

City of Sandstone
EDA Meeting Minutes
July 13, 2020 at 5:00 p.m.

This meeting took place in-person and via Zoom Video Conferencing

CALL TO ORDER: Vice President Palmer called the meeting to order at 5:03 p.m.

ROLL CALL: Spartz, Palmer, Riley, Rahier
Members absent: Anderson, LaBounty, Gaede
Staff present: Executive Director George
Others present: None

Pledge of Allegiance

All present recited the Pledge of Allegiance.

Additional Support for The Rock Project

The EDA has been working with CHDC on the redevelopment plan of The Rock. CHDC has been working diligently to put together the funding application that must be turned in to Minnesota Housing Finance Agency by July 16th.

In looking through the application worksheet, Executive Director George noticed that one of the categories for points awarded is “Other Contributions”. This is calculated by taking the total “other” contributions (such as the donation of the land and building, TIF commitments, cash, etc.) and dividing it by the total development cost to come up with a percentage of Other Funds committed to the project. For our project, we are currently at the 2-point level. George stated that we could increase our points to 4-points (gaining 2 points) if we increase the “Other Contributions” number. She explained that one way we could do that is by agreeing to waive the building permit fees, SAC/WAC, trunk fees, CUP application fee, and other miscellaneous fees. According to our Building Official, the total of all these fees based on a project cost of \$12,794,751 would be \$182,883.08.

George further explained that this amount doesn’t quite get us to the next level to gain the additional 2 points. About \$35,000 in cash would also be needed. She stated that typically, when the time comes for the project to pull a building permit, the City would likely be open to discussion regarding reducing or waiving the fees, especially on a project like this where the City has been intimately involved. If the City agreed to waive these fees now, the additional points could be the deciding factor of whether or not the project is funded. This application process is extremely competitive – every point matters.

George stated that it is the City Council who would make a determination about the building permit and related fees. But, it is the EDA who would make a determination about the additional \$35,000 cash commitment.

EDA members noted concerns for waiving fees to the tune of \$182,000-plus, which is a lot of money that would benefit the City’s General Fund. They also noted concern for contributing more cash to this project when they will be looking for ways to fund the Library, History and Art civic spaces. However, the consensus was that the EDA is committed to seeing this project through.

After discussion, a motion was made by Spartz, second by Rahier, for the EDA to pledge \$35,000 in cash towards The Rock redevelopment project. Motion carried 4-0.

EDA members, who are also Council Members, stated that they are in agreement with waiving the building permit and associated fees for the project as well. Final ratification of this issue will take place at the July 15th Council Meeting.

Closed Session

Motion by Riley, second by Spartz, to close the EDA meeting at 5:20 p.m. for the purpose of discussing offers for real property in accordance with Minnesota Statutes 13D.05, subdivision 3(c). Motion carried 4-0. The meeting was recorded.

The following properties were discussed:

Parcel 45.5639.000

Parcel 45.5638.000

Following discussion, motion by Riley, second by Spartz, to re-open the meeting at 5:50 p.m. Motion carried 4-0.

ADJOURN

Motion Riley, second Rahier to adjourn at 5:50 p.m. Motion carried 4-0.

Valerie Palmer, Vice-President

Kathy George, Executive Director