing to move some of the residents elsewhere. Palmer was uncomfortable with the displacement of people in the North Court apartments.

The question was asked as to what funding Rathmann is working on and would it include the library. There are some site related funding sources such as DEED Demolition funds and environmental remediation. Rathmann is not familiar with funding sources for library or art center uses, only for housing. She clarified that the construction portion of the Library and Art Center would not be handled by CHDC. The housing project can be used to leverage sources for the rest of the development.

Questions were raised about the ownership of the property. In the end, CHDC would own only the housing portion.

Rathmann explained that the Purchase Agreement outlines is the ability for CHDC to secure site control which is a funding application requirement. The requirement is due in mid-June with the remainder of the application due in July. No ownership changes hands at this time; only if the project is awarded funding. The Purchase Agreement ties the site up so if the housing project is funded, CHDC can purchase the building.

EDA Members expressed their support for the campus concept that was explained by Fischer, with apartments in the historic building, a stand-alone structure for the Library where the elementary addition is, and the gym/auditorium used for the history/art/event spaces.

Discussion turned to transitional, high priority homeless units. Rathmann explained that the application to MHFA for funding is a highly competitive process. Points are awarded if a project includes at least 4 units for high priority homeless, which is families. She stated that it would work better for these units to be in The Rock, rather than in North Court Apartments, due to the ability to acquire housing supports for these four units. After discussion, each EDA member indicated that they are comfortable with having 4 high priority, transitional, homeless set asides in The Rock.

**Motion Anderson, second Gaede to approve the Purchase Agreement with Community Housing Development Corporation for the historic portion of The Rock building. Motion carried 7-0.**

#### **CONTINUING BUSINESS:**

##### Small Business Development Center

At the April 22 EDA meeting, the EDA discussed the possibility of hosting Tom Willett, the SBDC consultant who represents Isanti, Mille Lacs & Pine Counties. Hosting would consist of providing office space and various supports to Tom so that he could have a presence in Sandstone once or twice a month.

EDA members expressed interest in this arrangement and decided that the next step would be to set up a Zoom meeting with Greg Bergman, the SBDC Regional Director, and Willett, to discuss the details. EDA Members Gaede, LaBounty, and Anderson agreed to participate in the meeting, which took place on May 5.

Bergman provided an overview of the SBDC, which is funded by the Small Business Administration (SBA) and administered through the MN Department of Employment and Economic Development (DEED). He reviewed the services the SBDC is able to provide to businesses.

Willett works as an independent contractor. He focuses on general business start-ups, business planning, marketing, cash flow management, access to financing/loan packaging, and other aspects of business operation such as record keeping. Bergman stated that the SBDC is open to an arrangement with the EDA. The group thought twice a month would be good. Some of the anticipated expenses the EDA might incur include:

- Mileage for Willett (coming from Cambridge)
- 40% of Willett's time; approximately \$480/month
- Office space of \$75 per day

The group also discussed how to get the word out. Willett plans to attend the June 10<sup>th</sup> Chamber Meeting. Once a schedule is determined, information can be shared with the newspaper, on social media, local banks.

The question was asked as to whether it would be a good idea to ask the Chamber of Commerce to partner with the EDA in this endeavor. Bergman believes that it will be important that the Chamber help with promotion.

**Motion LaBounty, second Riley to move forward with bringing Tom Willett of the Small Business Development Center to Sandstone twice a month. Motion carried 7-0.**

#### EV Charging Stations

At the April 22<sup>nd</sup> EDA meeting, the EDA discussed the possibility of hosting an EV Charging Station. 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. The EDA discussed this possibility and asked Executive Director George to follow up on several questions:

- How much does it cost to run the station?
- What do other hosts do – charge users or not?
- How many stops are in Pine County?

These questions were posed to Paul Helstrom, MP Customer Programs Representative. George also reached out to Moose Lake to talk about their experience. One of the EDA Members stated that he went by the local charging stations in Hinckley, Moose Lake, and Sturgeon Lake several times and has yet to see anyone use them. George stated that Moose Lake thought they would get 100 cars a month, but they are only getting about 5. After further discussion, consensus of the EDA was to pass on the opportunity for now and reconsider something like this if the demand increases.

#### Various Updates provided by Executive Director George

- The Rock Redevelopment
  - Closing of the two Rostamkhani parcels took place on May 4th.
  - Community Development Initiative Narrative (CDIN). Northspan has consolidated the list of all of the recommendations/potential community actions from the various community input sessions and processes that have occurred over the last several years. They are putting together a short survey to start the conversation. When ready, a link to the survey will be e-mailed out, placed on social media, announced in the newspaper, and shared widely. Participants will be asked to join two virtual, 90-minute priority setting sessions; one on June 11th and one on June 18th. If respondents to the survey are hesitant about attending a virtual session, other arrangements can be made depending on the number of individuals involved. Northspan will then provide a summary, followed by a draft CDIN. After feedback is provided, a final CDIN will be completed by

June 26th.

- An application has been submitted for the Strengthening Communities Grant offered by MHP to help with pre-development expenses. If awarded, the grant will cover up to \$10,000 in expenses, with the EDA covering \$10,000. Items included for funding include Northspan's fee to facilitate the community engagement-priority setting session (\$5,600), work to update the National Register Nomination to include the auditorium addition (\$10,000), survey (\$1,500), appraisal (\$5,000). We are waiting to hear from MHP.
- Properties for Sale
  - The 3 lots south of Grouse have been advertised. Bids are due by 4:00 p.m. on May 29th. There has been quite a bit of interest shown. Two bids have been submitted. Others are expected.
  - The 2 lots north of Grouse have been listed with Pam Lewis. Interest has been shown on these as well, but no offers yet.
  - Closing on the sale of the Airport lot to Aaron Peterson Trucking took place on May 13th.
- NLX – George attended a Technical Advisory Committee meeting Wednesday at 1:00 and provided a report at the EDA meeting. Basically, the group is frustrated that their projects are not being funded by the State.
- Pine County Profile – has been updated March 20, 2020 and was provided to EDA members.

#### **OTHER**

##### Appointing President of EDA

Sadly, EDA President Phil Kester passed away unexpectedly on April 20<sup>th</sup>. EDA Members discussed the vacant President spot.

**Motion Spartz, second Palmer to nominate Kris LaBounty to serve as President of the EDA.** Executive Director George called for any other nominations, three times. No additional nominations were received. **Motion carried 7-0.**

#### **ADJOURN**

**Motion Riley, second LaBounty to adjourn at 8:10 p.m. Motion carried 7-0.**

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Kris LaBounty, President

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Kathy George, Executive Director